

JOURNAL
OF THE
SENATE

STATE OF MINNESOTA

SEVENTY-FIFTH LEGISLATURE

1987

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Introduction

The 1987 Session of the Seventy-Fifth Legislature began a four year term for Minnesota's 67 Senators. The political makeup was 47 DFL-ers and 20 Independent Republicans.

Senator Roger D. Moe, Erskine, was re-elected Senate Majority Leader and Chair of the Committee on Rules and Administration.

Senator Duane D. Benson, Lanesboro, was elected Senate Minority Leader.

Senator Jerome M. Hughes, Maplewood, was re-elected President of the Senate.

Senator Gerald L. Willet, (DFL), District 4, Park Rapids, resigned his Senate seat, and Governor Rudy Perpich called a special election for November 3, 1987. Bob Decker, (IR), Bemidji, was elected to serve out the remainder of Senator Willet's term, and was sworn in November 16, 1987.

A Special Session was called by Governor Rudy Perpich for June 25, 1987, and lasted one day.

Members of the Senate

Adkins, Betty A. (DFL)*
 Anderson, Don (IR)**
 Beckman, Tracy L. (DFL)
 Belanger, William V, Jr. (IR)
 Benson, Duane D. (IR)
 Berg, Charles A. (DFL)
 Berglin, Linda (DFL)
 Bernhagen, John (IR)
 Bertram, Joe, Sr. (DFL)
 Brandl, John E. (DFL)
 Brataas, Nancy (IR)
 Chmielewski, Florian (DFL)
 Cohen, Richard J. (DFL)
 Dahl, Gregory L. (DFL)
 Davis, Charles R. (DFL)
 DeCramer, Gary M. (DFL)
 Dicklich, Ronald R. (DFL)
 Diessner, A. W. "Bill" (DFL)
 Frank, Don (DFL)
 Frederick, Mel (IR)
 Frederickson, David J. (DFL)
 Frederickson, Dennis R. (IR)
 Freeman, Michael O. (DFL)
 Gustafson, Jim (IR)
 Hughes, Jerome M. (DFL)
 Johnson, Dean E. (IR)
 Johnson, Douglas J. (DFL)
 Jude, Tad (DFL)
 Knaak, Fritz (IR)
 Knutson, Howard A. (IR)
 Kroening, Carl W. (DFL)
 Laidig, Gary W. (IR)
 Langseth, Keith (DFL)
 Lantry, Marilyn M. (DFL)

Larson, Cal (IR)
 Lessard, Bob (DFL)
 Luther, William P. (DFL)
 Marty, John J. (DFL)
 McQuaid, Phyllis W. (IR)
 Mehrkens, Lyle G. (IR)
 Merriam, Gene (DFL)
 Metzen, James (DFL)
 Moe, Donald M. (DFL)
 Moe, Roger D. (DFL)
 Morse, Steven (DFL)
 Novak, Steven G. (DFL)
 Olson, Gen (IR)
 Pehler, James C. (DFL)
 Peterson, Donna C. (DFL)
 Peterson, Randolph W. (DFL)
 Piper, Pat. (DFL)
 Pogemiller, Lawrence J. (DFL)
 Purfeerst, Clarence M. (DFL)
 Ramstad, Jim (IR)
 Reichgott, Ember D. (DFL)
 Renneke, Earl W. (IR)
 Samuelson, Don (DFL)
 Schmitz, Robert J. (DFL)
 Solon, Sam G. (DFL)
 Spear, Allan H. (DFL)
 Storm, Donald A. (IR)
 Stumpf, LeRoy A. (DFL)
 Taylor, Glen (IR)
 Vickerman, Jim M. (DFL)
 Waldorf, Gene (DFL)
 Wegscheid, Darril (DFL)
 Willet, Gerald L. (DFL)

*DFL—Democratic-Farmer-Labor

**IR—Independent Republican

Senate Leaders

Roger D. Moe	Majority Leader
William P. Luther	Assistant Majority Leader
Ronald R. Dicklich	Majority Whip
Michael O. Freeman	Majority Whip
Steven G. Novak	Majority Whip
Donna C. Peterson	Majority Whip
Duane D. Benson	Minority Leader
John Bernhagen	Assistant Minority Leader
Mel Frederick	Assistant Minority Leader/Minority Whip
Dean E. Johnson	Assistant Minority Leader
Phyllis W. McQuaid	Assistant Minority Leader
Donald A. Storm	Assistant Minority Leader

Officers of the Senate

Jerome M. Hughes President of the Senate
Patrick E. Flahaven Secretary of the Senate
Janine Mattson First Assistant Secretary
Patrice Dworak Second Assistant Secretary
Catherine E. Morrison Engrossing Secretary
Sven K. Lindquist Sergeant of Arms
Ralph C. Graham Assistant Sergeant of Arms
Rev. Philip J. Weiter Chaplain

Desk Assistants to the Secretary of the Senate:

Colleen J. Barry Third Assistant Secretary
Tony Kwilas Desk Assistant

STATE OF MINNESOTA

Journal of the Senate

SEVENTY-FIFTH LEGISLATURE

FIRST DAY

St. Paul, Minnesota, Tuesday, January 6, 1987

This being the day designated by the Constitution and Laws of the State of Minnesota for the assembling of the Legislature, the members of the Senate met in the Senate Chamber of the Capitol and were called to order at 12 o'clock noon by the Lieutenant Governor, Marlene Johnson.

Prayer was offered by Rev. Philip Weiler.

The Lieutenant Governor then appointed Mr. Donald M. Moe as Clerk Pro Tem.

The Clerk Pro Tem called the roll by legislative districts in numerical order, and the following Senators-elect answered to their names and presented proof of their eligibility to be seated as members of the Senate.

First District	LeRoy A. Stumpf
Second District	Roger D. Moe
Third District	Bob Lessard
Fourth District	Gerald L. Willet
Fifth District	Ronald R. Dicklich
Sixth District	Douglas J. Johnson
Seventh District	Sam G. Solon
Eighth District	Jim Gustafson
Ninth District	Keith Langseth
Tenth District	Cal Larson
Eleventh District	Charles A. Berg
Twelfth District	Don Anderson
Thirteenth District	Don Samuelson
Fourteenth District	Florian Chmielewski
Fifteenth District	Dean E. Johnson
Sixteenth District	Joe Bertram, Sr.
Seventeenth District	James C. Pehler
Eighteenth District	Charles R. Davis
Nineteenth District	Randolph W. Peterson
Twentieth District	David J. Frederickson
Twenty-first District	John Bernhagen
Twenty-second District	Betty A. Adkins
Twenty-third District	Dennis R. Frederickson
Twenty-fourth District	Glen Taylor
Twenty-fifth District	Clarence M. Purfeerst
Twenty-sixth District	Lyle G. Mehrkens
Twenty-seventh District	Gary M. DeCramer

Twenty-eighth District	Jim M. Vickerman
Twenty-ninth District	Tracy L. Beckman
Thirtieth District	Mel Frederick
Thirty-first District	Pat Piper
Thirty-second District	Duane D. Benson
Thirty-third District	Nancy Brataas
Thirty-fourth District	Steven Morse
Thirty-fifth District	Earl W. Renneke
Thirty-sixth District	Robert J. Schmitz
Thirty-seventh District	Darril Wegscheid
Thirty-eighth District	Howard A. Knutson
Thirty-ninth District	James P. Metzén
Fortieth District	Michael O. Freeman
Forty-first District	William V. Belanger, Jr.
Forty-second District	Donald A. Storm
Forty-third District	Gen Olson
Forty-fourth District	Phyllis W. McQuaid
Forty-fifth District	Jim Ramstad
Forty-sixth District	Ember D. Reichgott
Forty-seventh District	William P. Luther
Forty-eighth District	Tad Jude
Forty-ninth District	Gene Merriam
Fiftieth District	Gregory L. Dahl
Fifty-first District	Don Frank
Fifty-second District	Steven G. Novak
Fifty-third District	Fritz Knaak
Fifty-fourth District	Jerome M. Hughes
Fifty-fifth District	Gary W. Laidig
Fifty-sixth District	A. W. "Bill" Diessner
Fifty-seventh District	Carl W. Kroening
Fifty-eighth District	Lawrence J. Pogemiller
Fifty-ninth District	Allan H. Spear
Sixtieth District	Linda Berglin
Sixty-first District	Donna C. Peterson
Sixty-second District	John E. Brandl
Sixty-third District	John J. Marty
Sixty-fourth District	Richard Cohen
Sixty-fifth District	Donald M. Moe
Sixty-sixth District	Gene Waldorf
Sixty-seventh District	Marilyn M. Lantry

OATH OF OFFICE

The Senators in a body then subscribed to the oath of office as administered by the Honorable Douglas K. Amdahl, Chief Justice of the Supreme Court.

ELECTION OF PRESIDENT

Mr. Chmielewski nominated Mr. Jerome M. Hughes for President.

The roll was called. The following Senators voted for Mr. Jerome M. Hughes:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R. D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

Mr. Jerome M. Hughes received 67 votes of the members of the Senate and was duly elected President of the Senate.

OATH OF OFFICE

Mr. Jerome M. Hughes subscribed to the oath of office as administered by the Honorable Douglas K. Amdahl.

Mr. Jerome M. Hughes then briefly addressed the Senate in accepting the office of President.

ELECTION OF OFFICERS

Mr. Moe, R.D. nominated Mr. Patrick E. Flahaven for Secretary of the Senate.

The roll was called. The following Senators voted for Mr. Patrick E. Flahaven:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

Mr. Patrick E. Flahaven received 67 votes of the members of the Senate and was duly elected Secretary of the Senate.

OATH OF OFFICE

The Secretary of the Senate advanced to the Bar of the Senate and subscribed to the oath of office as administered by the President.

ELECTION OF OFFICERS-CONTINUED

Mr. Moe, R.D. moved that the election of other elective officers be made on one roll call unless there should be more than one nomination for any office. The motion prevailed.

Mr. Purfeerst nominated Janine Mattson for First Assistant Secretary.

Mr. Willet nominated Patrice Dworak for Second Assistant Secretary.

Mr. Solon nominated Catherine Morrison for Engrossing Secretary.

Mr. Spear nominated Sven Lindquist for Sergeant at Arms.

Mr. Merriam nominated Ralph Graham for Assistant Sergeant at Arms.

Mr. Moe, R.D. nominated Rev. Philip Weiler for Chaplain.

The roll was called. The following Senators voted for the nominees:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The above nominees, having received the majority vote of all members voting, were declared duly elected to their respective offices.

OATH OF OFFICE

The First Assistant Secretary, the Second Assistant Secretary, the Engrossing Secretary, the Sergeant at Arms, the Assistant Sergeant at Arms and the Chaplain advanced to the Bar of the Senate and subscribed to the oath of office as administered by the President.

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. introduced—

Senate Resolution No. 1: A Senate resolution naming a Majority Leader and a Minority Leader.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Senate Majority Leader is Roger D. Moe. The Senate Minority Leader is Duane D. Benson.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 2: A Senate resolution relating to rules; adopting temporary rules for the 75th session of the Legislature.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The permanent rules of the Senate for the 74th session of the Legislature are adopted as the temporary rules of the 75th session, to be effective until the adoption of permanent rules by a majority vote of the Senate, subject to the following conditions:

A resolution or other question before the Senate may be brought to a

vote at any time by a majority vote of the members present. A bill may not be introduced on the first day.

The rules referred to above are amended as follows:

57. The standing committees of the Senate are as follows:

~~Agriculture and Natural Resources~~ *Agriculture*

~~Economic Development and Commerce~~ *Commerce*

~~Economic Development and Housing~~

Education

Elections and Ethics

Employment

~~Energy and Housing~~ *Environment and Natural Resources*

Finance

~~General Legislation and Public Gaming~~

Governmental Operations

Health and Human Services

Judiciary

Local and Urban Government

~~Public Utilities and State Regulated Industries~~ *Public Utilities and Energy*

Rules and Administration

Taxes and Tax Laws

Transportation

~~Veterans and General Legislation~~ *Veterans*

The Committee on Rules and Administration may constitute a standing Subcommittee on Engrossing and Enrolling, the report of which within its jurisdiction has the effect of a report of the main Committee on Rules and Administration, and the reference under Rule 49 is made directly to this subcommittee.

The Committee on Rules and Administration may constitute a standing Subcommittee on Bill Scheduling, the report of which within its jurisdiction has the effect of a report of the main Committee on Rules and Administration. The subcommittee shall consist of six members, two of whom shall be members of the minority group.

The Committee on Rules and Administration may constitute a standing Subcommittee on Committees, the report of which within its jurisdiction has the effect of a report of the main Committee on Rules and Administration. The subcommittee shall consist of five members, one of whom shall be a member of the minority group.

Each standing committee of the Senate, including a subcommittee of the committee, is authorized at any time to sit and act, to investigate and take testimony on any matter within its jurisdiction, to report hearings held by it, and to make expenditures as authorized from time to time by the standing Committee on Rules and Administration. A standing committee, but not a subcommittee, may require by subpoena or otherwise the attendance and

testimony of witnesses and the production of correspondence, books, papers, and documents, in the manner provided by Minnesota Statutes, Section 3.153.

Mr. Moe, R.D. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R. D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 1: A Senate concurrent resolution relating to the adoption of temporary joint rules.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

The Joint Rules of the Senate and the House of Representatives for the 74th session are adopted as the temporary joint rules of the 75th session, to be effective until the adoption of Permanent Joint Rules by the Senate and the House of Representatives.

Mr. Moe, R.D. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R. D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 3: A Senate resolution relating to standing committees.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The standing committees of the Senate for the 75th session have the membership shown in this resolution.

COMMITTEE ON AGRICULTURE (15)

Davis, Chair	Frederickson, D.R.
Frederickson, D.J., Vice Chair	Freeman
Anderson	Larson
Beckman	Morse
Berg	Renneke
Bertram	Stumpf
Brandl	Vickerman
DeCramer	

COMMITTEE ON COMMERCE (18)

Solon, Chair	Kroening
Metzen, Vice Chair	Luther
Adkins	McQuaid
Anderson	Peterson, D.C.
Belanger	Purfeerst
Cohen	Samuelson
Dahl	Spear
Frederick	Taylor
Freeman	Wegscheid

COMMITTEE ON ECONOMIC DEVELOPMENT AND HOUSING (12)

Frank, Chair	Gustafson
Beckman, Vice Chair	Knaak
Bernhagen	Kroening
Cohen	Morse
Dahl	Reichgott
Dicklich	Storm

COMMITTEE ON EDUCATION (21)

Pehler, Chair	Larson
Reichgott, Vice Chair	Mehrrens
Beckman	Morse
Dahl	Olson
DeCramer	Peterson, D.C.
Dicklich	Peterson, R.W.
Frederickson, D.J.	Pogemiller
Hughes	Ramstad
Knaak	Stumpf
Knutson	Wegscheid
Langseth	

COMMITTEE ON ELECTIONS AND ETHICS (11)

Hughes, Chair	McQuaid
Morse, Vice Chair	Moe, R.D.
Johnson, D.E.	Peterson, D.C.

Johnson, D.J.
Laidig
Luther

Samuelson
Willet

COMMITTEE ON EMPLOYMENT (11)

Chmielewski, Chair
Piper, Vice Chair
Adkins
Beckman
Brataas
Diessner

Frank
Gustafson
Kroening
Pehler
Ramstad

COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES (18)

Willet, Chair
Dahl, Vice Chair
Berg
Bernhagen
Davis
Frederickson, D.R.
Knaak
Laidig
Larson

Lessard
Marty
Merriam
Morse
Novak
Olson
Peterson, R.W.
Stumpf
Wegscheid

COMMITTEE ON FINANCE (28)

Merriam, Chair
Freeman, Vice Chair
Brataas
Dahl
DeCramer
Dicklich
Frederickson, D.R.
Hughes
Johnson, D.E.
Knutson
Kroening
Langseth
Lantry
Lessard

Luther
Mehrkens
Metzen
Moe, D.M.
Piper
Purfeerst
Ramstad
Renneke
Samuelson
Solon
Spear
Taylor
Waldorf
Willet

COMMITTEE ON GENERAL LEGISLATION
AND PUBLIC GAMING (10)

Lessard, Chair
Berg, Vice Chair
Bertram
Davis
Diessner

Frederickson, D.R.
Johnson, D.E.
Lantry
McQuaid
Samuelson

COMMITTEE ON GOVERNMENTAL OPERATIONS (11)

Moe, D.M., Chair
Wegscheid, Vice Chair
Frederickson, D.J.
Frederickson, D.R.
Freeman
Jude

Marty
Pogemiller
Renneke
Taylor
Waldorf

COMMITTEE ON HEALTH AND HUMAN SERVICES (15)

Berglin, Chair	Diessner
Vickerman, Vice Chair	Knutson
Adkins	Lantry
Anderson	Piper
Benson	Solon
Brandl	Storm
Brataas	Waldorf
Chmielewski	

COMMITTEE ON JUDICIARY (17)

Spear, Chair	Merriam
Cohen, Vice Chair	Moe, D.M.
Belanger	Peterson, D.C.
Berglin	Peterson, R.W.
Jude	Pogemiller
Knaak	Ramstad
Laidig	Reichgott
Luther	Storm
Marty	

COMMITTEE ON LOCAL AND URBAN GOVERNMENT (10)

Schmitz, Chair	Metzen
Adkins, Vice Chair	Olson
Bertram	Renneke
Frederickson, D.J.	Vickerman
McQuaid	Wegscheid

COMMITTEE ON PUBLIC UTILITIES AND ENERGY (13)

Dicklich, Chair	Jude
Marty, Vice Chair	Novak
Brandl	Olson
Frank	Piper
Gustafson	Storm
Johnson, D.E.	Waldorf
Johnson, D.J.	

COMITTEE ON RULES AND ADMINISTRATION (30)

Moe, R.D., Chair	Knutson
Luther, Vice Chair	Laidig
Belanger	Lessard
Benson	Merriam
Berglin	Moe, D.M.
Bernhagen	Novak
Bertram	Pehler
Chmielewski	Peterson, R.W.
Davis	Purfeerst
Dicklich	Renneke
Frank	Schmitz
Frederick	Solon
Hughes	Spear
Johnson, D.E.	Taylor
Johnson, D.J.	Willet

COMMITTEE ON TAXES AND TAX LAWS (26)

Johnson, D.J., Chair	Frank
Brandl, Vice Chair	Frederick
Anderson	Gustafson
Belanger	Jude
Benson	Laidig
Berg	Novak
Berglin	Pehler
Bernhagen	Peterson, D.C.
Bertram	Peterson, R.W.
Chmielewski	Pogemiller
Cohen	Reichgott
Davis	Schmitz
Diessner	Stumpf

COMMITTEE ON TRANSPORTATION (12)

Purfeerst, Chair	McQuaid
DeCramer, Vice Chair	Mehrkens
Bernhagen	Metzen
Frederick	Novak
Langseth	Schmitz
Lantry	Vickerman

COMMITTEE ON VETERANS (9)

Bertram, Chair	Larson
Diessner, Vice Chair	Lessard
Beckman	Mehrkens
Laidig	Schmitz
Langseth	

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 4: A Senate resolution relating to the schedule of standing committee meetings.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The standing committees shall meet during the 75th Legislature according to the following schedule:

SENATE COMMITTEE SCHEDULE

COMMITTEE	CHAIR	Off. Room No.	Dir. Line No.	Hear. Room No.	Hour
MONDAY					
Education	Pehler	9	296-4185	15	8-10 A.M.
Agriculture	Davis	24	7405	112	10-12 Noon
Judiciary	Spear	27	4191	15	10-12 Noon
Local and Urban Government	Schmitz	235	4150	107	Noon-2 P.M.
Economic Development and Housing	Frank	10	8864	15	Noon-2 P.M.
Floor Session			Senate Chamber		2-3 P.M.
Education Aids Division	Peterson, R.W.	9	8018	15	3-5 P.M.

TUESDAY

Governmental Operations	Moe, D.M.	309	4175	15	8-10 A.M.
Transportation	Purfeerst	303	4186	112	8-10 A.M.
Employment	Chmielewski	325	8865	107	8-10 A.M.
Commerce	Solon	303	4158	112	10-12 Noon
Public Utilities and Energy	Dicklich	235	1767	15	10-12 Noon
Veterans	Bertram	323	1771	107	10-12 Noon
Health and Human Services	Berglin	29	4151	15	1-3 P.M.
Environment and Natural Resources	Willet	111	1113	112	1-3 P.M.
Taxes and Tax Laws	Johnson, D.J.	205	4839	15	3-5 P.M.
Finance	Merriam	122	4157	123	3-5 P.M.

WEDNESDAY

Education	Pehler	9	4185	15	8-10 A.M.
General Legislation and Public Gaming	Lessard	328	1388	107	8-10 A.M.
Agriculture	Davis	24	7405	112	10-12 Noon
Judiciary	Spear	27	4191	15	10-12 Noon
Elections and Ethics	Hughes	328	8866	107	11:30-1 P.M.
Health and Human Services	Berglin	29	4151	15	1-3 P.M.
Environment and Natural Resources	Willet	111	1113	112	1-3 P.M.
Taxes and Tax Laws	Johnson, D.J.	205	4839	15	3-5 P.M.
Finance	Merriam	122	4157	123	3-5 P.M.

THURSDAY

Governmental Operations	Moe, D.M.	309	4175	15	8-10 A.M.
Transportation	Purfeerst	303	4186	112	8-10 A.M.
Employment	Chmielewski	325	8865	107	8-10 A.M.
Commerce	Solon	303	4158	112	10-12 Noon
Public Utilities and Energy	Dicklich	235	1767	15	10-12 Noon
Veterans	Bertram	323	1771	107	10-12 Noon
Local and Urban Government	Schmitz	235	4150	107	Noon-2 P.M.
Economic Development and Housing	Frank	10	8864	15	Noon-2 P.M.
Floor Session			Senate Chamber		2-3 P.M.
Education Aids Division	Peterson, R.W.	9	8018	15	3-5 P.M.

FRIDAY

Education	Pehler	9	4185	15	8-10 A.M.
General Legislation and Public Gaming	Lessard	328	1388	107	8-10 A.M.
Judiciary	Spear	27	4191	15	10-12 Noon
Health and Human Services	Berglin	29	4151	15	1-3 P.M.
Environment and Natural Resources	Willet	111	1113	112	1-3 P.M.
Taxes and Tax Laws	Johnson, D.J.	205	4839	15	3-5 P.M.
Finance	Merriam	122	4157	123	3-5 P.M.

ON CALL

Rules and Administration	Moe, R.D.	208	4196	15	
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Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 5: A Senate resolution relating to postage.

BE IT RESOLVED, by the Senate of the State of Minnesota:

For the 1987 session of the 75th Legislature, the Secretary of the Senate may purchase postage to furnish each member of the Senate 3,500 stamps. Each member named as chair of a standing committee in the Senate resolution designating committee assignments may be furnished with an additional 1,000 stamps for the necessary business of the committee.

An additional postage allowance of 1,000 stamps is authorized for the Senate Minority Leader; five other members of the minority designated by the Senate Minority Leader; and five members of the majority designated by the Senate Majority Leader.

Each member of the Senate shall receipt to the Secretary of the Senate for the postage received.

Mr. Moe, R.D. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R. D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 2: A Senate concurrent resolution relating to parking space on the Capitol grounds, Capitol Approach and Aurora Avenue for members of the Legislature and staff.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

The custodian of the Capitol shall reserve all parking space necessary on the Capitol grounds, Capitol Approach and Aurora Avenue for the use of the members and staff of the Legislature for the 75th session of the Legislature, allowing reasonable space for parking to the general public having business at the Capitol. The Committee on Rules and Administration of the Senate and the Committee on Rules and Legislative Administration of the House of Representatives may designate necessary personnel to assist the custodian of the Capitol in this matter.

The Secretary of the Senate and the Chief Clerk of the House of Representatives may deduct from the check of any legislator or legislative

employee in each year of the 75th session of the Legislature a sum adequate to cover the exercise of the parking privilege defined in this resolution in conformity with the practice of the Department of Administration.

Mr. Moe, R.D. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R. D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 6: A Senate resolution relating to the attendance of members of standing committees at meetings and seminars; providing for the payment of expenses.

BE IT RESOLVED, by the Senate of the State of Minnesota:

Members of a standing committee or subcommittee of the Senate, and employees thereof, upon approval of the Committee on Rules and Administration or its chairman, may attend meetings and seminars, including but not limited to meetings of the National Conference of State Legislatures and the Council of State Governments and their committees, on subjects within the jurisdiction of the standing committee or subcommittee.

Expenses incurred in attending these meetings and seminars must be paid by the Secretary of the Senate with warrants drawn on the Senate legislative expense fund.

Mr. Moe, R.D. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R. D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 7: A Senate resolution relating to appointment of a committee to notify the Governor the Senate is organized.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The President of the Senate shall appoint a committee of five to act with a similar committee of the House of Representatives to notify the Honorable Rudy Perpich, Governor of the State of Minnesota, that the Senate and House of Representatives are now organized under law and ready to receive any message he may desire to give them.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

APPOINTMENTS

Pursuant to the foregoing resolution, the President made the following appointments:

Messrs. Frederickson, D.J.; Marty; Dicklich; Ms. Peterson, D.C. and Mrs. Brataas.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. introduced—

Senate Resolution No. 8: A Senate resolution relating to appointment of a committee to notify the House of Representatives that the Senate is organized.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The President of the Senate shall appoint a committee of five to notify the House of Representatives that the Senate is now organized.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

APPOINTMENTS

Pursuant to the foregoing resolution, the President made the following appointments:

Messrs. Metzen, Brandl, Ms. Piper, Messrs. Cohen and Larson.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 3: A Senate concurrent resolution relating to adjournment for more than three days.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon its adjournment on Wednesday, January 7, 1987, the Senate may set its next day of meeting for Monday, January 12, 1987.

2. Upon its adjournment on Wednesday, January 7, 1987, the House of Representatives may set its next day of meeting for Monday, January 12, 1987.

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

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 6:30 p.m., Wednesday, January 7, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SECOND DAY

St. Paul, Minnesota, Wednesday, January 7, 1987

The Senate met at 6:30 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Joy Bussert.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Laidig	Morse	Solon
Anderson	Frank	Langseth	Novak	Spear
Beckman	Frederick	Lantry	Olson	Storm
Belanger	Frederickson, D.I.	Larson	Pehler	Stumpf
Benson	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Berg	Freeman	Luther	Peterson, R.W.	Vickerman
Berglin	Gustafson	Marty	Piper	Waldorf
Brandl	Hughes	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Willet
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	
Davis	Knaak	Moe, D.M.	Samuelson	
DeCramer	Kroening	Moe, R.D.	Schmitz	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Bertram and Dicklich were excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House of Representatives of the State of Minnesota is now duly organized pursuant to law and has elected the following officers:

Fred C. Norton, Speaker

Edward A. Burdick, Chief Clerk

Albin A. Mathiowetz, First Assistant Chief Clerk

Teresa B. Kittridge, Second Assistant Chief Clerk

Ronald G. Lawrence, Postmaster
Helen Haugerud, Assistant Postmaster
Margaret M. Olson, Assistant Sergeant at Arms
Toya A. Farrar-Orr, Assistant Sergeant at Arms
LaClair Lambert, Assistant Sergeant at Arms
Stephen E. Fischer, Index Clerk
Rev. Delton Krueger, Chaplain

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 6, 1987

Mr. President:

I have the honor to announce that the House has appointed a committee of seven members of the House to act with a like committee on the part of the Senate to notify the Governor that the House of Representatives and the Senate of the State of Minnesota are duly organized pursuant to law and are ready to receive any message that he may have.

Greenfield, Chairman; Olson, K.; Johnson, R.; Anderson, R.; Carruthers; Trimble and Dauner have been appointed to such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 6, 1987

Mr. President:

I have the honor to inform the Senate that the House of Representatives is duly organized pursuant to law and invites and is ready to meet with the Senate at 6:45 p.m., Wednesday, January 7, 1987, to receive the message of the Honorable Rudy Perpich, Governor of the State of Minnesota, said message to be delivered at 7:00 p.m., Wednesday, January 7, 1987.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 6, 1987

Mr. Moe, R.D. moved that the Senate accede to the request of the House of Representatives to meet in Joint Convention in the House Chamber at 6:45 p.m., Wednesday, January 7, 1987, to receive the message of the Honorable Rudy Perpich, Governor of the State of Minnesota. The motion prevailed.

Mr. President:

I have the honor to announce that the House has appointed a committee of seven members of the House to act with a similar committee on the part of the Senate to escort the Governor to the Joint Convention to be held in the House Chamber, Wednesday, January 7, 1987, said Joint Convention to be convened at 6:45 p.m. and said message of the Governor to be delivered

at 7:00 p.m.

Winter, Chairman; Pelowski; Orenstein; Dorn; Kinkel; Morrison and Johnson, A. have been appointed as members of such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 6, 1987

Mr. President:

I have the honor to announce the adoption by the House of the following Senate concurrent resolution, herewith returned:

Senate Concurrent Resolution No. 3: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 7, 1987

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. introduced—

Senate Resolution No. 9: A Senate resolution relating to appointment of a committee to escort the Governor to the House Chamber for a Joint Convention.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The President of the Senate shall appoint a committee of five members of the Senate to act with a like committee on the part of the House of Representatives to escort the Honorable Rudy Perpich, Governor of the State of Minnesota, to the House Chamber on the occasion of the Joint Convention on Wednesday, January 7, 1987, at 7:00 o'clock p.m.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

APPOINTMENTS

Pursuant to the foregoing resolution, the President made the following appointments:

Messrs. Purfeerst, Willet, Chmielewski, Renneke and Frederick.

MOTIONS AND RESOLUTIONS - CONTINUED

Messrs. Moe, R.D. and Benson introduced—

Senate Resolution No. 10: A Senate resolution naming presidents pro tempore.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The President Pro Tempore of the Senate is Florian Chmielewski. The Majority President Pro Tempore of the Senate is Clarence M. Purfeerst. The Minority President Pro Tempore of the Senate is Mel Frederick.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Moe, R.D.; Johnson, D.J. and Beckman introduced—

S.F. No. 1: A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing a community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the department of energy and economic development; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; appropriating money; amending Minnesota Statutes 1986, sections 41A.01; 41A.02, subdivisions 3, 4, 6, and 11; 41A.05, subdivisions 1 and 2; 116.16, subdivisions 2 and 5; and 462.384, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 41A; 84; 116J; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; repealing Minnesota Statutes 1986, sections 41A.06, subdivision 2; 116.18, subdivision 3a; 116J.951; 116J.955; and 116J.961.

Referred to the Committee on Economic Development and Housing.

Mr. Lessard introduced—

S.F. No. 2: A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; allowing the legislature to authorize certain lotteries.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Chmielewski introduced—

S.F. No. 3: A bill for an act relating to unemployment compensation; regulating the payment of benefits due a deceased individual; amending Minnesota Statutes 1986, section 268.08, by adding a subdivision.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 4: A bill for an act relating to workers' compensation; making technical changes in benefit levels; authorizing the commissioner of labor and industry to perform various tasks; imposing a filing fee for certain appeals; making various administrative changes; providing penalties; amending Minnesota Statutes 1986, sections 176.011, subdivisions 2 and 7a; 176.101, subdivisions 3a, 3b and 3j; 176.102, subdivision 3a; 176.103, subdivision 3; 176.105, subdivision 4; 176.129, subdivisions 11 and 13; 176.131, subdivisions 1, 1a, and 8; 176.139; 176.179; 176.181, subdivision 3; 176.182; 176.191, subdivisions 1 and 2; 176.225, subdivision 2; 176.2421, subdivision 1; 176.511, subdivisions 1 and 3; repealing Minnesota Statutes 1986, section 176.243.

Referred to the Committee on Employment.

Messrs. Lessard and Berg introduced—

S.F. No. 5: A bill for an act relating to horse racing; requiring revenue from unredeemed pari-mutuel tickets to be deposited into the game and fish fund; appropriating money; amending Minnesota Statutes 1986, section 240.15, subdivisions 5 and 6.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Wegscheid and Pehler introduced—

S.F. No. 6: A bill for an act relating to education; raising the age for compulsory school attendance to 17; making conforming changes; amending Minnesota Statutes 1986, sections 120.10, subdivisions 1 and 3; 123.35, subdivision 8; 124.26, subdivision 1; and 260.015, subdivision 19.

Referred to the Committee on Education.

Mr. Wegscheid introduced—

S.F. No. 7: A bill for an act relating to securities; enacting the Uniform Securities Act of 1986; providing for the general regulation of the securities business; prescribing penalties; amending Minnesota Statutes 1986, sections 60A.03, subdivision 2; 144A.01, subdivision 4; 302A.011, subdivision 26; and 308.06, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 80A; repealing Minnesota Statutes 1986, sections 80A.01 to 80A.31.

Referred to the Committee on Commerce.

Messrs. Purfeerst, Vickerman, Metzen and DeCramer introduced—

S.F. No. 8: A resolution memorializing the Congress of the United States to enact an extension of the federal highway program at the earliest possible date.

Referred to the Committee on Transportation.

Mr. Dicklich introduced—

S.F. No. 9: A bill for an act relating to retirement; increasing retirement and survivor benefits for certain retired members of the Virginia firefighters' relief association and surviving spouses of deceased members.

Referred to the Committee on Governmental Operations.

Mrs. Lantry, Messrs. Frank and Kroening introduced—

S.F. No. 10: A bill for an act relating to labor; changing the minimum wage; amending Minnesota Statutes 1986, section 177.24, subdivision 1.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 11: A bill for an act relating to local government; permitting the establishment of a fire protection district for the city of Moose Lake and surrounding territory.

Referred to the Committee on Local and Urban Government.

Mr. Chmielewski introduced—

S.F. No. 12: A bill for an act relating to taxation; extending the pension exclusion to recipients of federal law enforcement officers' pensions under age 65; amending Minnesota Statutes 1986, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 13: A bill for an act relating to libraries; permitting the joint financing of their construction among government units; allowing cities and counties to levy above limits for library construction; amending Minnesota Statutes 1986, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 134.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 14: A bill for an act relating to natural resources; appropriating funds for control and removal of beaver.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 15: A bill for an act relating to human services; allowing recovery of medical assistance payments upon death of recipient; amending Minnesota Statutes 1986, Section 256B.15.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 16: A bill for an act relating to probate; including certain agencies as successors who may collect personal property by affidavit; amending Minnesota Statutes 1986, section 524.3-1201.

Referred to the Committee on Judiciary.

Mr. Dahl introduced—

S.F. No. 17: A bill for an act relating to motor vehicles; establishing system of lifetime motor vehicle license plates; refunding certain license plate fees; providing that personalized license plates be reissued to previous holders under certain circumstances; appropriating money; amending Minnesota Statutes 1986, section 168.12, subdivisions 1 and 5.

Referred to the Committee on Transportation.

Messrs. Dahl, Frank and Davis introduced—

S.F. No. 18: A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 8, 10, and 24; and 325E.0951, by adding a subdivision; proposing coding

for new law in Minnesota Statutes, chapters 168 and 168A.

Referred to the Committee on Commerce.

Mr. Dahl introduced—

S.F. No. 19: A bill for an act relating to economic development; authorizing the energy and economic development authority to make grants for the creation of seed capital funds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116M.

Referred to the Committee on Economic Development and Housing.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until immediately after the conclusion of the Joint Convention. The motion prevailed.

The Senate reconvened at the appropriate time.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, January 12, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRD DAY

St. Paul, Minnesota, Monday, January 12, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul Romstad.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Belanger	Dicklich	Knutson	Moe, D.M.	Samuelson
Benson	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Solon
Berglin	Frederick	Langseth	Novak	Storm
Bernhagen	Frederickson, D.J.	Lantry	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pehler	Taylor
Brandl	Freeman	Lessard	Peterson, D.C.	Vickerman
Brataas	Gustafson	Luther	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

REPORTS AND RESOLUTIONS FILED DURING THE INTERIM WITH THE SECRETARY OF THE SENATE

Various reports were filed during the 1986 interim by Retirement and Relief Associations and are filed in the office of the Secretary of the Senate; also reports made by Legislative Audit Commission on various state institutions and boards; Department of Labor and Industry, Prevailing Wage Certifications, 1986; Board of Peace Officer Standards and Training, Allocation of Monies for Peace Officer Training, Second Annual Report, 1984; Board of Peace Officer Standards and Training, Allocation of Monies for Peace Officer Training, Third Annual Report, 1985; Department of Human Services, Supplemental Aid Program, Annual Report, 1985; Pollution Control Agency, Scrap Tires in Minnesota, 1985; Pollution Control Agency, Waste Tire Collection and Incineration Study, Final Report, 1986; Legislative Commission on Waste Management, Mechanisms to Enable Owners and Operators of Solid Waste Land Disposal Facilities to Comply with Financial Responsibility Rules of the Minnesota Pollution Control Agency, 1986; State Planning Agency, Petroleum Marketing Practices Study, 1986;

Charitable Gambling Control Board, Annual Report, 1986; State Auditor, Small Business Loans Issued, 1985; Department of Natural Resources, Feasibility of Multi-Year/Lifetime Cross-Country Ski Trail-Pass, 1986; Board of Judicial Standards, Annual Report, 1985; Department of Energy and Economic Development, Small Business Procurement Report, 1986; Southwest Regional Development Commission, 1986; Southwest Regional Development Commission, 1987; Department of Human Services, Minnesota General Assistance Medical Care, 1985; Department of Human Services, Aid to Families with Dependent Children, 1985; Department of Public Safety, Annual Report on Crime, Missing Children and Bureau of Criminal Apprehension Activities, 1985; Northwest Regional Development Commission, Annual Report, 1986; Indian Affairs Council, Annual Report, 1986; Board of Peace Officer Standards and Training, Reimbursement to Local Units of Government to Defray Part of the Costs of Providing Continuing Education to Peace Officers and Constables, 1986; Revisor of Statutes, Concerning Certain Opinions of the Supreme Court, 1986; Legislative Commission on Minnesota Resources, Biennial Report, 1986; Board of Dentistry, Biennial Report, 1984-86; Board of Animal Health, Annual Report, 1985-86; Hazardous Substance Injury Compensation Board, Annual Report, 1986; Supreme Court, Report on Wiretaps, 1986; Board of Teaching, Biennial Report, 1986; Legislative Commission on Minnesota Resources, Organization and Management Study of the Department of Natural Resources, 1986.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 2: A Senate concurrent resolution relating to parking space on the Capitol grounds, Capitol Approach and Aurora Avenue for members of the Legislature and staff.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 7, 1987

MOTIONS AND RESOLUTIONS

Mr. Purfeerst moved that the name of Mr. Frederick be added as a co-author to S.F. No. 8. The motion prevailed.

Mr. Dahl moved that the names of Messrs. Frank, Purfeerst and Merriam be added as co-authors to S.F. No. 17. The motion prevailed.

Mr. Moe, R.D. introduced—

Senate Resolution No. 11: A Senate resolution relating to mileage; setting the miles traveled by members of the Senate in going to and returning from the Capitol.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The miles traveled by members of the Senate for the 75th Legislature in each round trip going to and returning from the Capitol to their places of

residence are as follows:

MEMBER	MILEAGE
ADKINS, Betty A.	86
ANDERSON, Don A.	384
BECKMAN, Tracy L.	264
BELANGER, William V. Jr.	46
BENSON, Duane D.	238
BERG, Charles A.	370
BERGLIN, Linda	18
BERNHAGEN, John	140
BERTRAM, Joe	215
BRANDL, John E.	20
BRATAAS, Nancy	160
CHMIELEWSKI, Florian	210
COHEN, Richard L.	0
DAHL, Gregory L.	40
DAVIS, Charles R.	130
DeCRAMER, Gary M.	336
DICKLICH, Ronald R.	390
DIESSNER, A. W. "Bill"	44
FRANK, Don	36
FREDERICK, Mel	140
FREDERICKSON, David J.	256
FREDERICKSON, Dennis R.	250
FREEMAN, Michael O.	25
GUSTAFSON, Jim	312
HUGHES, Jerome M.	10
JOHNSON, Dean E.	202
JOHNSON, Douglas J.	460
JUDE, Tad	50
KNAAK, Fritz	22
KNUTSON, Howard A.	44
KROENING, Carl W.	30
LAIDIG, Gary W.	44
LANGSETH, Keith	472
LANTRY, Marilyn M.	11
LARSON, Cal	402
LESSARD, Bob	620
LUTHER, William P.	44
MARTY, John J.	25
McQUAID, Phyllis W.	28
MEHRKENS, Lyle G.	100
MERRIAM, Gene	42
METZEN, James	20
MOE, Donald M.	0
MOE, Roger D.	522
MORSE, Steven	256
NOVAK, Steven G.	30
OLSON, Gen	70
PEHLER, James C.	140
PETERSON, Donna C.	0
PETERSON, Randolph W.	58
PIPER, Pat	200
POGEMILLER, Lawrence J.	0

PURFEERST, Clarence M.	116
RAMSTAD, Jim	44
REICHGOTT, Ember D.	42
RENNEKE, Earl W.	146
SAMUELSON, Don	276
SCHMITZ, Robert J.	100
SOLOMON, Sam G.	310
SPEAR, Allan H.	22
STORM, Donald A.	41
STUMPF, LeRoy A.	582
TAYLOR, Glen	180
VICKERMAN, Jim M.	336
WALDORF, Gene	12
WEGSCHEID, Darril	38
WILLET, Gerald L.	(air 340) 410

Mr. Moe, R.D. moved that Senate Resolution No. 11 be laid on the table and printed in the Journal. The motion prevailed.

Mr. Ramstad introduced—

Senate Resolution No. 12: A Senate resolution congratulating the Courage Rolling Gophers Women's Wheelchair Basketball team.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—

Senate Resolution No. 13: A Senate resolution designating the week of June 1-7, 1986, as "Safe Boating Week" in Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Wegscheid introduced—

Senate Resolution No. 14: A Senate resolution congratulating the Eagles football team from Apple Valley High School for winning the 1986 Class AA State High School Football Championship.

Referred to the Committee on Rules and Administration.

Mr. Wegscheid introduced—

Senate Resolution No. 15: A Senate resolution congratulating the Raiders Girls Swimming and Diving Team from Hastings High School for finishing in fourth place at the 1986 State Girls Swimming and Diving Meet.

Referred to the Committee on Rules and Administration.

Messrs. DeCramer and Frederickson, D.J. introduced—

Senate Resolution No. 16: A Senate resolution congratulating the Vikings football team from Minneota High School for winning the 1986 Class C State High School Football Championship.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—

Senate Resolution No. 17: A Senate resolution congratulating Roger Lipelt of Wayzata High School on being named the 1986 Lake Blue Conference Coach of the Year.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—

Senate Resolution No. 18: A Senate resolution congratulating Lois Fruen, a Science Teacher at Breck School, Golden Valley, for receiving a 1986 Presidential Award for Science and Math Teaching.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—

Senate Resolution No. 19: A Senate resolution congratulating the Trojans boys football team from Wayzata High School for winning the Section VI Class AA title.

Referred to the Committee on Rules and Administration.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Pehler introduced—

S.F. No. 20: A bill for an act relating to education; making a technical correction to the compulsory attendance law; amending Minnesota Statutes 1986, section 120.10, subdivision 1.

Referred to the Committee on Education.

Messrs. Merriam, Spear, Laidig, Freeman and Peterson, R.W. introduced—

S.F. No. 21: A bill for an act relating to statutes; providing that selected statutes shall be subject to judicial modification in limited circumstances; proposing coding for new law in Minnesota Statutes, chapter 645.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 22: A bill for an act relating to local government; permitting certain counties to levy a tax for the county historical society; imposing a reverse referendum requirement.

Referred to the Committee on Local and Urban Government.

Mr. Chmielewski introduced—

S.F. No. 23: A bill for an act relating to historical preservation; directing an archaeological site assessment and tourism study of the Fond du Lac area; appropriating funds.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Frederick introduced—

S.F. No. 24: A bill for an act relating to independent school district No. 763; permitting the district to mail certain information instead of publishing it.

Referred to the Committee on Education.

Mr. Benson introduced—

S.F. No. 25: A bill for an act relating to traffic regulations; specifying colors of slow moving vehicle emblems; amending Minnesota Statutes 1986, section 169.522, subdivision 1.

Referred to the Committee on Transportation.

Mr. Benson introduced—

S.F. No. 26: A bill for an act relating to natural resources; requiring refunds on agricultural leases; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Mr. Pehler introduced—

S.F. No. 27: A bill for an act relating to appropriations; providing for a payment for certain improvements in the city of St. Cloud.

Referred to the Committee on Finance.

Mr. Belanger introduced—

S.F. No. 28: A bill for an act relating to motor vehicles; providing that personalized license plates originally issued before July 1, 1985, are issued for the life of the holder; appropriating money; amending Minnesota Statutes 1986, section 168.12, subdivisions 1 and 2a.

Referred to the Committee on Transportation.

Mr. Belanger introduced—

S.F. No. 29: A bill for an act relating to drivers' licenses; permitting limited license for homemaker; amending Minnesota Statutes 1986, section 171.30, subdivision 1.

Referred to the Committee on Transportation.

Mr. Belanger introduced—

S.F. No. 30: A bill for an act relating to crimes; requiring health professionals to report certain burn injuries; amending Minnesota Statutes 1986, sections 626.52, by adding a subdivision; and 626.53.

Referred to the Committee on Judiciary.

Mr. Diessner introduced—

S.F. No. 31: A bill for an act relating to crimes; barring perpetrators of crimes from recovering for injuries sustained during criminal conduct; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Judiciary.

Mr. Mehrkens introduced—

S.F. No. 32: A bill for an act relating to the city of Red Wing; directing the department of energy and economic development to refund a certain bond deposit; appropriating money.

Referred to the Committee on Economic Development and Housing.

Messrs. Pehler, Lessard and Bertram introduced—

S.F. No. 33: A bill for an act relating to motor vehicles; providing for special license plates for Vietnam era veterans; amending Minnesota Statutes 1986, section 168.12, by adding a subdivision.

Referred to the Committee on Veterans.

Mr. Ramstad introduced—

S.F. No. 34: A bill for an act relating to motor vehicles; establishing system of lifetime motor vehicle license plates; refunding certain license plate fees; providing that personalized license plates be reissued to previous holders under certain circumstances; appropriating money; amending Minnesota Statutes 1986, section 168.12, subdivisions 1 and 5.

Referred to the Committee on Transportation.

Ms. Reichgott, Messrs. Luther and Moe, R.D. introduced—

S.F. No. 35: A bill for an act relating to corporations; providing for modification of liability of directors; amending Minnesota Statutes 1986, sections 302A.111, subdivision 4; and 302A.251, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. DeCramer introduced—

S.F. No. 36: A bill for an act proposing an amendment to the Minnesota Constitution, article XIV; dedicating motor vehicle excise tax proceeds to highway and transit purposes.

Referred to the Committee on Transportation.

MEMBERS EXCUSED

Messrs. Purfeerst and Spear were excused from the Session of today.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:30 p.m., Thursday, January 15, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FOURTH DAY

St. Paul, Minnesota, Thursday, January 15, 1987

The Senate met at 2:30 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Thomas Nyman.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Knutson	Moe, D.M.	Schmitz
Anderson	DeCramer	Kroening	Moe, R.D.	Solon
Beckman	Diessner	Laidig	Morse	Storm
Belanger	Frank	Langseth	Novak	Stumpf
Benson	Frederick	Lantry	Olson	Taylor
Berg	Frederickson, D.J.	Larson	Pehler	Vickerman
Berglin	Frederickson, D.R.	Lessard	Peterson, D.C.	Waldorf
Bernhagen	Freeman	Luther	Peterson, R.W.	Wegscheid
Bertram	Hughes	Marty	Piper	Willet
Brandl	Johnson, D.E.	McQuaid	Pogemiller	
Chmielewski	Jude	Mehrkens	Reichgott	
Cohen	Knaak	Metzen	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mrs. Brataas, Messrs. Davis; Dicklich; Johnson, D.J.; Purfeerst; Ramstad; Renneke and Spear were excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 2: A House concurrent resolution relating to adjournment of the House of Representatives and Senate for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 12, 1987

House Concurrent Resolution No. 2: A House concurrent resolution relating to adjournment of the House of Representatives and Senate for more than three days.

BE IT RESOLVED by the House of Representatives, the Senate concurring:

(1) Upon their adjournments on January 15, 1987, the House of Representatives and Senate may each set their next days of meeting for January 20, 1987.

(2) By the adoption of this resolution, each house consents to adjournment of the other body for more than three days.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

MOTIONS AND RESOLUTIONS

Mr. Lessard moved that the names of Messrs. Novak; Johnson, D.J. and Bernhagen be added as co-authors to S.F. No. 5. The motion prevailed.

Mr. Wegscheid moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 6. The motion prevailed.

Mrs. Lantry moved that the names of Messrs. Pehler and Marty be added as co-authors to S.F. No. 10. The motion prevailed.

Mr. Chmielewski moved that the names of Messrs. Anderson, Vickerman and Lessard be added as co-authors to S.F. No. 14. The motion prevailed.

Mr. Dahl moved that the name of Mr. Willet be added as a co-author to S.F. No. 17. The motion prevailed.

Mr. Dahl moved that the names of Messrs. Vickerman and Davis be added as co-authors to S.F. No. 19. The motion prevailed.

Mr. Pehler moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 33. The motion prevailed.

Mr. DeCramer moved that the names of Messrs. Vickerman, Davis, Lessard and Wegscheid be added as co-authors to S.F. No. 36. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Peterson, R.W. introduced—

S.F. No. 37: A bill for an act relating to data privacy; providing for the classification of data in certain adoption reports; amending Minnesota Statutes 1986, section 259.27, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Spear, Solon and Bertram introduced—

S.F. No. 38: A bill for an act relating to alcoholic beverages; permitting certain transactions by brewers and wholesalers; authorizing cities to issue temporary off-sale licenses for the sale of vintage wine at auctions; amending Minnesota Statutes 1986, sections 340A.308; and 340A.405, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Diessner introduced—

S.F. No. 39: A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; proposing coding for new law as Minnesota Statutes, chapter 468.

Referred to the Committee on Local and Urban Government.

Mr. Diessner introduced—

S.F. No. 40: A bill for an act relating to watercraft; requiring titling for certain watercraft; regulating perfection of security interests in watercraft; amending Minnesota Statutes 1986, section 336.9-302; proposing coding for new law as Minnesota Statutes, chapter 361A.

Referred to the Committee on Environment and Natural Resources.

Mr. Diessner introduced—

S.F. No. 41: A bill for an act relating to health; providing for labeling of drugs that contain alcohol; proposing coding for new law in Minnesota Statutes, chapter 151.

Referred to the Committee on Health and Human Services.

Mr. Diessner introduced—

S.F. No. 42: A bill for an act relating to animals; prohibiting theft of dogs or cats for research purposes; regulating dog and cat dealers; prescribing a penalty; amending Minnesota Statutes 1986, sections 347.31; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; 347.39; and 347.40; proposing coding for new law in Minnesota Statutes, chapter 346.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Diessner introduced—

S.F. No. 43: A bill for an act relating to health; requiring a hospital administrator to request an organ or tissue donation; proposing coding for new law in Minnesota Statutes, chapter 525.

Referred to the Committee on Health and Human Services.

Mr. Pehler introduced—

S.F. No. 44: A bill for an act relating to highways; abolishing restrictions on disposition of right-of-way of trunk highway No. 15 in St. Cloud; repealing Laws 1986, chapter 387, section 2.

Referred to the Committee on Transportation.

Mr. Samuelson introduced—

S.F. No. 45: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, sections 2 and 4; providing for a senate of 60 members elected for six-year terms and a house of representatives of 120 members elected for four years.

Referred to the Committee on Elections and Ethics.

Mr. Samuelson introduced—

S.F. No. 46: A bill for an act relating to school districts; changing the qualifying percentage of agricultural valuation for minimum aid from 60 to 55; amending Minnesota Statutes 1986, section 124A.02, subdivision 22.

Referred to the Committee on Education.

Mr. Belanger introduced—

S.F. No. 47: A bill for an act relating to firearms; permitting certain licensed dealers and manufacturers to own or possess machine guns and short-barreled shotguns for certain purposes; amending Minnesota Statutes 1986, section 609.67, subdivisions 3 and 4.

Referred to the Committee on Judiciary.

Messrs. Ramstad and Jude introduced—

S.F. No. 48: A bill for an act relating to waters; allowing aeration activities on Hadley Lake in Hennepin county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Frank and Solon introduced—

S.F. No. 49: A bill for an act relating to commerce; prohibiting surcharges on credit card sales; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Commerce.

Messrs. Dahl and Chmielewski introduced—

S.F. No. 50: A bill for an act relating to public safety; providing special license plates for motorcycles for amateur radio station licensees; amending Minnesota Statutes 1986, section 168.12, subdivision 2.

Referred to the Committee on Transportation.

Ms. Berglin, Mrs. Lantry, Ms. Piper, Messrs. Brandl and Knutson introduced—

S.F. No. 51: A bill for an act relating to health; requiring licensure of home care agencies; providing a home care bill of rights; providing a complaint procedure for home care clients; appropriating money; amending Minnesota Statutes 1986, sections 144.335, subdivision 1; 144.699, subdivision 2; 144A.51, subdivision 6, and by adding a subdivision; 144A.52, subdivision 3; 144A.53, subdivisions 1, 2, 3, and 4; 144A.54, subdivision 1; 256B.04, by adding a subdivision; 364.09; and 626.557, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144A.

Referred to the Committee on Health and Human Services.

Messrs. Dahl, Luther and Hughes introduced—

S.F. No. 52: A bill for an act relating to elections; clarifying the prohibition against false political and campaign material; amending Minnesota Statutes 1986, section 210A.04, subdivision 1.

Referred to the Committee on Elections and Ethics.

Messrs. Luther, Wegscheid, Diessner, Freeman and Dahl introduced—

S.F. No. 53: A bill for an act relating to municipal liability; providing for indemnification of employees for punitive damages; amending Minnesota Statutes 1986, section 466.07, by adding a subdivision; repealing Minnesota Statutes 1986, section 466.07, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Pehler, Taylor, Frank, Brandl and Ms. Berglin introduced—

S.F. No. 54: A bill for an act relating to public safety; state government; creating state board of examiners for fire protection systems; proposing coding for new law as Minnesota Statutes, chapter 299J.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Frederick, Mehrkens, Bernhagen and Mrs. Lantry introduced—

S.F. No. 55: A bill for an act relating to motor vehicles; providing that the initial fee to renew personalized license plates be prorated; providing for refunds or reissues in certain cases; appropriating money.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 56: A bill for an act relating to workers' compensation; providing for the organization and powers of the state compensation insurance fund; appropriating money; amending Minnesota Statutes 1986, sections 11A.24, subdivision 6; 176A.02, subdivision 1; 176A.04; and 176A.11.

Referred to the Committee on Employment.

Mr. Diessner introduced—

S.F. No. 57: A bill for an act relating to crimes; creating and defining the guilty and insane plea; abolishing the insanity defense; providing procedures governing the use of the guilty and insane plea; providing for examination of persons pleading guilty and insane; providing sentencing and treatment for persons found guilty and insane; authorizing the supreme court to promulgate or amend rules consistent with law; amending Minnesota Statutes 1986, sections 253B.02, subdivision 4; 253B.07, subdivisions 1, 2, 3, and 7; 253B.08, subdivision 7; 253B.12, subdivision 4; 253B.18, subdivisions 1 and 4b; 253B.21, subdivision 5; and 480.059, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1986, sections 253B.02, subdivisions 4a and 20; 253B.07, subdivision 2a; 611.025; and 611.026.

Referred to the Committee on Judiciary.

Mr. Frank, Mrs. Lantry, Messrs. Laidig, Dahl and Vickerman introduced—

S.F. No. 58: A bill for an act relating to traffic regulations; requiring motor vehicle operators to use child passenger restraint system when trans-

porting child under age of four; imposing penalty; amending Minnesota Statutes 1986, section 169.685, subdivision 5.

Referred to the Committee on Transportation.

Mr. Diessner introduced—

S.F. No. 59: A bill for an act relating to highway traffic regulations; prescribing who shall prosecute persons who operate motorboats while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, section 361.12, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Lessard, Bertram, Berg and Johnson, D.J. introduced—

S.F. No. 60: A bill for an act relating to charitable gambling; changing the effective date for collection of certain taxes by distributors; amending Laws 1986, chapter 467, section 33.

Referred to the Committee on General Legislation and Public Gaming.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, January 20, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTH DAY

St. Paul, Minnesota, Tuesday, January 20, 1987

The Senate met at 12:00 noon and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Joseph Paris.

The roll was called, and the following Senators answered to their names:

Adkins	Dicklich	Laidig	Morse	Samuelson
Anderson	Frank	Langseth	Novak	Schmitz
Beckman	Frederick	Lantry	Olson	Solon
Belanger	Frederickson, D.I.	Larson	Pehler	Spear
Benson	Frederickson, D.R.	Luther	Peterson, D.C.	Storm
Berg	Freeman	Marty	Peterson, R.W.	Stumpf
Bertram	Gustafson	McQuaid	Piper	Taylor
Chmielewski	Hughes	Mehrkens	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Merriam	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Metzen	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kroening	Moe, R.D.	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Ms. Berglin, Messrs. Bernhagen, Brandl, Diessner, Lessard and Waldorf were excused from the Session of today.

MOTIONS AND RESOLUTIONS

Mr. Diessner moved that the names of Mrs. Adkins and Mr. Dahl be added as co-authors to S.F. No. 31. The motion prevailed.

Mr. Dahl moved that the name of Mrs. Lantry be added as a co-author to S.F. No. 49. The motion prevailed.

Mr. Moe, R.D.; Ms. Peterson, D.C.; Messrs. DeCramer, Pogemiller and Stumpf introduced—

Senate Concurrent Resolution No. 4: A Senate concurrent resolution protesting the use of the Minnesota National Guard in Central America; encouraging efforts to legally contest the mandatory deployment by the federal government of the Minnesota National Guard in foreign countries without state assent.

Referred to the Committee on Rules and Administration.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Berg; Frederickson, D.R. and Davis introduced—

S.F. No. 61: A bill for an act relating to agriculture; appropriating money for a deficiency in the appropriation for farmer-lender mediation.

Referred to the Committee on Agriculture.

Messrs. Berg; Frederickson, D.R. and Davis introduced—

S.F. No. 62: A bill for an act relating to agriculture; appropriating money for a deficiency in the interest rate buy-down program.

Referred to the Committee on Agriculture.

Mrs. Lantry, Messrs. Frederick, Schmitz and Novak introduced—

S.F. No. 63: A bill for an act relating to motor vehicles; providing that certain license plates be issued every six years; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5.

Referred to the Committee on Transportation.

Messrs. Solon and Metzen introduced—

S.F. No. 64: A bill for an act relating to game and fish; eliminating the fishing license requirement for certain disabled federal employees; amending Minnesota Statutes 1986, section 97A.445, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Solon introduced—

S.F. No. 65: A bill for an act relating to game and fish; restricting the firearm taking of wild animals near occupied buildings; amending Minnesota Statutes 1986, section 97B.001, subdivision 7.

Referred to the Committee on Environment and Natural Resources.

Mr. Solon introduced—

S.F. No. 66: A bill for an act relating to automobile insurance; limiting the grounds for cancellation or reduction in limits during the policy period; amending Minnesota Statutes 1986, section 65B.15, subdivision 1.

Referred to the Committee on Commerce.

Mr. Solon introduced—

S.F. No. 67: A bill for an act relating to petroleum; providing that the same petroleum product sold as kerosene or fuel oil be sold at the same price; proposing coding for new law in Minnesota Statutes, chapter 296.

Referred to the Committee on Commerce.

Mr. Diessner introduced—

S.F. No. 68: A bill for an act relating to education; providing a work curfew for high school students; providing a fine; amending Minnesota Statutes 1986, sections 181A.04, by adding a subdivision; and 181A.12, subdivision 1.

Referred to the Committee on Employment.

Messrs. Berg, Lessard and Bernhagen introduced—

S.F. No. 69: A bill for an act relating to agriculture; establishing a commercial fish raising program; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture.

Messrs. Frank, Dahl and Vickerman introduced—

S.F. No. 70: A bill for an act relating to public safety; traffic regulations; requiring commercial bus to have driver seat belt; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

Mr. Frank and Mrs. Lantry introduced—

S.F. No. 71: A bill for an act relating to traffic regulations; providing that speeding violations be recorded on violator's driving record; repealing Minnesota Statutes 1986, sections 169.99, subdivision 1b; and 171.12, subdivision 6.

Referred to the Committee on Transportation.

Messrs. Frank, Vickerman and Dahl introduced—

S.F. No. 72: A bill for an act relating to drivers' licenses; requiring certain notice on uniform traffic ticket; providing penalty for failure to respond to summons and complaint on uniform traffic ticket; prohibiting issuance of warrants on persons failing to pay fines for parking violations; establishing system for collecting unpaid fines; providing for and allocating driver's license reinstatement fees; amending Minnesota Statutes 1986, sections 169.99, by adding a subdivision; 171.16, subdivision 3, and by adding subdivisions; 171.20, subdivision 1; and 171.29.

Referred to the Committee on Transportation.

Mr. Benson introduced—

S.F. No. 73: A bill for an act relating to game and fish; authorizing deer bow and arrow licenses for nonresident students at resident fees; amending Minnesota Statutes 1986, section 97A.455.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pehler, DeCramer and Willet introduced—

S.F. No. 74: A bill for an act relating to employment; providing the option for certain employees at a state university to obtain state employee fringe benefits; amending Minnesota Statutes 1986, section 43A.27, by adding

a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Pehler introduced—

S.F. No. 75: A bill for an act relating to retirement; increasing the retirement formula for covered correctional service; amending Minnesota Statutes 1986, section 352.93, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Frank, Vickerman and Dahl introduced—

S.F. No. 76: A bill for an act relating to elections; providing for school district elections to be held at the same time as municipal elections; providing for municipal clerks to administer school district elections; providing for school district elections to be conducted according to the Minnesota election law; amending Minnesota Statutes 1986, sections 6.54; 122.22, subdivisions 2 and 4; 122.23, subdivisions 2, 9, and 10; 122.25, subdivisions 1 and 2; 123.11 subdivision 7; 123.32, subdivisions 9 and 23; 123.33, subdivision 4; 123.351, subdivisions 1 and 3; 123.51; 127.09; 127.11; 128.01; 200.015; 200.02, by adding a subdivision; 201.018, subdivision 2; 201.071, subdivision 1, and by adding a subdivision; 203B.05, subdivision 2; 203B.06, subdivision 3; 204B.02; 204B.14, by adding a subdivision; 204B.16, subdivision 1; 204B.18, subdivision 2; 204B.35, subdivision 1; 204B.40; 204C.02; 204C.19, subdivision 2; 204C.25; 204C.27; 204C.28, by adding a subdivision; 204C.36; 206.58, subdivision 2; 209.02; 209.021, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 206 and 210A; proposing coding for new law as Minnesota Statutes, chapter 205A; repealing Minnesota Statutes 1986, sections 123.015; 123.11, subdivisions 2, 3, and 4; 123.32, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, 8, 8a, 11, 22, 24, 25, 26, 27, and 28; and 201.095.

Referred to the Committee on Elections and Ethics.

Mr. Knutson introduced—

S.F. No. 77: A bill for an act relating to the city of Burnsville; providing for refund of a bond application deposit paid by the city; appropriating money.

Referred to the Committee on Economic Development and Housing.

Messrs. Solon, Metzen, Kroening, Willet and Samuelson introduced—

S.F. No. 78: A bill for an act relating to taxation; extending the pension income exclusion to persons aged less than 65; amending Minnesota Statutes 1986, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller introduced—

S.F. No. 79: A bill for an act relating to occupations and professions; generally revising and updating the laws relating to licensure of podiatrists; providing for definitions, licensing, practice without a license, disciplinary action, and investigations; providing penalties; amending Minnesota Statutes 1986, sections 153.01, subdivisions 2 and 3; 153.02; 153.03; 214.01;

and 319A.02; proposing coding for new law in Minnesota Statutes, chapter 153; repealing Minnesota Statutes 1986, sections 153.01, subdivision 4; 153.04 to 153.09; 153.13; 153.14; and 153.15.

Referred to the Committee on Health and Human Services.

Messrs. Waldorf, Kroening, Mrs. Adkins, Ms. Peterson, D.C. and Mr. Samuelson introduced—

S.F. No. 80: A bill for an act relating to insurance; providing flexibility in the amount of coverages other than for the dwelling under a homeowner's policy; proposing coding for new law in Minnesota Statutes, chapter 65A.

Referred to the Committee on Commerce.

Messrs. Pogemiller and Moe, D.M. introduced—

S.F. No. 81: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state treasurer, state auditor, and secretary of state into the office of state comptroller; providing that the first comptroller would be elected in 1990; transferring the powers, responsibilities, and duties of the state auditor, the secretary of state, and the state treasurer to the state comptroller.

Referred to the Committee on Governmental Operations.

Messrs. Dahl and Frank introduced—

S.F. No. 82: A bill for an act relating to economic development; providing for the certification of venture capital companies; providing an income tax credit to investors in qualified venture capital companies; imposing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116M.

Referred to the Committee on Economic Development and Housing.

Messrs. Dahl, Frank, Novak and Samuelson introduced—

S.F. No. 83: A bill for an act relating to health; appropriating money for the mosquito research program.

Referred to the Committee on Health and Human Services.

Messrs. Dahl and Frank introduced—

S.F. No. 84: A bill for an act relating to economic development; authorizing the energy and economic development authority to make loans and grants and to guarantee loans to small business investment companies; authorizing the issuance of general obligation bonds of the state; appropriating money; amending Minnesota Statutes 1986, sections 116M.03, subdivisions 10, 11, and by adding subdivisions; 116M.06, subdivisions 1, 2, and 4; and 116M.07, subdivision 1, and by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Ms. Reichgott, Messrs. Cohen; Peterson, R.W. and Knaak introduced—

S.F. No. 85: A bill for an act relating to real estate; providing for clearing title defects in adjacent land; amending Minnesota Statutes 1986, section 508.08.

Referred to the Committee on Judiciary.

Ms. Piper, Mr. Marty, Ms. Berglin and Mr. Brandl introduced—

S.F. No. 86: A bill for an act relating to health; requiring a hospital administrator to request an organ or tissue donation for purposes of the uniform anatomical gift act; proposing coding for new law in Minnesota Statutes, chapter 525.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 87: A bill for an act relating to tort claims; including the state agricultural society in the definition of state; amending Minnesota Statutes 1986, section 3.732, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 88: A bill for an act relating to taxation; sales and use; exempting state fair admissions; amending Minnesota Statutes 1986, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Berg introduced—

S.F. No. 89: A bill for an act relating to agriculture; clarifying and amending the farmer-lender mediation act; amending Minnesota Statutes 1986, sections 336.9-501; 550.365; 559.209; 581.015; 583.22, subdivisions 2 and 8; 583.23, subdivision 1; 583.24, subdivisions 1, 3, and by adding a subdivision; 583.26, subdivisions 1, 2, 3, 4, 5, 6, 8, 9, and by adding a subdivision; 583.27, subdivisions 1 and 3; and 583.28; proposing coding for new law in Minnesota Statutes, chapter 583.

Referred to the Committee on Agriculture.

Messrs. Novak; Purfeerst; Frederickson, D.R.; Merriam and Marty introduced—

S.F. No. 90: A bill for an act relating to utilities; enacting the Minnesota pipeline safety act; creating the office of pipeline safety and providing for its powers and duties; granting rulemaking authority to the environmental quality board; authorizing rulemaking for purposes of delegation of federal authority; creating the pipeline safety advisory commission; regulating the operation of certain pipelines; regulating excavations in the area of buried utilities; providing for a pipeline inspection fee; establishing the pipeline safety fund; requiring a study; providing penalties; appropriating money; amending Minnesota Statutes 1986, section 1161.02, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 1161;

proposing coding for new law as Minnesota Statutes, chapters 216C and 299J.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 91: A bill for an act relating to employment; regulating drug and alcohol testing of employees and job applicants; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mr. Johnson, D.J. introduced—

S.F. No. 92: A bill for an act relating to liquor; authorizing the city of Grand Marais to issue three additional on-sale licenses.

Referred to the Committee on Commerce.

Messrs. Vickerman; Moe, R.D.; Davis; DeCramer and Morse introduced—

S.F. No. 93: A bill for an act relating to agriculture; extending and financing the mediation and interest rate buy-down programs; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6.

Referred to the Committee on Agriculture.

Messrs. Davis, Morse and Frederickson, D.J. introduced—

S.F. No. 94: A bill for an act relating to public health; requiring an itemized billing for hearing aid repairs; amending Minnesota Statutes 1986, section 145.43, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Davis; Morse; Langseth; Frederickson, D.J. and Moe, R.D. introduced—

S.F. No. 95: A resolution memorializing Congress to immediately adopt the "Save the Family Farm Act" or similar legislation to meet the catastrophe striking American farmers and the farm economy.

Referred to the Committee on Agriculture.

Messrs. Spear; Peterson, R.W. and Ms. Reichgott introduced—

S.F. No. 96: A bill for an act relating to marriage; setting out the requirements and effect of premarital agreements; enacting the uniform premarital agreement act; amending Minnesota Statutes 1986, section 524.2-204; proposing coding for new law in Minnesota Statutes, chapter 519; repealing Minnesota Statutes 1986, section 519.11.

Referred to the Committee on Judiciary.

Messrs. Spear; Peterson, R.W. and Jude introduced—

S.F. No. 97: A bill for an act relating to frauds; fixing conditions for the legal determination of fraud in property transfers; enacting the uniform fraudulent transfer act; proposing coding for new law in Minnesota Statutes, chapter 513; repealing Minnesota Statutes 1986, sections 513.20; 513.21; 513.22; 513.23; 513.24; 513.25; 513.26; 513.27; 513.28; 513.29; 513.30; 513.31; and 513.32.

Referred to the Committee on Judiciary.

Messrs. Wegscheid; Moe, D.M. and Pogemiller introduced—

S.F. No. 98: A bill for an act relating to retirement; providing lump sum payments to certain retired or disabled public employees or their surviving spouses; appropriating money.

Referred to the Committee on Governmental Operations.

Mr. Jude introduced—

S.F. No. 99: A bill for an act relating to civil actions; providing for the application of statutes of limitations to actions that involve the law of other states; enacting the uniform conflict of laws-limitations act; proposing coding for new law in Minnesota Statutes, chapter 541.

Referred to the Committee on Judiciary.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, January 22, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTH DAY

St. Paul, Minnesota, Thursday, January 22, 1987

The Senate met at 12:00 noon and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Tom Carolan.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, D.M.	Reichgott
Anderson	DeCramer	Kroening	Moe, R.D.	Renneke
Beckman	Dicklich	Laidig	Morse	Samuelson
Belanger	Diessner	Langseth	Novak	Schmitz
Benson	Frank	Lantry	Olson	Solon
Berg	Frederick	Larson	Pehler	Spear
Berglin	Frederickson, D.J.	Lessard	Peterson, D.C.	Storm
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Stumpf
Brandl	Freeman	Marty	Piper	Taylor
Chmielewski	Hughes	McQuaid	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Merriam	Purfeerst	Wegscheid
Dahl	Jude	Metzen	Ramstad	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mrs. Brataas, Messrs. Bernhagen; Johnson, D.J.; Knutson; Mehrkens and Waldorf were excused from the Session of today.

MOTIONS AND RESOLUTIONS

Mr. Dahl moved that the name of Mr. Marty be added as a co-author to S.F. No. 18. The motion prevailed.

Mr. Ramstad moved that the names of Messrs. Anderson and Larson be added as co-authors to S.F. No. 34. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 35. The motion prevailed.

Mr. Pehler moved that the names of Messrs. Bertram and Davis be added as co-authors to S.F. No. 44. The motion prevailed.

Mr. Dahl moved that the name of Mr. Jude be added as a co-author to S.F. No. 49. The motion prevailed.

Mr. Frederick moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 55. The motion prevailed.

Mr. Frank moved that the name of Mr. Novak be added as a co-author

to S.F. No. 70. The motion prevailed.

Mr. Frank moved that the name of Mr. Merriam be added as a co-author to S.F. No. 71. The motion prevailed.

Mr. Frank moved that the names of Messrs. Novak and Belanger be added as co-authors to S.F. No. 76. The motion prevailed.

Mr. Pogemiller moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 81. The motion prevailed.

Mr. Berg moved that the names of Messrs. Stumpf; Davis; Frederickson, D.R. and Benson be added as co-authors to S.F. No. 89. The motion prevailed.

Mr. Davis moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 94. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Renneke be added as a co-author to S.F. No. 98. The motion prevailed.

Mr. Mehrkens introduced—

Senate Resolution No. 20: A Senate resolution congratulating the Watchmen boys cross country team from Elgin-Millville High School for winning the 1986 Minnesota Class A cross country meet title.

Referred to the Committee on Rules and Administration.

Mrs. Adkins introduced—

Senate Resolution No. 21: A Senate resolution proclaiming January 25-31 to be Young Astronaut Week and January 28 to be Challenger Day in Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Peterson, R.W. introduced—

Senate Resolution No. 22: A Senate resolution congratulating the Bluejackets boys' football team from Cambridge High School for winning the 1986 Class A Prep Bowl.

Referred to the Committee on Rules and Administration.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Frank introduced—

S.F. No. 100: A bill for an act relating to elections; requiring confidentiality of certain matters before the ethical practices board; raising certain campaign contribution disclosure limits; changing the method of calculating certain campaign expenditure limits; amending Minnesota Statutes 1986, sections 10A.02, subdivision 11; 10A.12, subdivision 5; 10A.20, subdivisions 3 and 5; 10A.25, subdivisions 2 and 7; and 10A.255.

Referred to the Committee on Elections and Ethics.

Messrs. Jude, Dahl and Laidig introduced—

S.F. No. 101: A bill for an act relating to crimes; providing for life imprisonment without parole for persons convicted of premeditated murder in the first degree; eliminating juvenile court jurisdiction over minors 14 years old and older accused of murder or manslaughter; expanding the crime of murder in the second degree to cover the unintentional killing of certain young children; increasing penalties and imposing mandatory minimum sentences for certain homicides and other crimes; clarifying the elements of manslaughter in the first degree; prohibiting waiver of certain mandatory minimum sentencing provisions; amending Minnesota Statutes 1986, sections 244.05, subdivision 4; 260.015, subdivision 5; 260.111, by adding a subdivision; 260.125, subdivision 3, and by adding a subdivision; 609.19; 609.195; 609.20; 609.221; 609.223; 609.224; 609.255, subdivision 3; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; and 609.377; and repealing Minnesota Statutes 1986, section 609.11, subdivision 8.

Referred to the Committee on Judiciary.

Mr. Frank, Ms. Peterson, D.C.; Messrs. Dahl and Vickerman introduced—

S.F. No. 102: A bill for an act relating to traffic regulations; extending prohibition against wearing headphones while operating motor vehicle to include bicycles; amending Minnesota Statutes 1986, section 169.471, subdivision 2.

Referred to the Committee on Transportation.

Mrs. McQuaid, Messrs. Larson and Knaak introduced—

S.F. No. 103: A bill for an act relating to taxation; individual income; eliminating restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1986, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Spear; Peterson, R.W. and Luther introduced—

S.F. No. 104: A bill for an act relating to commerce; revising the Uniform Trade Secret Act; clarifying remedies; amending Minnesota Statutes 1986, sections 325C.01, subdivision 5; 325C.02; 325C.03; and 325C.07.

Referred to the Committee on Judiciary.

Mr. Moe, R.D. introduced—

S.F. No. 105: A bill for an act relating to taxation; permitting counties to impose a special levy for payments to soil and water conservation districts; amending Minnesota Statutes 1986, section 275.50, subdivision 5.

Referred to the Committee on Agriculture.

Mr. Pogemiller introduced—

S.F. No. 106: A resolution memorializing the United States Congress to propose an amendment to the Constitution to abolish the electoral college

and replace it with direct popular election of the President.

Referred to the Committee on Elections and Ethics.

Mr. Diessner introduced—

S.F. No. 107: A bill for an act relating to civil commitment; defining “mentally ill person”; and “the least restrictive alternative principle”; providing that mentally ill persons can be committed only to regional centers or hospitals that are appropriately accredited; amending Minnesota Statutes 1986, sections 253B.02, subdivision 13, and by adding subdivisions; and 253B.09, subdivision 1.

Referred to the Committee on Judiciary.

Mrs. Lantry, Mr. Freeman, Mrs. McQuaid, Messrs. Dahl and Spear introduced—

S.F. No. 108: A bill for an act relating to consumer protection; requiring certain disclosures regarding the quality of replacement parts used in certain repairs and appraisals; amending Minnesota Statutes 1986, sections 72B.091, subdivision 2; 325F.56, subdivision 8; and 325F.60, subdivision 1.

Referred to the Committee on Commerce.

Mr. Mehrkens introduced—

S.F. No. 109: A bill for an act relating to labor; creating an employee's social responsibility act; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mrs. Lantry, Messrs. Johnson, D.E.; Vickerman and Chmielewski introduced—

S.F. No. 110: A bill for an act relating to health; providing for licensure and operation of hospice programs; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Mr. Dahl introduced—

S.F. No. 111: A bill for an act relating to waste management; providing for the abatement priority of certain tire dumps or collection sites; amending Minnesota Statutes 1986, section 115A.912, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Davis and Stumpf introduced—

S.F. No. 112: A bill for an act relating to agriculture; establishing an agricultural linked deposit program; imposing a penalty.

Referred to the Committee on Agriculture.

Mr. Johnson, D.E. introduced—

S.F. No. 113: A bill for an act relating to human services; providing for an exception to the nursing home moratorium; amending Minnesota Statutes 1986, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.E. introduced—

S.F. No. 114: A bill for an act relating to traffic regulations; providing for designation of exempt railroad grade crossings; amending Minnesota Statutes 1986, section 169.28.

Referred to the Committee on Transportation.

Mr. Johnson, D.E. introduced—

S.F. No. 115: A bill for an act relating to the city of Willmar; providing an exception from the Willmar police civil service system for the chief of police.

Referred to the Committee on Governmental Operations.

Messrs. Johnson, D.E.; Frederick and Laidig introduced—

S.F. No. 116: A bill for an act relating to traffic regulations; repealing laws prohibiting retention of records of certain speeding violations; repealing Minnesota Statutes 1986, sections 169.99, subdivision 1b; and 171.12, subdivision 6.

Referred to the Committee on Transportation.

Mr. Dicklich introduced—

S.F. No. 117: A bill for an act relating to liquor; authorizing St. Louis county to issue one off-sale liquor license.

Referred to the Committee on Commerce.

Mr. Metzen introduced—

S.F. No. 118: A bill for an act relating to retirement; including compensation paid for managing extracurricular activities in benefit computation; amending Minnesota Statutes 1986, sections 354.44, subdivision 6; and 354A.31, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Frank, Vickerman and Dahl introduced—

S.F. No. 119: A bill for an act relating to alcoholic beverages; restricting practices by licensees which may tend to increase consumption of alcoholic beverages; proposing coding for new law in Minnesota Statutes, chapter 340A.

Referred to the Committee on Commerce.

Mr. Frank, Mrs. Lantry, Messrs. Dahl and Vickerman introduced—

S.F. No. 120: A bill for an act relating to criminal procedure; prohibiting plea agreements under certain circumstances when the crime charged is driving while under the influence of alcohol or aggravated driving while under the influence of alcohol; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Frank, Mrs. Lantry, Messrs. Diessner, Hughes and Laidig introduced—

S.F. No. 121: A bill for an act relating to traffic regulations; imposing penalty for failure to wear seat belt; amending Minnesota Statutes 1986, section 169.686, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Dicklich; Johnson, D.J. and Lessard introduced—

S.F. No. 122: A bill for an act relating to taxation; providing for expenditure of proceeds of the taconite production tax; amending Minnesota Statutes 1986, section 298.293; repealing Laws 1986, chapter 441, section 14.

Referred to the Committee on Economic Development and Housing.

Mrs. Adkins, Messrs. Solon, Frederick, Benson and Wegscheid introduced—

S.F. No. 123: A bill for an act relating to local government; broadening the joint self-insurance pool regulation exemption; amending Minnesota Statutes 1986, section 471.982, subdivision 3.

Referred to the Committee on Commerce.

Mrs. Adkins, Messrs. Solon, Frederick, Benson and Wegscheid introduced—

S.F. No. 124: A bill for an act relating to sureties; providing conditions for corporations to act as sureties or guarantors; amending Minnesota Statutes 1986, section 574.15.

Referred to the Committee on Commerce.

Ms. Berglin introduced—

S.F. No. 125: A bill for an act relating to human services; reducing state aid for general assistance to counties that fail to provide literacy training; requiring certain recipients of general assistance to attend adult literacy training; amending Minnesota Statutes 1986, sections 256D.03, subdivision 2; and 256D.05, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Diessner introduced—

S.F. No. 126: A bill for an act relating to health; establishing procedures for consent to health care; providing for creation of a durable power of

attorney for health care; providing for a declaration of consent for the terminally ill; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 145A.

Referred to the Committee on Judiciary.

Messrs. Brandl, DeCramer, Mses. Peterson, D.C.; Reichgott and Mr. Knaak introduced—

S.F. No. 127: A bill for an act relating to education; requiring school districts to provide special instruction and services for children with attention deficit disabilities; amending Minnesota Statutes 1986, section 120.03, subdivision 1.

Referred to the Committee on Education.

Messrs. Spear, Solon and Cohen introduced—

S.F. No. 128: A bill for an act relating to liquor; authorizing municipalities to permit holders of both on-sale wine and nonintoxicating malt liquor licenses to sell intoxicating malt liquors; amending Minnesota Statutes 1986, section 340A.404, subdivision 5; repealing Laws 1979, chapter 200.

Referred to the Committee on Commerce.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, January 26, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTH DAY

St. Paul, Minnesota, Monday, January 26, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Ralph Johnson.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Knaak	Morse	Schmitz
Anderson	Davis	Knutson	Novak	Solon
Beckman	DeCramer	Kroening	Olson	Spear
Belanger	Dicklich	Laidig	Pehler	Storm
Benson	Diessner	Langseth	Peterson, D.C.	Stumpf
Berg	Frank	Lantry	Peterson, R.W.	Taylor
Berglin	Frederick	Larson	Piper	Vickerman
Bernhagen	Frederickson, D.J.	Lessard	Pogemiller	Waldorf
Bertram	Frederickson, D.R.	Luther	Purfeerst	Wegscheid
Brandl	Freeman	Marty	Ramstad	Willet
Brataas	Hughes	Merriam	Reichgott	
Chmielewski	Johnson, D.J.	Metzen	Renneke	
Cohen	Jude	Moe, R.D.	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mrs. McQuaid, Messrs. Johnson, D.E; Mehrkens and Moe, D.M. were excused from the Session of today.

MOTIONS AND RESOLUTIONS

Mr. Ramstad moved that the name of Mr. Jude be added as a co-author to Senate Resolution No. 17. The motion prevailed.

Mr. Ramstad moved that the name of Mr. Jude be added as a co-author to Senate Resolution No. 19. The motion prevailed.

Mr. Ramstad moved that the name of Mr. Jude be added as a co-author to S.F. No. 34. The motion prevailed.

Mr. Diessner moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 39. The motion prevailed.

Mr. Frank moved that the name of Ms. Piper be added as a co-author to S.F. No. 70. The motion prevailed.

Mr. Jude moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 101. The motion prevailed.

Mrs. McQuaid moved that the name of Mr. Ramstad be added as a co-

author to S.F. No. 103. The motion prevailed.

Mr. Moe, R.D. moved that the names of Messrs. Davis and Vickerman be added as co-authors to S.F. No. 105. The motion prevailed.

Messrs. Chmielewski, Diessner, Bertram, Beckman and Moe, R.D. introduced—

Senate Resolution No. 23: A Senate resolution stating the sense of the Senate that the governments of the United States and the Socialist Republic of Vietnam take all possible action to determine the fate of persons missing in action and/or held as prisoners of war in Asian nations.

WHEREAS, on the 27th of January 1987, 14 years will have elapsed since the agreement to end American involvement in the war in Southeast Asia; and

WHEREAS, one of the conditions of that agreement was a provision for a return or an accounting of those persons who were missing in action and those persons who were prisoners of war; and

WHEREAS, the government of Vietnam has only provided information on a limited number of those still carried as unaccounted for, and this only through the pressure of determined families, concerned citizens, and very dedicated elected officials; and

WHEREAS, 2,421 Americans, including 44 Minnesotans, remain unaccounted for, with investigation of their status arrested by failure of the Socialist Republic of Vietnam and its allied governments to cooperate and assist; and

WHEREAS, there have been and continue to be live sightings and reports that some of these missing men are still alive in Southeast Asia; and

WHEREAS, the sorrow, anxiety, and frustration of the families and the citizens of the State of Minnesota for these men cannot be dispelled by either delay or neglect; and

WHEREAS, it is America's duty to ensure, through an authentic, comprehensive investigation, the return of Americans still within Southeast Asia and to account for Americans who have perished there; and

WHEREAS, Congress has established several task forces on American Prisoners and Missing in Southeast Asia that have held hearings to consider evidence relating to the status of the missing in Southeast Asia; and

WHEREAS, through these many hearings over the years, it has been resolved to not rule out the possibility that Americans remain alive in Asian nations; and

WHEREAS, many of those who have served on those committees and have knowledge resulting from the hearings have attempted to express their beliefs that there are Americans possibly still detained; and

WHEREAS, it is absolutely essential that the governments of the United States and the Socialist Republic of Vietnam act NOW to address this question of those missing Americans; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that the government of the United States should do all it can to answer the questions surrounding the status of the missing men, to secure the return of any living

prisoners or missing men, and to secure the return of the remains of those that have died.

BE IT FURTHER RESOLVED that the Socialist Republic of Vietnam should immediately yield all information it has on the status of the missing especially since there is no reason for them to refuse to give this information other than a calculated effort to protract the agony of the families of the missing.

Mr. Chmielewski moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Messrs. Ramstad and Jude introduced—

Senate Resolution No. 24: A Senate resolution congratulating the Trojans Girls Soccer team from Wayzata High School for winning the 1986 Region 6 Championship.

Referred to the Committee on Rules and Administration.

Messrs. Ramstad and Jude introduced—

Senate Resolution No. 25: A Senate resolution congratulating the Trojans Girls Swimming and Diving Team from Wayzata High School for winning the 400 yard Freestyle Relay at the 1986 State Girls Swimming and Diving Meet.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that Senate Resolution No. 11 be taken from the table. The motion prevailed.

Senate Resolution No. 11: A Senate resolution relating to mileage; setting the miles traveled by members of the Senate in going to and returning from the Capitol.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The miles traveled by members of the Senate for the 75th Legislature in each round trip going to and returning from the Capitol to their places of residence are as follows:

MEMBER	MILEAGE
ADKINS, Betty A.	86
ANDERSON, Don A.	384
BECKMAN, Tracy L.	264
BELANGER, William V. Jr.	46
BENSON, Duane D.	238
BERG, Charles A.	370
BERGLIN, Linda	18
BERNHAGEN, John	140
BERTRAM, Joe	215
BRANDL, John E.	20
BRATAAS, Nancy	160
CHMIELEWSKI, Florian	210
COHEN, Richard L.	0
DAHL, Gregory L.	40
DAVIS, Charles R.	130
DeCRAMER, Gary M.	336
DICKLICH, Ronald R.	390

DIESSNER, A.W. "Bill"	44
FRANK, Don	36
FREDERICK, Mel	140
FREDERICKSON, David J.	256
FREDERICKSON, Dennis R.	250
FREEMAN, Michael O.	25
GUSTAFSON, Jim	312
HUGHES, Jerome M.	10
JOHNSON, Dean E.	202
JOHNSON, Douglas J.	460
JUDE, Tad	50
KNAAK, Fritz	22
KNUTSON, Howard A.	44
KROENING, Carl W.	30
LAIDIG, Gary W.	44
LANGSETH, Keith	472
LANTRY, Marilyn M.	11
LARSON, Cal	402
LESSARD, Bob	620
LUTHER, William P.	44
MARTY, John J.	25
McQUAID, Phyllis W.	28
MEHRKENS, Lyle G.	100
MERRIAM, Gene	42
METZEN, James	20
MOE, Donald M.	0
MOE, Roger D.	522
MORSE, Steven	256
NOVAK, Steven G.	30
OLSON, Gen	70
PEHLER, James C.	140
PETERSON, Donna C.	0
PETERSON, Randolph W.	58
PIPER, Pat	200
POGEMILLER, Lawrence J.	0
PURFEERST, Clarence M.	116
RAMSTAD, Jim	44
REICHGOTT, Ember D.	42
RENNEKE, Earl W.	146
SAMUELSON, Don	276
SCHMITZ, Robert J.	100
SOLON, Sam G.	310
SPEAR, Allan H.	22
STORM, Donald A.	41
STUMPF, LeRoy A.	582
TAYLOR, Glen	180
VICKERMAN, Jim M.	336
WALDORF, Gene	12
WEGSCHEID, Darril	38
WILLET, Gerald L.	(air 340) 410

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Ms. Piper introduced—

S.F. No. 129: A bill for an act relating to economic development; creating an enterprise zone to be designated by the city of Austin.

Referred to the Committee on Economic Development and Housing.

Messrs. Pehler; Johnson, D.J.; Belanger; Davis and Ms. Peterson, D.C. introduced—

S.F. No. 130: A bill for an act relating to retirement; providing annual lump sum payments to certain retired or disabled public employees or their surviving spouses; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Messrs. Bertram and Purfeerst introduced—

S.F. No. 131: A bill for an act relating to transportation; traffic; providing for a ten mile per hour reduction in the speed limit for construction zones; amending Minnesota Statutes 1986, section 169.14, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Spear, Belanger and Jude introduced—

S.F. No. 132: A bill for an act relating to marriage; adopting the uniform marital property act; providing conforming amendments to existing state law; amending Minnesota Statutes 1986, sections 197.49; 507.02; 507.03; 518.54, subdivision 5; 518.58; 519.11, subdivisions 1 and 7; 525.15; proposing coding for new law as Minnesota Statutes, chapter 519A; repealing Minnesota Statutes 1986, sections 519.02; 519.03; 519.04; 519.05; and 519.06.

Referred to the Committee on Judiciary.

Messrs. Lessard, Berg, Bertram, Diessner and Samuelson introduced—

S.F. No. 133: A resolution memorializing the President and Congress to enact legislation to exempt nonprofit organizations from the federal excise tax on wagering.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Dicklich, Lessard and Johnson, D.J. introduced—

S.F. No. 134: A bill for an act relating to utilities; limiting compensation awarded to utility under certain conditions when municipal electric utility extends its boundaries; amending Minnesota Statutes 1986, section 216B.44.

Referred to the Committee on Public Utilities and Energy.

Messrs. Wegscheid, Schmitz and Diessner introduced—

S.F. No. 135: A bill for an act relating to industrial development bonds; requiring the refund of application deposits to the city of Hastings; appropriating money.

Referred to the Committee on Economic Development and Housing.

Messrs. Wegscheid and Purfeerst introduced—

S.F. No. 136: A bill for an act relating to transportation; school bus safety; providing for amber proceed-with-caution signal for driver-activated student control warning systems; amending Minnesota Statutes 1986, section 169.44, subdivision 1d.

Referred to the Committee on Transportation.

Messrs. Wegscheid, Bertram and Larson introduced—

S.F. No. 137: A bill for an act relating to agriculture; clarifying the exceptions to prohibition against manufacture of food from adulterated milk or cream; amending Minnesota Statutes 1986, section 32.21, subdivision 2.

Referred to the Committee on Agriculture.

Messrs. Lessard and Davis introduced—

S.F. No. 138: A bill for an act relating to public utilities; providing for uniformity of public coin-operated telephones; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Public Utilities and Energy.

Mr. Dicklich introduced—

S.F. No. 139: A bill for an act relating to alcoholic beverages; authorizing St. Louis county to issue one off-sale license.

Referred to the Committee on Commerce.

Messrs. DeCramer, Mehrkens, Stumpf, Novak and Purfeerst introduced—

S.F. No. 140: A bill for an act relating to transportation; commercial motor vehicles; mandating development of a testing and licensing program for commercial motor vehicle drivers; requiring a report to the legislature.

Referred to the Committee on Transportation.

Messrs. Morse and Moe, R.D. introduced—

S.F. No. 141: A bill for an act relating to education; state universities; establishing a composites science and engineering program at Winona State University; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Education.

Messrs. Pehler, Langseth, Taylor, Dicklich and Morse introduced—

S.F. No. 142: A bill for an act relating to education; restoring earlier cuts in appropriations to post-secondary education systems; appropriating money.

Referred to the Committee on Finance.

Mr. Wegscheid introduced—

S.F. No. 143: A bill for an act relating to state historic sites; appropriating money for the William G. LeDuc House.

Referred to the Committee on Finance.

Mr. Waldorf introduced—

S.F. No. 144: A bill for an act relating to utilities; deregulating certain telecommunication services; proposing coding for new law as Minnesota Statutes, chapter 237A.

Referred to the Committee on Public Utilities and Energy.

Mr. Mehrkens introduced—

S.F. No. 145: A bill for an act relating to trespass; permitting paint blazes in lieu of trespass signs; amending Minnesota Statutes 1986, section 97B.001, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Mr. Metzen introduced—

S.F. No. 146: A bill for an act relating to retirement; West St. Paul police relief association; defining salary for benefit and contribution purposes; amending Laws 1967, chapter 751, section 2.

Referred to the Committee on Governmental Operations.

Mr. Metzen introduced—

S.F. No. 147: A bill for an act relating to motor vehicles; increasing the amount of the bond required of certain self-propelled recreational vehicles dealers; amending Minnesota Statutes 1986, section 168.27, subdivision 24.

Referred to the Committee on Transportation.

Mr. Cohen introduced—

S.F. No. 148: A bill for an act relating to financial institutions; extending the EFT law to terminals located on the premises of a financial institution; amending Minnesota Statutes 1986, section 47.61, subdivision 3.

Referred to the Committee on Commerce.

Mr. Cohen introduced—

S.F. No. 149: A bill for an act relating to arrest; providing for the extradition and rendition of accused persons, escapees, and other persons subject to orders in criminal proceedings; enacting the uniform extradition and rendition act; amending Minnesota Statutes 1986, sections 480.059, sub-

division 7; 611.14; and 629.404, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 629A; repealing Minnesota Statutes 1986, sections 629.01 to 629.29.

Referred to the Committee on Judiciary.

Messrs. Wegscheid, Renneke and Benson introduced—

S.F. No. 150: A bill for an act relating to horse racing; authorizing the commission to issue more than one class A license in the seven-county metropolitan area; amending Minnesota Statutes 1986, section 240.06, subdivision 5.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Bertram, Lessard and Pehler introduced—

S.F. No. 151: A bill for an act relating to veterans; restoring the tuition exemption at AVTI's for Vietnam-era veterans; amending Minnesota Statutes 1986, section 136C.13, subdivision 3; repealing Minnesota Statutes 1986, section 136C.13, subdivision 4.

Referred to the Committee on Veterans. Mr. Pehler questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mrs. Lantry, Messrs. Belanger, Marty, Spear and Pogemiller introduced—

S.F. No. 152: A bill for an act relating to crime victims; creating a fund to be used by local law enforcement agencies for the purpose of meeting certain emergency needs of crime victims; providing for administration of the fund by the crime victims reparations board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Judiciary.

Mmes. Lantry, Adkins, Messrs. Belanger, Luther and Solon introduced—

S.F. No. 153: A bill for an act relating to consumer protection; requiring cash refunds for goods returned on certain retail sales; providing an exception; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Jude, Mmes. McQuaid, Adkins, Messrs. Metzen and Freeman introduced—

S.F. No. 154: A bill for an act relating to occupations and professions; requiring the board of boxing to license karate schools; changing the name of the board of boxing to the board of boxing and karate; providing definitions; authorizing fees; requiring rulemaking; appropriating money; providing penalties; amending Minnesota Statutes 1986, sections 341.01; 341.04; 341.045; 341.05; and 341.10; proposing coding for new law in Minnesota Statutes, chapter 341.

Referred to the Committee on Commerce.

Mr. Beckman introduced—

S.F. No. 155: A resolution memorializing that the governments of the United States and the Socialist Republic of Vietnam take all possible action to determine the fate of persons missing in action and/or held as prisoners of war in Asian nations.

Referred to the Committee on Veterans.

Messrs. Luther; Peterson, R. W.; Cohen and Ms. Reichgott introduced—

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

Referred to the Committee on Judiciary.

Messrs. Luther, Jude and Moe, D.M. introduced—

S.F. No. 157: A bill for an act relating to property interests; enacting the uniform statutory rule against perpetuities; amending Minnesota Statutes 1986, section 500.17, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 501A; repealing Minnesota Statutes 1986, section 500.13.

Referred to the Committee on Judiciary.

Mr. Benson introduced—

S.F. No. 158: A bill for an act relating to administrative procedure; providing procedures for the adoption of administrative rules and the determination of administrative disputes; providing for publication of administrative rules and disposition of administrative appeals; enacting the model administrative procedure act; proposing coding for new law as Minnesota Statutes, chapter 14A; repealing Minnesota Statutes 1986, sections 14.01 to 14.69.

Referred to the Committee on Governmental Operations.

Messrs. Metzen and Solon introduced—

S.F. No. 159: A bill for an act relating to taxation; individual income; expanding the exclusion for pension income; amending Minnesota Statutes 1986, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Metzen, Solon, Purfeerst and Wegscheid introduced—

S.F. No. 160: A bill for an act relating to retirement; extending for two years the rule of 85; amending Minnesota Statutes 1986, section 356.70, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Dahl introduced—

S.F. No. 161: A bill for an act relating to veterans; requiring the commissioner to establish a certification process for veterans service officers; amending Minnesota Statutes 1986, section 197.605, by adding a subdivision:

Referred to the Committee on Veterans.

Messrs. Ramstad, Benson, Mrs. McQuaid and Mr. Anderson introduced—

S.F. No. 162: A bill for an act relating to utilities; trade practices; restricting automatic telephone dialing-announcing devices; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Messrs. Ramstad, Benson, Anderson and Larson introduced—

S.F. No. 163: A bill for an act relating to state government; rejecting salary adjustments for legislators and constitutional officers recommended by the compensation council.

Referred to the Committee on Governmental Operations.

Mr. Samuelson introduced—

S.F. No. 164: A bill for an act relating to local government; allowing certain cities to appropriate money for advertising; amending Minnesota Statutes 1986, section 465.56, subdivision 1.

Referred to the Committee on Local and Urban Government.

Messrs. Chmielewski, Lessard and Stumpf introduced—

S.F. No. 165: A bill for an act relating to wild animals; liability of state officials for damage caused by beaver dams; amending Minnesota Statutes 1986, section 97B.665, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Peterson, R.W. and Langseth introduced—

S.F. No. 166: A bill for an act relating to education; revising, simplifying, and equalizing certain revenues for school districts; appropriating money; amending Minnesota Statutes 1986, section 275.125, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1986, sections 121.85; 121.86; 121.87; 121.88; 121.882; 121.935, subdivision 5; 123.701; 123.702; 123.703; 123.704; 123.705; 124.17, subdivisions 1a and 2d; 124.175; 124.185; 124.2161; 124.2162; 124.2163; 124.245; 124.246; 124.247; 124.252; 124.26; 124.271; 124.2711; 124.272; 124.273; 124.274; 124.275; 124.573; 124.65; 124.66; 124A.01; 124A.02, subdivisions 2, 3a, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 19, 23, and 24; 124A.03, subdivisions 1, 1a, 3, 4, and 6; 124A.031, subdivision 1; 124A.033; 124A.034; 124A.035, subdivision 1; 124A.04; 124A.06; 124A.08; 124A.10; 124A.12; 124A.14; 124A.16; 124A.20; 124A.21; 126.031, subdivision 2; 126.264, subdivision 3; 126.267; 126.268, subdivision 2; 126.60; 126.62; 126.64; 126.65; 126.70; 126.71; 126.72; 126.80; 126.81; 129B.01; 129B.02; 129B.04; 129B.05; 129B.17; 129B.20; 129B.21;

129B.41; 129B.42; 129B.43; 129B.44; 129B.45; 129B.46; 129B.47; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; 129B.67; and 275.125, subdivisions 3, 6a, 8, 8a, 8b, 11a, 11c, and 12.

Referred to the Committee on Education.

Messrs. Lessard, Wegscheid, Berg and Bertram introduced—

S.F. No. 167: A bill for an act relating to the Minnesota zoological garden; requiring board appointments to be subject to the advice and consent of the senate; amending Minnesota Statutes 1986, section 85A.01, subdivision 1.

Referred to the Committee on General Legislation and Public Gaming.

Ms. Reichgott, Mr. Pogemiller, Ms. Peterson, D.C. and Mr. Spear introduced—

S.F. No. 168: A bill for an act relating to human rights; clarifying certain provisions relating to discrimination in the extension of credit because of sex or marital status; amending Minnesota Statutes 1986, section 363.03, subdivision 8.

Referred to the Committee on Judiciary.

Messrs. Davis, Stumpf and Frederickson, D.J. introduced—

S.F. No. 169: A bill for an act relating to education; eliminating the physical education requirement for teacher education programs; amending Minnesota Statutes 1986, section 126.02, subdivision 2.

Referred to the Committee on Education.

Mr. Pogemiller introduced—

S.F. No. 170: A bill for an act relating to economic development; recodifying provisions governing housing and redevelopment authorities, port authorities, economic development authorities, area redevelopment, municipal development districts, mined underground space development, rural development finance authorities, public development debt, enterprise zones, tax increment financing, and other local economic development tools; extending duration of bond allocation act; amending Minnesota Statutes 1986, sections 16B.61, subdivision 3; 41A.05, subdivision 2; 41A.06, subdivision 5; 115A.69, subdivision 9; 116J.27, subdivision 4; 116M.03, subdivisions 11, 19, and 28; 116M.06, subdivision 3; 116M.07, subdivision 11; 124.214, subdivision 3; 216B.49, subdivision 7; 268.38, subdivision 3; 272.02, subdivision 5; 272.026; 272.68, subdivision 4; 273.13, subdivisions 9 and 24; 273.1393; 282.01, subdivision 1; 290.61; 298.2211, subdivisions 1 and 3; 353.01, subdivision 6; 355.11, subdivision 5; 355.16; 412.251; 462C.02, subdivisions 6 and 9; 462C.05, subdivision 7; 462C.06; 465.54; 465.74, subdivision 7; 465.77; 471A.03, subdivision 9; 473.195, subdivision 1; 473.201, subdivision 1; 473.504, subdivision 11; 473.556, subdivision 6; 473.638, subdivision 2; 473.811, subdivision 8; 473.852, subdivision 6; 473F02, subdivision 3; 473F05; 473F08, subdivisions 2, 4, and 6; 475.525, subdivision 3; 477A.011, subdivision 7; 504.24, subdivision 2; and 609.321, subdivision 12; and Laws 1986, chapter 465, article 1, section 32; repealing Minnesota Statutes 1986, sections 273.1312; 273.1313; 273.1314; 273.71; 273.72; 273.73; 273.74; 273.75; 273.76;

273.77; 273.78; 273.86; 362A.01; 362A.02; 362A.03; 362A.04; 362A.041; 362A.05; 362A.06; 373.31; 426.055; 458.09; 458.091; 458.10; 458.11; 458.12; 458.14; 458.15; 458.16; 458.17; 458.18; 458.19; 458.191; 458.192; 458.193; 458.194; 458.1941; 458.195; 458.196; 458.197; 458.198; 458.199; 458.1991; 458.70; 458.701; 458.702; 458.703; 458.711; 458.712; 458.713; 458.72; 458.74; 458.741; 458.75; 458.76; 458.77; 458.771; 458.772; 458.773; 458.774; 458.775; 458.776; 458.777; 458.778; 458.79; 458.80; 458.801; 458.81; 458C.01; 458C.03; 458C.04; 458C.05; 458C.06; 458C.07; 458C.08; 458C.09; 458C.10; 458C.11; 458C.12; 458C.13; 458C.14; 458C.15; 458C.16; 458C.17; 458C.18; 458C.19; 458C.20; 458C.22; 458C.23; 459.01; 459.02; 459.03; 459.04; 459.05; 459.31; 459.32; 459.33; 459.34; 462.411; 462.415; 462.421; 462.425; 462.426; 462.427; 462.428; 462.429; 462.4291; 462.432; 462.435; 462.441; 462.445; 462.451; 462.455; 462.461; 462.465; 462.466; 462.471; 462.475; 462.481; 462.485; 462.491; 462.495; 462.501; 462.505; 462.511; 462.515; 462.521; 462.525; 462.531; 462.535; 462.541; 462.545; 462.551; 462.555; 462.556; 462.561; 462.565; 462.571; 462.575; 462.581; 462.585; 462.591; 462.595; 462.601; 462.605; 462.611; 462.615; 462.621; 462.625; 462.631; 462.635; 462.641; 462.645; 462.651; 462.655; 462.661; 462.665; 462.671; 462.675; 462.681; 462.685; 462.691; 462.695; 462.701; 462.705; 462.712; 462.713; 462.714; 462.715; 462.716; 465.026; 465.53; 465.55; 465.56; 472.01; 472.02; 472.03; 472.04; 472.05; 472.06; 472.07; 472.08; 472.09; 472.10; 472.11; 472.12; 472.125; 472.13; 472.14; 472.15; 472.16; 472A.01; 472A.02; 472A.03; 472A.04; 472A.05; 472A.06; 472A.07; 472A.09; 472A.10; 472A.11; 472A.12; 472A.13; 472B.01; 472B.02; 472B.03; 472B.04; 472B.05; 472B.06; 472B.07; 472B.08; 474.01; 474.02; 474.03; 474.04; 474.05; 474.06; 474.07; 474.08; 474.09; 474.10; 474.11; 474.13; 474.15; 477A.018; and 477A.019; and Laws 1985, chapters 173; 177; 188; 189; 199; 205; 206, sections 2 and 3; and 301, sections 3 and 4; proposing coding for new law as Minnesota Statutes, chapter 469.

Referred to the Committee on Economic Development and Housing.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, January 29, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTH DAY

St. Paul, Minnesota, Thursday, January 29, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Nancy A. Hess.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knutson	Moe, R.D.	Schmitz
Anderson	DeCramer	Kroening	Morse	Solon
Beckman	Dicklich	Laidig	Novak	Spear
Belanger	Diessner	Langseth	Olson	Storm
Benson	Frank	Lantry	Pehler	Stumpf
Berg	Frederick	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Piper	Waldorf
Bertram	Freeman	Marty	Pogemiller	Wegscheid
Brandl	Gustafson	McQuaid	Purfeerst	Willet
Brataas	Hughes	Mehrkens	Ramstad	
Chmielewski	Johnson, D.J.	Merriam	Reichgott	
Cohen	Jude	Metzen	Renneke	
Dahl	Knaak	Moe, D.M.	Samuelson.	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Johnson, D.E. was excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

August 27, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Board of the Minnesota School of the Arts and Resource Center are hereby respectfully submitted to the Senate for confirmation as required by law:

Nancy Brostrom Vollertsen, 1007 - 29th St. N.W., Rochester, Olmsted County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1988.

Gordon Bird, P.O. Box 13, Pipestone, Pipestone County, has been ap-

pointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1989.

Mary Ingebrand-Pohlad, 4101 W. 48th St., Edina, Hennepin County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1989.

Sarah Fields Nesson, 5429 Brookview Ave., Edina, Hennepin County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1987.

Harry Sieben, Jr., 90 Valley Ln., Hastings, Dakota County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1986.

Reginald Buckner, 7225 Green Valley Rd., Golden Valley, Hennepin County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1988.

Jon Wefald, 2 Bluebird Ln., North Oaks, Ramsey County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1986.

Marilyn Berg, 1242 Culligan Ln., Mendota Heights, Dakota County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1987.

Florence Grieve, 280 Salem Church Rd., Sunfish Lake, Dakota County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1988.

Roland Amundson, 1350 Dain Tower, Minneapolis, Hennepin County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1986.

Ruth Roitenberg, 1201 Yale Pl., Minneapolis, Hennepin County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1987.

Owen R. Husney, 450 Lakeview Ave., Tonka Bay, Hennepin County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1989.

Alexandra Jacobs, 1700 Shoreline Dr., Wayzata, Hennepin County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1987.

Margaret Marvin, P.O. Box 100, Warroad, Roseau County, has been appointed by me, effective September 1, 1985, for a term expiring the first Monday in January, 1989.

Jack Fena, 311 E. Howard St., Hibbing, St. Louis County, has been appointed by me, effective August 31, 1985, for a term expiring the first Monday in January, 1988.

(Referred to the Committee on Education.)

January 8, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Board of the Minnesota School of the Arts and Resource Center are hereby respectfully submitted to the Senate for confirmation as required by law:

Jon Wefald, 2 Bluebird Ln., North Oaks, Ramsey County, has been appointed by me, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

Roland Amundson, 1350 Dain Tower, Minneapolis, Hennepin County, has been appointed by me, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

Harry Sieben, Jr., 90 Valley Ln., Hastings, Dakota County, has been appointed by me, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Education.)

January 8, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Housing Finance Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Bruce Bakken, 8395 College Trl. E., Inver Grove Heights, Dakota County, has been appointed by me, effective January 17, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Economic Development and Housing.)

March 10, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State University Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Richard H. Jorgensen, 302 W. Redwood, Marshall, Lyon County, has been appointed by me, effective March 14, 1986, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Education.)

May 14, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of the Arts is hereby respectfully submitted to the Senate for confirmation as required by law:

David M. Lilly, Jr., 1924 Irving Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective May 23, 1986, for a term expiring the first Monday in January, 1988.

(Referred to the Committee on General Legislation and Public Gaming.)

June 12, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Workers' Compensation Court of Appeals is hereby respectfully submitted to the Senate for confirmation as required by law:

Manuel J. Cervantes, 310 Ryan Ave., St. Paul, Ramsey County, has been appointed by me, effective July 1, 1986, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Employment.)

July 17, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of the Minnesota School of the Arts and Resource Center is hereby respectfully submitted to the Senate for confirmation as required by law:

George D. Appleby, 210 W. Grant, Minneapolis, Hennepin County, has been appointed by me, effective July 24, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Education.)

October 28, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Ethical Practices Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Douglas R. Ewald, 15025 Highland Trl., Minnetonka, Hennepin County, has been appointed by me, effective November 3, 1986, for a term expiring the first Monday in January, 1988.

(Referred to the Committee on Elections and Ethics.)

November 17, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of the Minnesota School of the Arts and Resource Center is hereby respectfully submitted to the Senate for confirmation as required by law:

William H. Richards, Box 167A, Walnut Grove, Murray County, has been appointed by me, effective November 21, 1986, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Education.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 66.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 26, 1987

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 66: A resolution memorializing the Congress of the United States to enact an extension of the federal highway program at the earliest possible date.

Referred to the Committee on Transportation.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 95: A resolution memorializing Congress to immediately adopt the "Save the Family Farm Act" or similar legislation to meet the catastrophe striking American farmers and the farm economy.

Reports the same back with the recommendation that the resolution be amended as follows:

Page 1, line 18, delete "taxpayers" and insert "taxpayers"

And when so amended the resolution do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 90: A bill for an act relating to utilities; enacting the Minnesota pipeline safety act; creating the office of pipeline safety and providing for its powers and duties; granting rulemaking authority to the environmental quality board; authorizing rulemaking for purposes of delegation of federal authority; creating the pipeline safety advisory commission; regulating the operation of certain pipelines; regulating excavations in the area of buried utilities; providing for a pipeline inspection fee; establishing the pipeline safety fund; requiring a study; providing penalties; appropriating money; amending Minnesota Statutes 1986, section 116I.02, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 116I; proposing coding for new law as Minnesota Statutes, chapters 216C and 299J.

Reports the same back with the recommendation that the bill do pass

and be re-referred to the Committee on Public Utilities and Energy. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 95 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Dahl moved that the name of Mr. Beckman be added as a co-author to S.F. No. 19. The motion prevailed.

Mr. Diessner moved that the names of Ms. Berglin and Mr. Ramstad be added as co-authors to S.F. No. 31. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 37. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 45. The motion prevailed.

Mr. Lessard moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 60. The motion prevailed.

Mr. Berg moved that the name of Mr. Renneke be added as a co-author to S.F. No. 61. The motion prevailed.

Mr. Berg moved that the name of Mr. Renneke be added as a co-author to S.F. No. 62. The motion prevailed.

Mr. Berg moved that the name of Mr. Dahl be added as a co-author to S.F. No. 69. The motion prevailed.

Mr. Davis moved that the name of Mr. Marty be added as a co-author to S.F. No. 94. The motion prevailed.

Mr. Moe, R.D. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 105. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Novak be added as a co-author to S.F. No. 110. The motion prevailed.

Mr. Dicklich moved that the names of Messrs. Solon and Willet be added as co-authors to S.F. No. 122. The motion prevailed.

Mr. Morse moved that the name of Mr. Benson be added as a co-author to S.F. No. 141. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Wegscheid and Davis be added as co-authors to S.F. No. 151. The motion prevailed.

Mr. Beckman moved that the names of Messrs. Wegscheid and Bertram be added as co-authors to S.F. No. 155. The motion prevailed.

Mr. Benson moved that the name of Mr. Belanger be added as a co-author to S.F. No. 158. The motion prevailed.

Mr. Metzen moved that the name of Mr. Davis be added as a co-author to S.F. No. 159. The motion prevailed.

Mr. Metzen moved that the name of Mr. Davis be added as a co-author to S.F. No. 160. The motion prevailed.

Mr. Dahl moved that the name of Mr. Bertram be added as a co-author

to S.F No. 161. The motion prevailed.

Mr. Wegscheid introduced—

Senate Resolution No. 26: A Senate resolution congratulating the Eagles boys track team from Apple Valley High School for winning the 1986 Class AA State High School Track Championship.

Referred to the Committee on Rules and Administration.

SUSPENSION OF RULES

Mr. Davis moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F No. 95 and that the rules of the Senate be so far suspended as to give S.F No. 95, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F No. 95: A resolution memorializing Congress to immediately adopt the "Save the Family Farm Act" or similar legislation to meet the catastrophe striking American farmers and the farm economy.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 58 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Reichgott
Anderson	DeCramer	Kroening	Moe, R. D.	Renneke
Beckman	Dicklich	Laidig	Morse	Samuelson
Benson	Diessner	Langseth	Novak	Schmitz
Berg	Frank	Lantry	Olson	Solon
Berglin	Frederick	Larson	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Vickerman
Brataas	Freeman	Marty	Piper	Wegscheid
Chmielewski	Gustafson	McQuaid	Pogemiller	Willet
Cohen	Hughes	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

Those who voted in the negative were:

Belanger	Knaak	Moe, D.M.	Spear	Waldorf
Brandl	Knutson			

So the resolution passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Brandl; Pehler; Pogemiller; Peterson, R.W. and Ms. Olson introduced—

S.F No. 171: A bill for an act relating to education; providing for a school site responsibility option; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 172: A bill for an act relating to taxation; sales and use; providing an exemption for certain sales by certain nonprofit organizations; amending Minnesota Statutes 1986, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Knaak, Wegscheid, Ramstad and Ms. Reichgott introduced—

S.F. No. 173: A bill for an act relating to education; requiring the formation of intermediate districts statewide; proposing coding for new law in Minnesota Statutes, chapter 136D.

Referred to the Committee on Education.

Messrs. Chmielewski, Stumpf, Anderson, Davis and Bernhagen introduced—

S.F. No. 174: A bill for an act relating to taxation; changing the distribution of property tax interest and penalties; amending Minnesota Statutes 1986, sections 276.13; and 279.37, subdivision 7; repealing Minnesota Statutes 1986, section 276.14.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller, Ms. Peterson, D.C.; Piper and Berglin introduced—

S.F. No. 175: A bill for an act relating to health; health maintenance organizations; requiring disclosure of certain exclusions and limitations on coverage; amending Minnesota Statutes 1986, sections 62D.05, subdivision 2; 62D.07, subdivision 3; and 62D.12, subdivision 1.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C.; Piper; Messrs. Beckman and Kroening introduced—

S.F. No. 176: A bill for an act relating to labor; prohibiting the charging of a fee in connection with a job application; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Messrs. Knaak and Knutson introduced—

S.F. No. 177: A bill for an act relating to education; removing the second tier levy fund balance ceiling of \$500; repealing Minnesota Statutes 1986, section 124A.08, subdivision 5.

Referred to the Committee on Education.

Messrs. Knaak and Wegscheid introduced—

S.F. No. 178: A bill for an act relating to game and fish; prohibiting the spearing of northern pike; amending Minnesota Statutes 1986, section 97C.371, subdivision 1; repealing Minnesota Statutes 1986, section 97C.385, subdivisions 1 and 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Stumpf; Johnson, D.J.; Lessard; Novak and Bernhagen introduced—

S.F. No. 179: A bill for an act relating to natural resources; designating the white-tailed deer as the official state mammal; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon; Dicklich; Johnson, D.J.; Frederickson, D.R. and Kroening introduced—

S.F. No. 180: A bill for an act relating to retirement; extending the time for termination of service to qualify for early retirement without reduction of annuities; amending Minnesota Statutes 1986, section 356.70, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Luther, Solon, Spear, Taylor and Ms. Reichgott introduced—

S.F. No. 181: A bill for an act relating to commerce; exempting certain directors, members, and agents of certain commercial bodies from civil liability; amending Minnesota Statutes 1986, section 317.201.

Referred to the Committee on Judiciary.

Mrs. Lantry, Mr. Beckman, Ms. Piper, Mr. Frank and Mrs. Brataas introduced—

S.F. No. 182: A bill for an act relating to employment; requiring an employer to notify employees and job applicants of bankruptcy proceedings; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Messrs. Samuelson, Willet, Stumpf, Dicklich and Johnson, D.J. introduced—

S.F. No. 183: A bill for an act relating to snowmobiles; authorizing certain operators possessing a motor vehicle operator's license to cross a highway; amending Minnesota Statutes 1986, section 84.872.

Referred to the Committee on Environment and Natural Resources.

Messrs. Spear, Ramstad, Jude and Solon introduced—

S.F. No. 184: A bill for an act relating to utilities; trade practices; restricting use and connection of automatic dialing-announcing devices to telephone lines; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Mr. Freeman, Ms. Piper, Mr. Pogemiller, Mrs. Lantry and Mr. Samuelson introduced—

S.F. No. 185: A bill for an act relating to health; appropriating money for the WIC program.

Referred to the Committee on Health and Human Services.

Messrs. Benson; Frederickson, D.R.; Larson; Frederick and Bernhagen introduced—

S.F. No. 186: A bill for an act proposing an amendment to the Minnesota Constitution, article XIV; dedicating motor vehicle excise tax proceeds to highway and transit purposes.

Referred to the Committee on Transportation.

Mr. Peterson, R.W.; Mrs. Adkins, Messrs. Storm, Spear and Luther introduced—

S.F. No. 187: A bill for an act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

Referred to the Committee on Judiciary.

Messrs. Stumpf; Lessard; Frederickson, D.R.; Bernhagen and Willet introduced—

S.F. No. 188: A bill for an act relating to state lands; providing that notice of sale of state lands state whether ingress and egress is publicly or privately owned; amending Minnesota Statutes 1986, section 92.14, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Jude; Luther; Peterson, R.W.; Knaak and Spear introduced—

S.F. No. 189: A bill for an act relating to liens; labor and material; regulating the attachment of these liens; providing that visible staking of the premises does not constitute the actual and visible beginning of the improvement; amending Minnesota Statutes 1986, section 514.05.

Referred to the Committee on Judiciary.

Mr. Wegscheid introduced—

S.F. No. 190: A bill for an act relating to horse racing; modifying the purse structure; authorizing certain horsemen's organizations and licensees to negotiate purse amounts; increasing the minimum amount to be set aside; reducing the amount of the tax imposed; reducing the required payments to the breeder's fund; eliminating the payment of a percentage of the breakage to the commission; amending Minnesota Statutes 1986, sections 240.13, subdivision 5; 240.15, subdivisions 1 and 2.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Johnson, D.J. introduced—

S.F. No. 191: A bill for an act relating to real property; authorizing conveyance of state interest in certain land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Lessard, Bertram and Wegscheid introduced—

S.F. No. 192: A bill for an act relating to lawful gambling; increasing the percentage of profits that may be used for necessary expenses; regulating distributor licenses; authorizing the board to determine distributor licensee fees, manufacturer certificate fees, and the price of the gambling equipment registration stamp; regulating the warehousing of gambling equipment within the state; regulating the leasing of premises for lawful gambling; authorizing the board to adopt rules restricting the amount of rent charged; prohibiting lessors from any involvement in lawful gambling; removing the board's authority to adopt a schedule of compensation; making various technical changes; amending Minnesota Statutes 1986, sections 349.12, subdivisions 12 and 15; 349.14; 349.15; 349.161, subdivisions 3, 4, 5, and 7; 349.162, subdivision 1, and by adding a subdivision; 349.163, subdivision 2; 349.18, subdivision 1, and by adding a subdivision; 349.19, subdivision 3; and 349.21.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Novak and Knaak introduced—

S.F. No. 193: A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes; amending Minnesota Statutes 1986, section 383A.07, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mr. Pehler introduced—

S.F. No. 194: A bill for an act relating to retirement; making permanent the rule of 85; amending Minnesota Statutes 1986, section 356.70, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Taylor introduced—

S.F. No. 195: A bill for an act relating to real property; providing for transfer of owner's duplicate certificate of title to owner; amending Minnesota Statutes 1986, section 386.375, subdivisions 2 and 3.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 196: A bill for an act relating to education; permitting free instruction of nongraduates over age 21; amending Minnesota Statutes 1986, section 120.06, subdivision 1.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 197: A bill for an act relating to education; appropriating money for a grant to the St. Paul School District for a pilot program at Jefferson Alternatives School.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 198: A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1986, sections 2.021; and 2.031, subdivision 1; and repealing Minnesota Statutes 1986, section 2.031, subdivision 2.

Referred to the Committee on Elections and Ethics.

Mr. Dahl introduced—

S.F. No. 199: A bill for an act relating to state licensed residential facilities; permitting certain local regulation of the proximity of facilities; amending Minnesota Statutes 1986, sections 245.812, subdivision 4; and 462.357, subdivision 8.

Referred to the Committee on Local and Urban Government.

Messrs. Dahl, Frank, Novak and Merriam introduced—

S.F. No. 200: A bill for an act relating to Anoka county; authorizing a certain loan agreement with the commissioner of transportation for the development of new highway No. 10; appropriating money.

Referred to the Committee on Transportation.

Messrs. Dahl, Frank, Novak and Merriam introduced—

S.F. No. 201: A bill for an act relating to Anoka county; authorizing the issuance of county bonds for capital improvements.

Referred to the Committee on Local and Urban Government.

Messrs. Purfeerst; Berg; Johnson, D.J.; Benson and Frederickson, D.R. introduced—

S.F. No. 202: A bill for an act relating to the state transportation system; authorizing the issuance and sale of Minnesota state transportation bonds; authorizing the expenditure of the proceeds for grants for construction and reconstruction of certain bridges and for certain preliminary studies; appropriating money.

Referred to the Committee on Transportation.

Messrs. Freeman, Luther and Solon introduced—

S.F. No. 203: A bill for an act relating to financial institutions; permitting interstate banking with additional reciprocating states; amending Minnesota Statutes 1986, section 48.92, subdivision 7.

Referred to the Committee on Commerce.

Ms. Reichgott, Messrs. Moe, R.D. and Laidig introduced—

S.F. No. 204: A bill for an act relating to corporations; providing for modification of the personal liability of directors; amending Minnesota Statutes 1986, sections 300.45; and 300.64, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Willet, Dahl, Dicklich and Samuelson introduced—

S.F. No. 205: A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; allowing the legislature to authorize lotteries operated by the state if the net revenues are dedicated to education and lotteries operated by nonprofit organizations for charitable purposes.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Willet, Pehler and Samuelson introduced—

S.F. No. 206: A bill for an act relating to state energy contracts; imposing additional requirements on bidders for state energy efficiency installment purchase contracts; amending Minnesota Statutes 1986, section 16B.16, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Dahl introduced—

S.F. No. 207: A bill for an act relating to wild animals; permits for possession of wildlife; amending Minnesota Statutes 1986, section 97A.041, subdivisions 2, 3, and 5.

Referred to the Committee on Environment and Natural Resources.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 2, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINTH DAY

St. Paul, Minnesota, Monday, February 2, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Sister Frances Nosbisch.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Kroening	Moe, R.D.	Samuelson
Anderson	DeCramer	Laidig	Morse	Schmitz
Beckman	Dicklich	Langseth	Novak	Solon
Belanger	Diessner	Lantry	Olson	Spear
Benson	Frank	Larson	Pehler	Storm
Berg	Frederick	Lessard	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Bernhagen	Freeman	Marty	Piper	Waldorf
Bertram	Hughes	McQuaid	Pogemiller	Wegscheid
Brandl	Johnson, D.E.	Mehrkens	Purfeerst	Willet
Chmielewski	Johnson, D.J.	Merriam	Ramstad	
Cohen	Jude	Metzen	Reichgott	
Dahl	Knaak	Moe, D.M.	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Frederickson, D.R. and Taylor were excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 34 and 45.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 29, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 34: A bill for an act relating to corporations; providing for modification of liability of directors; amending Minnesota Statutes 1986, sections 302A.111, subdivision 4; and 302A.251, by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 45: A bill for an act relating to commerce; revising the Uniform Trade Secret Act; clarifying remedies; amending Minnesota Statutes 1986, sections 325C.02; 325C.03; and 325C.07.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 104.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 60: A bill for an act relating to charitable gambling; changing the effective date for collection of certain taxes by distributors; amending Laws 1986, chapter 467, section 33.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 133: A resolution memorializing the President and Congress to enact legislation to exempt nonprofit organizations from the federal excise tax on wagering.

Reports the same back with the recommendation that the resolution be amended as follows:

Page 1, after line 13, insert:

“WHEREAS, the federal Internal Revenue Service has interpreted federal law so as to find income derived from gambling conducted by nonprofit organizations is subject to the unrelated business income tax; and”

Page 1, line 19, before “reduced” insert “greatly”

Page 1, line 22, after “tax” insert “or unrelated business income tax”

Amend the title as follows:

Page 1, line 4, delete “on wagering” and insert “and the unrelated business income tax on charitable gambling it conducts”

And when so amended the resolution do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 85: A bill for an act relating to real estate; providing for clearing title defects in adjacent land; amending Minnesota Statutes 1986, section 508.08.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 104: A bill for an act relating to commerce; revising the Uniform Trade Secret Act; clarifying remedies; amending Minnesota Statutes 1986, sections 325C.01, subdivision 5; 325C.02; 325C.03; and 325C.07.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "325C.01, subdivision 5;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 62: A bill for an act relating to agriculture; appropriating money for a deficiency in the interest rate buy-down program.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 85 and 104 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Diessner moved that the name of Mrs. Lantry be added as a co-author to S.F. No. 43. The motion prevailed.

Mr. Jude moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 101. The motion prevailed.

Mrs. McQuaid moved that the name of Mr. Renneke be added as a co-author to S.F. No. 103. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Jude be added as a co-author to S.F. No. 136. The motion prevailed.

Mr. Morse moved that the names of Messrs. Dahl and Wegscheid be added as co-authors to S.F. No. 141. The motion prevailed.

Mr. Luther moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 156. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 166. The motion prevailed.

Mr. Knaak moved that the name of Mr. Renneke be added as a co-author to S.F. No. 177. The motion prevailed.

Mr. Knaak moved that the name of Mr. Merriam be added as a co-author to S.F. No. 178. The motion prevailed.

Mr. Spear moved that the name of Mr. Dahl be added as a co-author to S.F. No. 184. The motion prevailed.

Mr. Lessard moved that the names of Mrs. McQuaid and Mr. Dicklich be added as co-authors to S.F. No. 192. The motion prevailed.

Mr. Pehler moved that the names of Mrs. Adkins, Messrs. Vickerman and Ramstad be added as co-authors to S.F. No. 194. The motion prevailed.

Mr. Dahl moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 207. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Peterson, R.W. introduced—

S.F. No. 208: A bill for an act relating to occupations and professions; architects, engineers, land surveyors, and landscape architects; making certain technical changes related to certain licensing exceptions; amending Minnesota Statutes 1986, sections 326.03, subdivision 2; and 326.06.

Referred to the Committee on Commerce.

Messrs. Purfeerst; Peterson, R.W.; Spear and Cohen introduced—

S.F. No. 209: A bill for an act relating to health; providing for a declaration of preferences for receiving or refusing health care; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 210: A bill for an act relating to health; providing for special grants to conduct community-wide pilot programs to reduce the prevalence of risk conditions or behaviors related to osteoporosis; appropriating money; amending Minnesota Statutes 1986, section 145.922, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mrs. Adkins, Messrs. Solon, Freeman, Benson and Frederickson, D.R. introduced—

S.F. No. 211: A bill for an act relating to alcoholic beverages; premises which may be issued on-sale licenses; amending Minnesota Statutes 1986, sections 340A.404, subdivisions 1 and 6; 340A.411, subdivision 1; and 340A.504, subdivision 3.

Referred to the Committee on Commerce.

Mr. Chmielewski introduced—

S.F. No. 212: A bill for an act relating to crimes; prohibiting placing docks on public waters adjacent to dedicated public accesses; prescribing penalties; amending Minnesota Statutes 1986, section 609.74.

Referred to the Committee on Environment and Natural Resources.

Messrs. Bertram, Diessner, Laidig and Lessard introduced—

S.F. No. 213: A bill for an act relating to veterans; appropriating money for use by the Military Order of the Purple Heart in assisting veterans to make claims against the United States government.

Referred to the Committee on Veterans.

Mr. Langseth introduced—

S.F. No. 214: A bill for an act relating to motor vehicles; establishing system of lifetime motor vehicle license plates; refunding certain license plate fees; providing that personalized license plates be reissued to previous holders under certain circumstances; appropriating money; amending Minnesota Statutes 1986, section 168.12, subdivisions 1 and 5.

Referred to the Committee on Transportation.

Messrs. Pehler, Benson, Davis and Berg introduced—

S.F. No. 215: A bill for an act relating to agriculture; providing for research on the problem of stray voltage; appropriating money.

Referred to the Committee on Agriculture.

Mr. Taylor introduced—

S.F. No. 216: A bill for an act relating to the city of Mankato; authorizing location of certain polling places more than 3,000 feet outside precinct boundaries.

Referred to the Committee on Elections and Ethics.

Mr. Chmielewski introduced—

S.F. No. 217: A bill for an act relating to state employees; permitting direct deposit of pay in financial institutions; amending Minnesota Statutes 1986, section 16A.133, subdivision 1; repealing Minnesota Statutes 1986, section 16A.133, subdivision 3.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 218: A bill for an act relating to taxation; sales and use; compensating retailers for costs of collection; amending Minnesota Statutes 1986, section 297A.26, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Anderson introduced—

S.F. No. 219: A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States to provide for a delay in an increase in compensation to members of Congress until an intervening election of representatives has occurred.

Referred to the Committee on Governmental Operations.

Mr. Spear, Ms. Peterson, D.C.; Messrs. Ramstad, Marty and Peterson, R.W. introduced—

S.F. No. 220: A bill for an act relating to criminal procedure; providing a presumption favoring joinder of multiple felony defendants in a single prosecution; permitting the prosecution to offer a rebuttal closing argument; allowing the prosecution and the defense an equal number of peremptory challenges when the offense charged is not punishable by life imprisonment; amending Minnesota Statutes 1986, section 631.07; proposing coding for new law in Minnesota Statutes, chapter 631.

Referred to the Committee on Judiciary.

Messrs. Bertram; Moe, R.D. and Pehler introduced—

S.F. No. 221: A bill for an act relating to education; establishing a program to require school districts to provide milk to all elementary and secondary pupils in public and nonpublic schools; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Agriculture.

Messrs. Anderson, Gustafson, Larson, Mehrkens and Dahl introduced—

S.F. No. 222: A bill for an act relating to the English language; making it the official language of the state; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on Governmental Operations.

Messrs. Renneke, Ramstad, Mrs. McQuaid, Messrs. Larson and Storm introduced—

S.F. No. 223: A bill for an act relating to the legislature; extending the provisions of the Minnesota open meeting law to the legislature; exempting the legislature from certain provisions of the open meeting law where constitutional provisions prevail; amending Minnesota Statutes 1986, section 471.705, subdivisions 1, and 2, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 224: A bill for an act relating to human services; creating an exception to the supplemental and negotiated rate cap; amending Minnesota Statutes 1986, section 256D.37, subdivision 1.

Referred to the Committee on Health and Human Services.

Mrs. Adkins, Messrs. Schmitz, Renneke, Wegscheid and Frederick introduced—

S.F. No. 225: A bill for an act relating to towns; providing for powers of town boards and board members; providing for elections; providing conditions for ownership of town cemetery lots; amending Minnesota Statutes 1986, sections 365.10; 365.27; 365.37; 365.51; 367.03; 471.705, by adding a subdivision; and 471.96.

Referred to the Committee on Local and Urban Government.

Messrs. Chmielewski, Dahl and Gustafson introduced—

S.F. No. 226: A bill for an act relating to state government; transferring the Moose Lake State Hospital to the department of veterans affairs; establishing a veteran's home in the former Moose Lake State Hospital; amending Minnesota Statutes 1986, sections 246.02, subdivision 2; 253.015; 254.04; and 254.05; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans.

Mr. Davis introduced—

S.F. No. 227: A bill for an act relating to taxation; eliminating the penalty on delinquent income tax refund returns; amending Minnesota Statutes 1986, section 290.53, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Davis introduced—

S.F. No. 228: A bill for an act relating to motor vehicles; taxation; providing for taxation of pickup trucks with a carrying capacity of 2,000 pounds or less; amending Minnesota Statutes 1986, section 168.011, subdivision 7.

Referred to the Committee on Transportation.

Mr. Davis introduced—

S.F. No. 229: A bill for an act relating to taxation; income; abating penalty for late filing in certain cases; amending Minnesota Statutes 1986, section 290.53, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Storm, Laidig, Jude and Novak introduced—

S.F. No. 230: A bill for an act relating to civil liability; granting volunteer managers, coaches, umpires and referees, and the nonprofit associations for whom they provide services, immunity from liability for negligent acts or omissions; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary.

Messrs. Cohen, Pehler, Merriam, Hughes and Laidig introduced—

S.F. No. 231: A bill for an act relating to the state high school league; requiring the league to arrange certain conference memberships; providing standards; amending Minnesota Statutes 1986, section 129.121, subdivision 1.

Referred to the Committee on Education.

Mr. Cohen, Mrs. Lantry, Messrs. Luther, Merriam and Laidig introduced—

S.F. No. 232: A bill for an act relating to crimes; making certain victims rights provisions applicable to victims of certain ordinance violations; providing for plea agreement notification to a larger group of victims; permitting victims to submit an impact statement to the court; providing the data classification of a request for notice of prisoner release; amending Minnesota Statutes 1986, sections 611A.01; 611A.03, subdivision 3; 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Judiciary.

Mr. Samuelson introduced—

S.F. No. 233: A bill for an act relating to local government; granting the city of Brainerd the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

Referred to the Committee on Economic Development and Housing.

Messrs. Dicklich, Lessard, Novak and Johnson, D.J. introduced—

S.F. No. 234: A bill for an act relating to natural resources; protecting the environment; prohibiting below grade deposition of hazardous waste or radioactive waste; amending Minnesota Statutes 1986, section 115.067.

Referred to the Committee on Environment and Natural Resources.

Mr. Pehler, Mses. Olson; Peterson, D.C.; Reichgott and Mr. DeCramer introduced—

S.F. No. 235: A bill for an act relating to missing children; requiring schools to develop policies on notifying parents whose children are absent from school; requiring that certain documents be provided to schools when new students enroll; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

Messrs. Waldorf, Merriam, Jude, Laidig and Knaak introduced—

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

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 237: A bill for an act relating to taxation; property; providing that the market value of property may not be increased due to the character of the surrounding property; amending Minnesota Statutes 1986, sections 273.11, subdivision 1, and by adding a subdivision; and 273.12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Cohen, Luther, Ms. Reichgott and Mr. Marty introduced—

S.F. No. 238: A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equality of rights under the law for men and women.

Referred to the Committee on Judiciary.

Messrs. Purfeerst, Bertram and Lessard introduced—

S.F. No. 239: A bill for an act relating to taxation; sales and use; exempting sales of United States and Minnesota flags; amending Minnesota Statutes 1986, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dahl introduced—

S.F. No. 240: A bill for an act relating to human services; imposing reporting obligations on state licensed residential facilities operated for profit; amending Minnesota Statutes 1986, section 245.821, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Metzen, Lessard, Bertram, Schmitz and Mehrkens introduced—

S.F. No. 241: A bill for an act relating to motor vehicles; providing for special license plates for Vietnam era veterans; amending Minnesota Statutes 1986, section 168.12, by adding a subdivision.

Referred to the Committee on Veterans.

Ms. Berglin, Mr. Cohen, Mrs. Lantry and Ms. Piper introduced—

S.F. No. 242: A bill for an act relating to children; regulating paternity determinations; regulating support and maintenance obligations; providing for withholding of support; amending Minnesota Statutes 1986, sections 144.219; 257.34, subdivision 1; 257.57, subdivision 2; 257.60; 257.62, by adding a subdivision; 257.63, subdivision 2; 510.07; 518.171, subdivision 1; 518.24; 518.551, subdivision 1; 518.611, subdivisions 1, 2, 3, 4, 6, and 8; repealing Minnesota Statutes 1986, section 257.34, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Frank, Diessner, Mrs. Lantry, Ms. Peterson, D.C. and Mr. Beckman introduced—

S.F. No. 243: A bill for an act relating to motor vehicle safety; providing for enforcement of sanctions for operation of snowmobiles while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, sections 84.87, subdivisions 1 and 2, and by adding a subdivision; 169.02, subdivision 1; 169.121, subdivision 1; 169.123, subdivision 2; and 169.129.

Referred to the Committee on Judiciary.

Messrs. Langseth, Stumpf and Anderson introduced—

S.F. No. 244: A bill for an act relating to public improvements; providing for a nursing care veterans facility at Moorhead under certain conditions; providing for a bond issue; appropriating money.

Referred to the Committee on Veterans.

Mr. Langseth introduced—

S.F. No. 245: A bill for an act relating to intoxicating liquor; authorizing the city of Moorhead to issue an on-sale intoxicating liquor license to the Red River Valley Center-Hjemkomst Heritage Interpretive Center.

Referred to the Committee on Commerce.

Mses. Peterson, D.C.; Berglin; Mr. Frank and Ms. Piper introduced—

S.F. No. 246: A bill for an act relating to employment; establishing unpaid leave of absences for new parents; setting conditions on return from leave; creating a cause of action; prohibiting cost of parental leave from increasing unemployment insurance experience rating; amending Minnesota Statutes 1986, section 268.06; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 5, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TENTH DAY

St. Paul, Minnesota, Thursday, February 5, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul Taintor.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, D.M.	Schmitz
Anderson	DeCramer	Knutson	Morse	Solon
Beckman	Dicklich	Kroening	Novak	Spear
Belanger	Diessner	Laidig	Olson	Storm
Benson	Frank	Langseth	Pehler	Stumpf
Berg	Frederick	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Piper	Waldorf
Bertram	Freeman	Luther	Pogemiller	Wegscheid
Brandl	Gustafson	Marty	Purfeerst	Willet
Brataas	Hughes	McQuaid	Ramstad	
Chmielewski	Johnson, D.E.	Mehrrens	Reichgott	
Cohen	Johnson, D.J.	Merriam	Renneke	
Dahl	Jude	Metzen	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Moe, R.D. was excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

April 11, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Public Utilities Commission is hereby

respectfully submitted to the Senate for confirmation as required by law:

Darrel L. Peterson, Rt. 3, Box 204, Fairmont, Martin County, has been appointed by me, effective April 30, 1986, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Public Utilities and Energy.)

May 5, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Coordinator of the Office of Full Productivity and Opportunity is hereby respectfully submitted to the Senate for confirmation as required by law:

Keith Ford, 4053 Lyndale Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective May 5, 1986, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Employment.)

September 12, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Tax Court is hereby respectfully submitted to the Senate for confirmation as required by law:

Arthur C. Roemer, 2139 Sioux Blvd., New Brighton, Ramsey County, has been appointed by me, effective September 17, 1986, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Taxes and Tax Laws.)

October 6, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board for Community Colleges is hereby respectfully submitted to the Senate for confirmation as required by law:

Erin McCabe, 2121 - 3rd Ave. E., Hibbing, St. Louis County, has been appointed by me, effective October 9, 1986, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Education.)

October 28, 1986

The Honorable Jerome M. Hughes

President of the Senate

Dear Sir:

The following appointment to the World Trade Center Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Arnold W. Aberman, 8900 Minnehaha Cir., Minneapolis, Hennepin County, has been appointed by me, effective November 3, 1986, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Economic Development and Housing.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 95.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 2, 1987

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 21: A bill for an act relating to statutes; providing that selected statutes shall be subject to judicial modification in limited circumstances; proposing coding for new law in Minnesota Statutes, chapter 645.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 3C.04, subdivision 3, is amended to read:

Subd. 3. [REPORT TO LEGISLATURE.] The revisor's office shall report to the legislature any statutory changes recommended or discussed or statutory deficiencies noted in any opinion of the supreme court of Minnesota or judicial modification of a statute under section 2. The report must be made by November 15 of each even-numbered year. It must treat opinions filed during the two-year period immediately preceding September 30 of the year before the year in which the session is held. It must include any comment necessary to outline clearly the legislative problem reported."

Page 2, line 13, after "controversy" insert a period

Page 2, delete lines 14 to 16

Page 2, line 20, delete "and" and delete "title" and insert "contract

for deed, and registered land"

Page 2, line 24, after "of" insert "*the effect of*"

Page 3, line 1, after "of" insert "*the effect of*"

Page 3, line 4, delete "*involving similar circumstances*"

Page 3, line 8, before the period, insert "*unless the legislature acts otherwise*"

Page 3, line 14, after the period, insert "*The revisor shall prepare a summary of the judicial modifications for inclusion in a report prepared under section 3C.04.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1986, section 3C.04, subdivision 3;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 61: A bill for an act relating to agriculture; appropriating money for a deficiency in the appropriation for farmer-lender mediation.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 97: A bill for an act relating to frauds; fixing conditions for the legal determination of fraud in property transfers; enacting the uniform fraudulent transfer act; proposing coding for new law in Minnesota Statutes, chapter 513; repealing Minnesota Statutes 1986, sections 513.20; 513.21; 513.22; 513.23; 513.24; 513.25; 513.26; 513.27; 513.28; 513.29; 513.30; 513.31; and 513.32.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 14, after "*aggregate*" insert "*, at a fair valuation.*"

Page 4, line 15, delete "*, at a fair valuation.*"

Page 8, lines 20 and 21, delete "*or oblige*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 168: A bill for an act relating to human rights; clarifying certain provisions relating to discrimination in the extension of credit because of sex or marital status; amending Minnesota Statutes 1986, section 363.03, subdivision 8.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1: A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing a community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the department of energy and economic development; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; appropriating money; amending Minnesota Statutes 1986, sections 41A.01; 41A.02, subdivisions 3, 4, 6; and 11; 41A.05, subdivisions 1 and 2; 116.16, subdivisions 2 and 5; and 462.384, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 41A; 84; 116J; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; repealing Minnesota Statutes 1986, sections 41A.06, subdivision 2; 116.18, subdivision 3a; 116J.951; 116J.955; and 116J.961.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 34, after "the" insert "commercial" and delete "agricultural"

Page 2, line 35, delete "resources" and insert "turkeys or turkey products"

Page 3, line 4, after "the" insert "commercial"

Page 3, line 5, delete "agricultural resources" and insert "turkeys or turkey products"

Page 4, line 22, after the period, insert "If the amount of the participation loan exceeds \$500,000, the total amount of the loan may not exceed 80 percent of the cost of the project."

Page 5, line 19, after "guaranty," insert "loan"

Page 9, line 26, delete "A" and insert "The" and delete "is"

Page 9, line 27, delete "created" and delete "to" and insert "will"

Pages 10 to 12, delete section 15 and insert:

"Sec. 15. Minnesota Statutes 1986, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] Members shall be appointed as follows: four members appointed by the speaker of the house; one member appointed by the minority leader of the house; four members appointed by the majority leader of the senate; one member appointed by the minority leader of the senate; eight members appointed by the governor; and the ~~commissioners of the departments~~ commissioner of energy and economic development, ~~education, and jobs and training~~ the commissioner of jobs and training, and the state director of vocational technical education.

Sec. 16. [116L.06] [CUSTOMIZED RURAL TRAINING PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "low-income" means equal to or below the nonmetropolitan median household

income. "Principally" means at least 51 percent.

Subd. 2. [TRAINING PROGRAM.] The partnership may provide grants to educational or other nonprofit institutions for customized training for new or expanding businesses located outside of the metropolitan area defined in section 473F02, subdivision 2. Grants may only be awarded for training projects designed to principally benefit low-income persons. The partnership shall use the criteria and guidelines specified under sections 116L.02 and 116L.04 to establish and administer the program.

Subd. 3. [NEW BUSINESS SET-ASIDE.] The partnership may set aside up to fifty percent of the amount available for the rural customized training program to provide customized training grants for new businesses locating in rural Minnesota. A set-aside grant may not be made for a business located within the state that relocates to rural Minnesota. The partnership shall use the guidelines specified under section 116L.04 to establish and administer the program, except that a committee consisting of the commissioner of energy and economic development, the chairperson of the Minnesota job skills partnership board, and the state director of vocational technical education may give final approval for training applications by a majority vote of the committee. Any amount left in the set-aside program at the end of the 1988 fiscal year may be used for the rural customized training program established in subdivision 2."

Page 12, line 15, delete "16" and insert "17"

Page 12, line 16, delete "25" and insert "24"

Page 12, after line 20, insert:

"Subd. 4. [LOW INCOME.] "Low income" means equal to or below the nonmetropolitan median household income.

Subd. 5. [PRINCIPALLY.] "Principally" means at least 51 percent."

Page 13, line 5, after "Minnesota" insert ", or the president's designee"

Page 13, line 33, delete "63" and insert "81"

Page 14, line 24, after "support" insert "projects designed to principally benefit low-income persons and"

Page 15, line 28, after "investment" insert ", to provide jobs for low-income persons."

Page 15, line 32, before "state" insert "area of the"

Page 15, line 32, delete ", excluding the seven-county" and insert "located outside of the" and after "area" insert "defined in section 473F02, subdivision 2"

Page 16, line 32, after "a" insert "board certified"

Page 17, line 8, after the period, insert "Loans must be used for projects designed to principally benefit low-income persons through the creation of job opportunities for such persons."

Page 17, line 15, after the period, insert "The amount of nonpublic money must equal at least 50 percent for each revolving loan."

Page 17, after line 30, insert:

"(e) A business applying for a loan must be sponsored by a resolution of the governing body of the local government unit having jurisdiction

over the area within which the project is located. For the purposes of this subdivision, "local government unit" means a home rule charter or statutory city when the project is located in an incorporated area and a county when the project is located in an unincorporated area."

Pages 18 and 19, delete sections 24 and 25

Page 19, line 35, delete "26 to 35" and insert "25 to 34"

Page 24, line 29, delete "19____-19____" and insert "1987-1989"

Page 25, line 7, delete "37 to 56" and insert "36 to 57"

Page 25, lines 24 and 25, delete "37 to 56" and insert "36 to 57"

Page 25, after line 27, insert:

"Subd. 3. [FEDERAL WATER POLLUTION CONTROL ACT.] "Federal Water Pollution Control Act" means the Federal Water Pollution Control Act as amended by the bill that was adopted by the United States House of Representatives on January 8, 1987, as H.R.1, 100th Congress 1st session (1987)."

Page 25, line 28, delete "3" and insert "4"

Page 25, line 31, delete "4" and insert "5"

Page 26, after line 1, insert:

"Subd. 6. [TREATMENT WORKS.] "Treatment works" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of any structure, facility, or equipment necessary for a wastewater treatment or water supply system."

Page 26, line 9, delete "executive" and delete "state board of investment" and insert "pollution control agency"

Page 26, line 29, delete "commissioner" and insert "community development division of the department"

Page 28, after line 1, insert:

"Sec. 42. [446A.07] [INDEPENDENT WASTEWATER TREATMENT GRANTS.]

Subdivision 1. [AMOUNTS.] (a) The authority may award independent grants to governmental units for projects for 50 percent or, if the pollution control agency requires advanced treatment, 65 percent of the eligible cost of construction of wastewater treatment facilities. The authority may award independent grants for up to an additional 30 percent or, if the pollution control agency requires advanced treatment, up to an additional 25 percent of the eligible cost of construction to governmental units for which the construction would otherwise impose significant financial hardship. The amounts of the additional grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation.

(b) For grants made under this section, the eligible cost is as determined by the United States Environmental Protection Agency under the Federal Water Pollution Control Act, as amended, United States Code, title 33, section 1314, et seq., except that eligible cost also includes the acquisition of land for stabilization ponds and the provision of reserve capacity sufficient to serve the reasonable needs of the governmental unit for 20 years in the case of treatment works and 40 years in the case of sewer systems.

The eligible cost does not include the provision of collector sewers as defined in pollution control agency rules, the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs.

(c) These grants may be awarded in separate steps for planning and design in addition to actual construction.

(d) Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in a fiscal year may be awarded to a single grantee.

Subd. 2. [RULES.] (a) The commissioner shall adopt rules for the administration of grants under this section. The rules must contain:

- (1) procedures for application by governmental units;*
- (2) conditions for the administration of the grant; and*

(3) criteria for the ranking of projects in order of priority for grants, based on factors including the impact on economic development, the extent and nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multimunicipal systems.

(b) Except as otherwise provided, the rules for the administration of state independent grants must comply, to the extent practicable, with provisions relating directly to protection of the environment contained in the Federal Water Pollution Control Act, as amended, and regulations and guidelines of the United States Environmental Protection Agency promulgated under the act, except provisions regarding allocation contained in section 205 of the act and regulations and guidelines promulgated under section 205 of the act. This provision does not require approval from federal agencies for the issuance of grants or for the construction of projects under the state independent grants program.

Subd. 3. [ECONOMIC DEVELOPMENT SET-ASIDE.] Up to ten percent of the money to be awarded as grants under this section in any single fiscal year must be set aside for governmental units having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements.

Subd. 4. [REIMBURSEMENT GRANTS.] Grants may also be awarded under this subdivision to reimburse governmental units willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the authority may commit in any single fiscal year is equal to the amount newly appropriated to the state grant programs for that year.

Sec. 43. [446A.08] [WATER POLLUTION CONTROL REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT OF FUND.] The authority shall establish a water pollution control revolving fund to provide loans to governmental units for the planning and construction of treatment works which are publicly owned. The fund must be established, maintained, and credited with repayments, and the fund balance must be available in perpetuity for providing such financial assistance.

Subd. 2. [STATE ACCOUNT.] The authority shall establish a separate state account within the water pollution control revolving fund to be used in compliance with federal matching requirements specified in title VI of the Federal Water Pollution Control Act, as amended. The authority may also provide loans to governmental units from the state account for the acquisition of land for stabilization ponds and the provision of reserve capacity sufficient to serve the reasonable needs of the governmental unit for 20 years in the case of treatment works and 40 years in the case of sewer systems.

Subd. 3. [CAPITALIZATION GRANT AGREEMENT.] The authority shall enter an agreement with the administrator of the United States Environmental Protection Agency to receive capitalization grants. The authority may exercise powers necessary to comply with the requirements specified in title VI, section 602, clause (b), of the Federal Water Pollution Control Act, as amended.

Subd. 4. [LOAN CONDITIONS.] The authority shall comply with the following conditions when making loans from the revolving fund.

(a) Loans must be made at or below market interest rates, including interest-free loans, at terms not to exceed 20 years.

(b) The annual principal and interest payments must begin no later than one year after completion of a project. Loans must be fully amortized no later than 20 years after project completion.

(c) A loan recipient must establish a dedicated source of revenue for repayment of the loan.

(d) The fund must be credited with all payments of principal and interest on all loans.

Subd. 5. [OTHER USES OF REVOLVING FUND.] The authority may also use the revolving fund for the following purposes:

(1) to buy or refinance the debt obligation of governmental units for treatment works incurred after March 7, 1985, at or below market rates;

(2) to guarantee or purchase insurance for local obligations for the purpose of improving credit market access or reducing interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loan guarantees for similar revolving funds established by a governmental unit other than state agencies;

(5) to earn interest on fund accounts; and

(6) for the reasonable costs of administering the fund and conducting activities required under title VI, section 601, of the Federal Water Pollution Control Act, as amended.

Amounts expended under clause (6) shall not exceed four percent of all federal grant awards to the fund under title VI of the Federal Water Pollution Control Act, as amended.

Subd. 6. [FINANCIAL ASSISTANCE REQUIREMENTS.] The authority may only provide financial assistance from the revolving fund to projects which meet the following requirements.

(a) *The project is consistent with plans, if any, developed under the Federal Water Pollution Control Act, as amended.*

(b) *The project is on the state pollution control agency municipal needs priority list. Assistance may be provided regardless of the rank of the project on the list.*

Subd. 7. [DISBURSEMENTS.] Disbursements from the revolving fund shall be made in accordance with the applicable state and federal law governing the disbursements; except that no disbursement for any project shall be made to any governmental unit until and unless the authority has by resolution determined the total estimated cost of the project, and ascertained that financing of the project is assured by:

(1) a loan authorized by state law or the appropriation of proceeds of bonds or other funds of the governmental unit to a fund for the construction of the project;

(2) an irrevocable undertaking, by resolution of the governing body of the governmental unit, to use all funds so made available exclusively for the construction of the project, and to pay any additional amount by which the cost of the project exceeds the estimate, by the appropriation to the construction fund of additional funds or the proceeds of additional bonds to be issued by the governmental unit; and

(3) conformity of the project and of the loan application with the state water pollution control plan as certified to the federal government and with all other conditions under applicable state and federal law, including compliance requirements established by the pollution control agency under subdivision 9.

Subd. 8. [RULES.] The authority may adopt rules for the administration of loans and other financial assistance authorized to be made from the water pollution control revolving fund.

Subd. 9. [COMPLIANCE REQUIREMENTS.] The pollution control agency shall establish compliance requirements relating directly to protection of the environment as provided in the Federal Water Pollution Control Act, as amended, and regulations and guidelines of the United States Environmental Protection Agency promulgated under the act."

Page 28, line 2, delete "446A.07" and insert "446A.09"

Page 29, line 17, delete "446A.08" and insert "446A.10"

Page 30, line 3, delete "37 to 56" and insert "36 to 57"

Page 30, line 12, delete "446A.09" and insert "446A.11"

Page 31, line 16, delete "37 to 56" and insert "36 to 57"

Page 31, line 18, delete "446A.10" and insert "446A.12"

Page 31, line 29, delete "446A.11" and insert "446A.13"

Page 31, line 35, delete "446A.12" and insert "446A.14"

Page 32, line 10, delete "446A.13" and insert "446A.15"

Page 32, lines 12, 17 and 26, delete "43" and insert "44"

Page 32, line 14, delete "446A.14" and insert "446A.16"

Page 32, line 27, delete "446A.15" and insert "446A.17"

Page 33, line 5, delete "37 to 56" and insert "36 to 57"

Page 33, line 23, delete "35 to 56" and insert "36 to 57"

Page 33, line 27, delete "446A.16" and insert "446A.18"

Page 35, line 8, delete "446A.17" and insert "446A.19"

Page 35, line 13, delete "446A.18" and insert "446A.20"

Page 35, line 16, delete "446A.19" and insert "446A.21"

Page 35, line 19, delete "446A.20" and insert "446A.22"

Page 35, after line 32, insert:

"Sec. 59. Minnesota Statutes 1986, section 462.385, subdivision 1, is amended to read:

Subdivision 1. Development regions for the state shall be those regions so designated by the governor by executive order. The order shall provide for public hearings within each proposed region after which any county may request assignment to a region other than that proposed by the order. If a request for reassignment is unacceptable to the ~~director~~ commissioner, the county shall remain in the originally designated region until the next session of the legislature for its review and final assignment.

Sec. 60. Minnesota Statutes 1986, section 462.385, subdivision 3, is amended to read:

Subd. 3. The ~~director~~ commissioner shall conduct continuous studies and analysis of the boundaries of regions and shall make recommendations for their modification where necessary. Modification may be initiated by a county, a commission, or by the ~~director~~ commissioner and will be accomplished in accordance with this section as in the case of initial designation.

Sec. 61. Minnesota Statutes 1986, section 462.386, subdivision 1, is amended to read:

Subdivision 1. All coordination, planning, and development regions assisted or created by the state of Minnesota or pursuant to federal legislation shall conform to the regions designated by the executive order except where, after review and approval by the ~~director~~ commissioner, nonconformance is clearly justified. The ~~director~~ commissioner shall develop working agreements with state and federal departments and agencies to insure conformance with this subdivision.

Sec. 62. Minnesota Statutes 1986, section 462.387, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Any combination of counties or municipalities representing a majority of the population of the region for which a commission is proposed may petition the ~~director~~ commissioner by formal resolution setting forth its desire to establish, and the need for, the establishment of a regional development commission. For purposes of this section the population of a county does not include the population of a municipality within the county.

Sec. 63. Minnesota Statutes 1986, section 462.387, subdivision 3, is amended to read:

Subd. 3. [ESTABLISHMENT.] Upon receipt of a petition as provided in subdivision 1 a regional development commission shall be established by the ~~director~~ commissioner and the notification of all local government units within the region for which the commission is proposed. The notification shall be made within 60 days of the director's receipt of a petition under subdivision 1.

Sec. 64. Minnesota Statutes 1986, section 462.387, subdivision 4, is amended to read:

Subd. 4. [SELECTION OF MEMBERSHIP.] The ~~director~~ *commissioner* shall call together each of the membership classifications except citizen groups, defined in section 462.388, within 60 days of the establishment of a regional development commission for the purpose of selecting the commission membership.

Sec. 65. Minnesota Statutes 1986, section 462.39, subdivision 2, is amended to read:

Subd. 2. [FEDERAL PROGRAMS.] The commission is the authorized agency to receive state and federal grants for regional purposes from the following programs:

(1) Section 403 of the Public Works and Economic Development Act of 1965 (economic development districts);

(2) Section 701 of the Housing Act of 1954, as amended (multicounty comprehensive planning);

(3) Omnibus Crime Control Act of 1968;

and for the following to the extent feasible as determined by the governor:

(a) Economic Opportunity Act of 1964;

(b) Comprehensive Health Planning Act of 1965;

(c) Federal regional manpower planning programs;

(d) Resource, conservation, and development districts; or

(e) Any state and federal programs providing funds for multicounty planning, coordination, and development purposes. The ~~director~~ *commissioner* shall, where consistent with state and federal statutes and regulations, review applications for all state and federal regional planning and development grants to a commission.

Sec. 66. Minnesota Statutes 1986, section 462.39, subdivision 3, is amended to read:

Subd. 3. [PLANNING.] The commission shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development plan for the region. The plan shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for an orderly and economic development, public and private, of the region. The comprehensive development plan shall recognize and encompass physical, social, or economic needs of the region, and those future developments which will have an impact on the entire region including but not limited to such matters as land use, parks and open space land needs, access to direct sunlight for solar energy systems, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, public and private, housing, and other public buildings. In preparing the development plan the commission shall use to the maximum extent feasible the resources studies and data available from other planning agencies within the region, including counties, municipalities, special districts, and subregional planning agencies, and it shall utilize the resources of the ~~director~~ *commissioner* to the same purpose. No development plan or portion thereof for the region shall be adopted by the commission until it has been submitted to the ~~director~~ *commissioner* for review and comment and a period of 60

days has elapsed after such submission. When a development plan has been adopted, the commission shall distribute it to all local government units within the region.

Sec. 67. Minnesota Statutes 1986, section 462.391, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF INDEPENDENT AGENCIES.] The commission shall review all long term comprehensive plans of each independent commission, board, or agency prepared for its operation and development within the region but only if the plan is determined by the commission to have a regional effect, a multicomunity effect, or to have a substantial effect on regional development. Each plan shall be submitted to the commission before any action is taken to place the plan or any part thereof, into effect. No action shall be taken to place any plan or any part thereof into effect until 60 days have elapsed after the date of its submission to the commission or until the commission finds and notifies the submitting commission, board, or agency that the plan is consistent with its development plan for the region and the orderly and economic development of the region, whichever first occurs. If, within 60 days after the date of submission, the commission finds that a plan, or any part thereof, is inconsistent with its comprehensive plan for the region or detrimental to the orderly and economic development of the region, or any part thereof, the plan shall be indefinitely suspended. An affected independent commission, board, or agency may appeal the decision of the commission suspending a plan, or part thereof, to the commission, and if the commission and the affected independent commission, board, or agency are unable to agree as to an adjustment of the plan, so that it may receive the commission's approval, then a record of the disagreeing positions shall be made and presented for consideration and disposition by the ~~director~~ *commissioner*.

Sec. 68. Minnesota Statutes 1986, section 462.391, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF FEDERAL AND STATE AID PROGRAMS.] The commission shall review all applications of governmental units, independent commissions, boards, or agencies operating in the region for a loan or grant from the United States of America or any agency, including state agencies and colleges or universities, for public facilities, studies, or any other purpose if the application clearly is related to the region, whether or not the review is required by the federal government. The review shall advise the granting authority as to relationship of the application to the comprehensive plans and priorities of the region as established by the region. All review actions together with copies of applications shall be submitted on a regular basis for informational purposes to the ~~director~~ *commissioner*. The requirements of this subdivision do not apply to applications of governmental units or other political subdivisions which have been reviewed by a subregion or subdistrict which has been designated by the United States government as an authorized areawide review agency under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. All review actions, together with copies of applications, shall be submitted by the subregion on a regular basis to the commission for informational purposes.

Sec. 69. Minnesota Statutes 1986, section 462.391, subdivision 4, is amended to read:

Subd. 4. [REVIEW PROCEDURES.] The commission shall develop, in consultation with the ~~director~~ *commissioner*, formal procedures for the review of plans, applications, and other matters required to be submitted to it by sections

462.381 to 462.398. The procedures shall be embodied in a formal resolution adopted after public hearing. After adoption the resolution shall be transmitted to each governmental unit and independent agency, board, or commission within the region.

Sec. 70. Minnesota Statutes 1986, section 462.395, is amended to read:

462.395 [DUTIES OF STATE AGENCIES.]

All state departments and agencies shall cooperate with regional development commissions established under sections 462.381 to 462.398 and shall make available to them studies, reports, data, and other informational and technical assistance within financial and personnel limitations. The ~~director~~ *commissioner* shall coordinate the state's assistance programs to regional planning and development commissions.

Sec. 71. Minnesota Statutes 1986, section 462.396, subdivision 1, is amended to read:

Subdivision 1. The ~~director~~ *commissioner* shall determine the amount of and make grants to any commission created under sections 462.381 to 462.398 from appropriations made available for those purposes, provided a work program is submitted acceptable to the ~~director~~ *commissioner*. Any regional commission may levy a tax on all taxable property in the region to provide money for the purposes of sections 462.381 to 462.398.

Sec. 72. Minnesota Statutes 1986, section 462.398, is amended to read:

462.398 [TERMINATION OF COMMISSION.]

Subdivision 1. Any combination of counties or municipalities representing a majority of the population of the region for which a commission exists may petition the ~~director~~ *commissioner* by formal resolution stating that the existence of the commission is no longer in the public welfare and interest and is not needed to accomplish the purposes of the regional development act of 1969. For purposes of this section the population of a county does not include the population of a municipality within the county. Any formal resolution adopted by the governing body of a county or municipality for the termination of a commission shall be effective for a period of one year for the purpose of determining the requisite population of the region needed to petition the ~~director~~ *commissioner*.

Subd. 2. Within 35 days of the receipt of the petition, the ~~director~~ *commissioner* shall fix a time and place within the region for a hearing. The ~~director~~ *commissioner* shall give notice of the hearing by publication once each week for two successive weeks before the date of the hearing in a legal newspaper in each of the counties which the commission represents. The hearing shall be conducted by members of the commission. If the commission determines that the existence of the commission is no longer in the public welfare and interest and that it is not needed to accomplish the purposes of the regional development act of 1969, the commission shall recommend to the ~~director~~ *commissioner* that the ~~director~~ *commissioner* terminate the commission. Within 60 days after receipt of the recommendation, the ~~director~~ *commissioner* shall terminate the commission by giving notice of the termination to all government units within the region for which the commission was established. Unless otherwise provided by this subdivision, the hearing shall be in accordance with sections 14.01 to 14.70.

Subd. 3. The ~~director~~ *commissioner* shall not accept a petition for termination more than once in 30 months for each regional development commission.

Sec. 73. Laws 1983, chapter 334, section 7, is amended to read:

Sec. 7. [REPEALER.]

Sections 1 to 6 are repealed June 30, ~~1987~~ 1990."

Page 36, after line 14, insert:

"Sec. 75. [GOVERNOR'S ACTION.]

After title VI of the Federal Water Pollution Control Act is enacted into law, the governor may request the administrator of the environmental protection agency to make available to the state, capitalization grants to be deposited in the water pollution control revolving fund established under section 43, for the fiscal year beginning October 1, 1987. The governor may request that up to 75 percent of the amount allotted to the state for the fiscal year beginning October 1, 1987, be made available for deposit in the water pollution control revolving fund."

Page 36, line 17, delete "greater Minnesota corporation" and insert "higher education coordinating board"

Page 36, line 18, delete "32" and insert "35"

Page 36, line 35, delete the comma

Page 36, line 36, delete everything before "and"

Page 37, after line 2, insert:

"Sec. 79. [APPROPRIATION.]

\$_____ is appropriated from the rural rehabilitation revolving fund to the Minnesota job skills partnership board for the customized rural training program established in section 16. This appropriation is available until expended."

Page 37, line 7, delete "36" and insert "35"

Page 37, line 14, delete "29" and insert "28"

Page 38, line 6, after the period, insert "Section 42 is repealed June 30, 1988, and any unexpended appropriation to the independent wastewater treatment grant program established under section 42 is appropriated to the separate state account within the water pollution control revolving fund established in section 43."

Page 38, line 8, delete "26 to 35 and 58" and insert "25 to 57 and 74"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "a" and insert "duties for the"

Page 1, line 9, delete "department of energy and" and insert "Minnesota public finance authority"

Page 1, line 10, delete "economic development" and after the semicolon, insert "changing the membership of the Minnesota job skills partnership board;"

Page 1, line 19, before "462.384," delete "and" and insert "116L.03, subdivision 2;" and after "7;" insert "462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; and 462.398;"

Page 1, line 21, after "116J;" insert "116L;"

Page 1, line 23, after "446A;" insert "amending Laws 1983, chapter 334, section 7;"

And when so amended the bill do pass and be re-referred to the Committee on Agriculture. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 62: A bill for an act relating to agriculture; appropriating money for a deficiency in the interest rate buy-down program.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, after the dollar sign, insert "13,985,300"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 45 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
45			104		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 21, 97, 168 and 62 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 45 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the names of Messrs. Jude, Merriam and Laidig be added as co-authors to S.F. No. 87. The motion prevailed.

Mr. Johnson, D.E. moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 113. The motion prevailed.

Mr. Frank moved that the name of Mr. Marty be added as a co-author to S.F. No. 119. The motion prevailed.

Mr. Beckman moved that the name of Mr. Davis be added as a co-author to S.F. No. 155. The motion prevailed.

Mr. Metzen moved that the name of Mr. Lessard be added as a co-author

to S.F. No. 159. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Storm be added as a co-author to S.F. No. 168. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 175. The motion prevailed.

Mr. Pehler moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 194. The motion prevailed.

Mr. Cohen moved that the name of Mr. Marty be added as a co-author to S.F. No. 196. The motion prevailed.

Mr. Cohen moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 198. The motion prevailed.

Ms. Reichgott moved that the names of Messrs. Wegscheid and Anderson be added as co-authors to S.F. No. 204. The motion prevailed.

Mr. Purferst moved that the name of Mr. Luther be added as a co-author to S.F. No. 209. The motion prevailed.

Mr. Bertram moved that the name of Mr. Dahl be added as a co-author to S.F. No. 213. The motion prevailed.

Mr. Pehler moved that the name of Mr. Anderson be added as a co-author to S.F. No. 215. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 217. The motion prevailed.

Mr. Anderson moved that the name of Mr. Jude be added as a co-author to S.F. No. 219. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Vickerman and Wegscheid be added as co-authors to S.F. No. 221. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 226. The motion prevailed.

Mr. Davis moved that the name of Mr. Merriam be added as a co-author to S.F. No. 227. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Dahl be added as a co-author to S.F. No. 234. The motion prevailed.

Mr. Pehler moved that S.F. No. 142 be withdrawn from the Committee on Finance and re-referred to the Committee on Education. The motion prevailed.

Mr. Wegscheid introduced—

Senate Resolution No. 27: A Senate resolution congratulating Rob Phenix, Rosemount High School Senior, for being selected as a member of Parade Magazine's All-America High School Football Team.

Referred to the Committee on Rules and Administration.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 85, which the committee recommends to pass.

On motion of Mr. Luther, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Ms. Peterson, D.C. introduced—

S.F. No. 247: A bill for an act relating to elections; requiring fair campaign practices; imposing penalties; amending Minnesota Statutes 1986, sections 123.015; 200.015; 201.275; 204C.04; proposing coding for new law as Minnesota Statutes, chapters 211A and 211B; repealing Minnesota Statutes 1986, chapter 210A.

Referred to the Committee on Elections and Ethics.

Ms. Peterson, D.C. introduced—

S.F. No. 248: A bill for an act relating to elections; ensuring the availability of absentee ballots for statewide elections; amending Minnesota Statutes 1986, sections 40.05, subdivision 3; 203B.05, subdivision 2; 204B.09, subdivision 2; 204B.35, subdivision 4; 205.065, subdivisions 2 and 3; and 205.13, subdivision 1.

Referred to the Committee on Elections and Ethics.

Messrs. Jude, Luther, Frank, Belanger and Ms. Berglin introduced—

S.F. No. 249: A bill for an act relating to nonprofit corporations; adoption services corporations; providing that pledges to make contributions to reimburse the corporation for expenses shall be voidable at the option of the person making the pledge and payment of expenses shall not be a prerequisite to providing adoption services; amending Minnesota Statutes 1986, section 317.65, subdivision 7.

Referred to the Committee on Judiciary.

Mr. Wegscheid introduced—

S.F. No. 250: A bill for an act relating to game and fish; requiring a firearm safety certificate to hunt with firearms; amending Minnesota Statutes 1986, section 97B.015, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Mr. Pogemiller introduced—

S.F. No. 251: A bill for an act relating to individual income taxation; modifying the computation of the alternative minimum tax; adopting new federal definitions; amending Minnesota Statutes 1986, section 290.091, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson introduced—

S.F. No. 252: A bill for an act relating to occupations and professions; regulating and licensing builders and contractors; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Commerce.

Messrs. Hughes; Pehler; Langseth; Peterson, R. W. and Ms. Olson introduced—

S.F. No. 253: A bill for an act relating to education; authorizing school districts to form education districts; providing for increased interdistrict cooperation aid and levy for districts in education districts; authorizing intermediate districts to use current levies for education district purposes; appropriating money; amending Minnesota Statutes 1986, sections 124.272, subdivisions 1, 2, 3, 4, 6, 7, and by adding a subdivision; 136D.27; 136D.74, subdivision 2; 136D.87; and 275.125, subdivision 8a; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

Mr. Hughes, Ms. Peterson, D.C.; Messrs. Pehler, DeCramer and Ms. Olson introduced—

S.F. No. 254: A bill for an act relating to education; authorizing school districts to levy for day care programs; amending Minnesota Statutes 1986, section 275.125, subdivision 8.

Referred to the Committee on Education.

Messrs. Samuelson and Stumpf introduced—

S.F. No. 255: A bill for an act relating to torts; providing a sliding fee scale for contingent legal fees; abolishing punitive damages; eliminating joint liability; abolishing the dram shop law; limiting awards for noneconomic damages; allowing jurors to be informed of the existence of collateral sources; amending Minnesota Statutes 1986, sections 340A.409, subdivision 1; 471.981, subdivision 1; 549.20, subdivision 1; 548.36, subdivision 5; 549.23; 604.01, subdivision 1; and 604.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 481; repealing Minnesota Statutes 1986, sections 340A.801; 340A.802; 466.15; 549.191; 549.20, subdivisions 2 and 3; and 604.02, subdivisions 2 and 3.

Referred to the Committee on Commerce.

Mr. Johnson, D.E. introduced—

S.F. No. 256: A bill for an act relating to natural resources; appropriating funds for control and removal of beaver.

Referred to the Committee on Environment and Natural Resources.

Messrs. Diessner, Bertram and Lessard introduced—

S.F. No. 257: A bill for an act relating to lawful gambling; requiring the governor to appoint charitable gambling control board members from cer-

tain fraternal, veteran's, and religious organizations; amending Minnesota Statutes 1986, section 349.151, subdivision 2.

Referred to the Committee on Veterans.

Messrs. Jude, Dicklich, Merriam, Wegscheid and Storm introduced—

S.F. No. 258: A bill for an act relating to utilities; regulating certain intrastate gas pipelines; amending Minnesota Statutes 1986, section 216B.08.

Referred to the Committee on Public Utilities and Energy.

Messrs. Jude, Lessard, Freeman, Dahl and Ramstad introduced—

S.F. No. 259: A bill for an act relating to public safety; establishing state reimbursement program for purchases of soft body armor by and for peace officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Judiciary.

Mr. Stumpf, Mrs. Adkins, Messrs. Schmitz and Chmielewski introduced—

S.F. No. 260: A bill for an act relating to elections; authorizing combination of certain municipalities for election purposes; amending Minnesota Statutes 1986, sections 204B.14, subdivisions 2, 4, 5, and by adding a subdivision; 204B.16, subdivision 1; and 204B.21, subdivision 2.

Referred to the Committee on Elections and Ethics.

Messrs. Samuelson, Jude, Solon, Metzen and Knaak introduced—

S.F. No. 261: A bill for an act relating to statutes; reenacting certain amendments to the dram shop act.

Referred to the Committee on Commerce.

Mr. Lessard introduced—

S.F. No. 262: A bill for an act relating to taxation; individual income; eliminating restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1986, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Anderson and Dahl introduced—

S.F. No. 263: A bill for an act relating to children; providing for grandparents' liability to support children of their minor dependent children; providing a penalty; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1, 1a, and 3; 256B.14; 256D.15; and 609.375; proposing coding for new law in Minnesota Statutes, chapter 257.

Referred to the Committee on Health and Human Services.

Messrs. Spear, Marty, Luther, Ms. Reichgott and Mr. Knaak introduced—

S.F. No. 264: A bill for an act relating to human rights; changing certain requirements related to disabled persons; amending Minnesota Statutes 1986, sections 363.01, subdivisions 25 and 25a; 363.02, subdivisions 3 and 5; and 363.03, subdivision 5.

Referred to the Committee on Judiciary.

Messrs. Jude; Moe, D.M.; Marty; Knaak and Spear introduced—

S.F. No. 265: A bill for an act relating to drivers' licenses; traffic regulations; requiring courts to furnish information relating to previous convictions without charge in gross misdemeanor prosecutions of the driving while under the influence law; imposing a penalty on person who violates conditions attached to limited driver's license; amending Minnesota Statutes 1986, sections 169.121, subdivision 3; 171.17; and 171.30, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Lessard; Moe, R.D.; Schmitz and Bertram introduced—

S.F. No. 266: A bill for an act relating to charitable gambling; clarifying the definition of profit; permitting certain small organizations to utilize more of their profits for expenses; increasing the membership of the charitable gambling control board and requiring that members of certain groups be appointed to the board; requiring winning and unsold pull-tabs to be retained for one year; transferring the collection of the pull-tab tax from the department of revenue to the charitable gambling control board; amending Minnesota Statutes 1986, sections 349.12, subdivision 13, and by adding subdivisions; 349.15; 349.151, subdivision 2; 349.19, subdivision 6; 349.21; 349.212, subdivision 1; repealing Minnesota Statutes 1986, sections 349.212, subdivision 4; and 349.2121.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Purfeerst introduced—

S.F. No. 267: A bill for an act relating to transportation; increasing amount authorized for state transportation bonds for bridges; amending Laws 1979, chapter 280, sections 1 and 2, as amended.

Referred to the Committee on Transportation.

Messrs. Chmielewski, Bertram, Mrs. Adkins and Mr. Lessard introduced—

S.F. No. 268: A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not abridged; appropriating money.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 269: A bill for an act relating to agriculture; appropriating money for aid to county and district agricultural societies.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Solon; Moe, R.D.; Dicklich and Berg introduced—

S.F. No. 270: A bill for an act relating to education; requiring that income from some of the permanent university fund be used for scholarships; amending Minnesota Statutes 1986, section 137.022, subdivision 3, and by adding a subdivision.

Referred to the Committee on Education.

Mr. Solon introduced—

S.F. No. 271: A bill for an act relating to retirement; membership of firefighters employed by the department of military affairs in the public employees police and fire fund; amending Minnesota Statutes 1986, section 353.64, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Luther and Moe, R.D. introduced—

S.F. No. 272: A bill for an act relating to corporations; regulating control share acquisitions; delaying the effective date of certain amendments; amending Laws 1985, First Special Session chapter 5, section 21, as amended.

Referred to the Committee on Judiciary.

Messrs. Cohen, Luther, Spear, Ms. Reichgott and Mr. Knaak introduced—

S.F. No. 273: A bill for an act relating to crimes; increasing penalties for certain crimes when committed with intent to cause fear; amending Minnesota Statutes 1986, sections 609.02, by adding a subdivision; 609.595, subdivision 1; and 609.713.

Referred to the Committee on Judiciary.

Mr. Berg introduced—

S.F. No. 274: A bill for an act relating to game and fish; allowing the taking of minnows and other live baits for commercial purposes on wildlife management areas of any size; amending Minnesota Statutes 1986, section 97C.505, subdivision 3, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Laidig introduced—

S.F. No. 275: A bill for an act relating to public cemeteries; increasing the limit on the permanent care and improvement fund; amending Minnesota Statutes 1986, section 306.41.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Spear, Ms. Berglin, Mr. Storm, Ms. Piper and Mr. Marty introduced—

S.F. No. 276: A bill for an act relating to human services; providing standards for investigations of the maltreatment of vulnerable adults; re-

quiring minimum qualifications for complaint investigators; establishing an appeals process; amending Minnesota Statutes 1986, sections 626.557, subdivisions 2, 3a, 10a, 12, and by adding a subdivision; and 626.559, subdivisions 1, 2, and 3.

Referred to the Committee on Health and Human Services.

Messrs. Solon and Chmielewski introduced—

S.F. No. 277: A bill for an act relating to corrections; allowing chiropractors to practice in institutions under the control of the commissioner of corrections; amending Minnesota Statutes 1986, section 241.021, subdivision 4.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Messrs. Renneke, Dicklich, Samuelson and Storm introduced—

S.F. No. 278: A bill for an act relating to human services; authorizing a change in license fees that fund educational programs for resident and family advisory councils; appropriating money; amending Minnesota Statutes 1986, section 144A.33, subdivision 3, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 279: A bill for an act relating to the city of Brook Park; raising the city debt limit.

Referred to the Committee on Local and Urban Government.

Mr. Hughes, Mrs. Lantry and Mr. Jude introduced—

S.F. No. 280: A bill for an act relating to administrative procedures; rulemaking; requiring agencies to notify legislative bill authors of hearings on proposed rules; amending Minnesota Statutes 1986, section 14.14, subdivision 1a.

Referred to the Committee on Governmental Operations.

Mr. Merriam introduced—

S.F. No. 281: A bill for an act relating to motor vehicles; abolishing authority to appoint corporations as deputy registrars; providing for transfer of appointments of corporations as deputy registrars to individuals under certain conditions; amending Minnesota Statutes 1986, section 168.33, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Luther, Purfeerst, Kroening, Ramstad and Moe, R.D. introduced—

S.F. No. 282: A bill for an act relating to metropolitan government; permitting regional railroad authorities to engage in certain activities; amending Minnesota Statutes 1986, section 473.398.

Referred to the Committee on Transportation.

Mr. Spear, Ms. Berglin, Messrs. Cohen, Dicklich and Mrs. Brataas introduced—

S.F. No. 283: A bill for an act relating to health; prohibiting deceptive pregnancy counseling practices; providing a penalty; amending Minnesota Statutes 1986, section 145.45; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Messrs. Renneke, Bernhagen, Willet, Dahl and Lessard introduced—

S.F. No. 284: A bill for an act relating to natural resources; allowing elk to be bred on game and fur farms; amending Minnesota Statutes 1986, section 97A.105, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Benson, Mrs. Brataas, Ms. Peterson, D.C. and Mr. Mehrkens introduced—

S.F. No. 285: A bill for an act relating to education; authorizing revenue for certain full-day kindergarten programs; amending Minnesota Statutes 1986, section 124.17, subdivision 1.

Referred to the Committee on Education.

Mr. Spear, Ms. Peterson, D.C.; Messrs. Ramstad, Luther and Knaak introduced—

S.F. No. 286: A bill for an act relating to crimes; reclassifying the crimes of damage to property into degrees, including creating a new gross misdemeanor crime of damage to property; reclassifying the crimes relating to forgery into degrees, including creating the crime of uttering a forged check; increasing the maximum fine for petty misdemeanor violations; increasing the maximum bail allowable for designated misdemeanor and gross misdemeanor violations; prescribing penalties; amending Minnesota Statutes 1986, sections 609.02, subdivision 4a; 609.224, subdivision 2; 609.52, subdivision 3; 609.595; 609.625; 609.63; 629.47; proposing coding for new law in Minnesota Statutes, chapters 609 and 629.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Merriam, Knaak, Luther and Peterson, R.W. introduced—

S.F. No. 287: A bill for an act relating to probate; changing the size of estates subject to collection by affidavit; amending Minnesota Statutes 1986, section 524.3-1201.

Referred to the Committee on Judiciary.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 2:00 p.m., Monday, February 9, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

ELEVENTH DAY

St. Paul, Minnesota, Monday, February 9, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. John L. Spencer.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Jude	Metzen	Samuelson
Anderson	Davis	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Laidig	Morse	Spear
Benson	Diessner	Langseth	Novak	Storm
Berg	Frank	Lantry	Olson	Taylor
Berglin	Frederick	Larson	Pehler	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Peterson, D.C.	Waldorf
Bertram	Freeman	Luther	Peterson, R.W.	Wegscheid
Brandl	Gustafson	Marty	Piper	Willet
Brataas	Hughes	McQuaid	Ramstad	
Chmielewski	Johnson, D.E.	Mehrkens	Reichgott	
Cohen	Johnson, D.J.	Merriam	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Frederickson, D.J.; Kroening; Pogemiller; Purfeerst and Stumpf were excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 41.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 5, 1987

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 41: A bill for an act relating to adoption; providing that proposed adoptive parents may obtain certain reports or records; providing that a child's parent need not join as co-petitioner in a stepparent adoption; chang-

ing the manner of executing certain consents; amending Minnesota Statutes 1986, sections 259.21, subdivision 7; 259.24, subdivision 5; and 259.27, subdivision 3, and by adding a subdivision.

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was re-referred

S.F. No. 90: A bill for an act relating to utilities; enacting the Minnesota pipeline safety act; creating the office of pipeline safety and providing for its powers and duties; granting rulemaking authority to the environmental quality board; authorizing rulemaking for purposes of delegation of federal authority; creating the pipeline safety advisory commission; regulating the operation of certain pipelines; regulating excavations in the area of buried utilities; providing for a pipeline inspection fee; establishing the pipeline safety fund; requiring a study; providing penalties; appropriating money; amending Minnesota Statutes 1986, section 1161.02, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 1161; proposing coding for new law as Minnesota Statutes, chapters 216C and 299J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, delete "12" and insert "13"

Page 1, line 30, delete "construction" and insert "routing"

Page 1, line 31, delete everything after "and" and insert "shall not set safety standards for the construction of pipelines"

Page 2, line 1, delete "standards" and after the period, insert "The rules shall not apply to temporary use of a route for purposes other than installation of a pipeline, to securing survey or geological data, to repair or replacement of an existing pipeline within the existing right of way, or to minor relocation of less than three-quarters of a mile of an existing pipeline."

Page 2, after line 22, insert:

"Subd. 4. [PRIMARY RESPONSIBILITY AND REGULATION OF ROUTE DESIGNATION, IMPROVEMENT AND USE.] *To assure the paramount and controlling effect of the provisions herein over other state agencies, regional, county and local governments, and special purpose government districts, the issuance of a pipeline routing permit under this section and subsequent purchase and use of the route locations shall be the sole site approval required to be obtained by the utility. The permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose government.*"

Page 3, line 27, reinstate the stricken language and delete the new language

Page 3, after line 35, insert:

"Sec. 4. Minnesota Statutes 1986, section 216B.16, is amended by adding a subdivision to read:

Subd. 9a. [PIPELINE SAFETY PROGRAMS.] All costs of a public utility that are necessary to comply with state pipeline safety programs under this act shall be recognized and included by the commission in the determination of just and reasonable rates as if the costs were directly incurred by the utility in furnishing utility service."

Page 4, line 2, delete "4 to 10" and insert "5 to 11"

Page 4, line 7, after "(3)" insert "impact with or"

Page 4, line 22, before "equipment" insert "machine-powered" and after "kind" insert a comma

Page 4, line 29, after "unless" insert "any of these activities disturbs" and delete "is"

Page 4, line 30, delete "disturbed"

Page 4, line 34, delete the comma and insert a period

Page 4, delete line 35

Page 5, delete line 12 and insert "a person shall not be considered an operator solely because the person or public agency is the"

Page 5, line 30, delete "4 to 10" and insert "5 to 11"

Page 6, line 1, after the period, insert "*The center shall be organized as a nonprofit corporation governed by a board of directors consisting of 20 members. Nineteen of the members must represent and be elected by operators, excavators, and other persons who participate in the notification center. The remaining member must be the director of the office of pipeline safety. By January 1, 1988, the board shall, with input from all interested parties, determine the operating procedures and technology needed for a single statewide notification center. The board shall select a vendor to provide the statewide notification service for all operators. The vendor must be selected through a competitive bidding process after reasonable efforts have been made to notify potential bidders. The notification center must begin operating by June 1, 1988.*"

Page 6, line 18, after the period, insert "*The records must be kept for at least six years.*"

Page 6, line 22, delete the paragraph coding

Page 7, line 3, delete everything after the period

Page 7, delete lines 4 and 5 and insert "*The excavator must determine the precise location of the underground facility, without damage, in*"

Page 7, line 9, delete everything after the period

Page 7, delete lines 10 to 14 and insert "*If the operator cannot complete marking of the excavation area before the stated commencement time, the operator shall promptly report that fact to the excavator and inform the excavator of an alternate time for marking not more than 48 hours after the stated commencement time. If the excavator postpones the commencement time by more than 48 hours, or cancels the excavation, the excavator must notify the notification center.*"

Page 8, line 1, delete "make repairs" and insert "investigate"

Page 8, line 3, delete everything after "must"

Page 8, line 4, delete everything before "take"

Page 8, line 10, delete "repaired" and insert "investigated by the operator"

Page 8, delete lines 13 to 18

Page 8, line 19, delete "LIABILITY" and insert "COST REIMBURSEMENT"

Page 8, line 20, delete "is liable" and insert "shall reimburse the operator"

Page 8, line 21, delete "including lost product" and insert "and the" and after "costs" insert "of the operator's product that was lost as a direct result of the damage"

Page 8, lines 24 and 28, delete "7" and insert "8"

Page 8, line 30, delete "8" and insert "9" and before "negligence" insert "the excavator's"

Page 8, line 33, delete "4 to 10" and insert "5 to 11"

Page 8, line 35, delete everything after "excavating"

Page 8, line 36, delete everything before the comma

Page 9, line 1, delete "or public agency"

Page 9, lines 4 and 5, delete "4 to 10" and insert "5 to 11"

Page 9, lines 19 and 35, delete "11 to 28" and insert "12 to 29"

Page 10, after line 11, insert:

"Subd. 6. [GAS.] "Gas" has the meaning given it in United States Code, title 49, section 1671.

Subd. 7. [HAZARDOUS LIQUID.] "Hazardous liquid" means "hazardous liquid" and "highly volatile liquid" as defined in Code of Federal Regulations, title 49, part 195.2."

Page 10, delete lines 13 to 18 and insert "means hazardous liquid and gas."

Page 10, line 26, after "means" insert "(1)" and delete "an inside" and insert "a nominal"

Page 10, line 27, delete "two" and insert "six" and delete "is"

Page 10, delete line 28

Page 10, line 29, delete "substances" and insert "liquids"

Page 10, line 30, delete "(1)" and delete "substance" and insert "liquid"

Page 10, line 31, delete "(2)" and delete "substance" and insert "liquid"

Page 10, line 32, after "facility" insert "; and (2) pipe operated at a pressure of more than 275 pounds per square inch that carries gas."

Renumber the subdivisions in sequence

Page 11, line 25, delete "21" and insert "22"

Page 11, line 29, delete "21" and insert "22"

Page 11, line 31, delete "22" and insert "23"

Page 12, line 18, delete "11 to 28" and insert "12 to 29"

Page 12, line 22, delete "11" and insert "12"

Page 12, line 23, delete "28" and insert "29"

Page 14, line 27, delete "11 to 28" and insert "12 to 29"

Page 14, line 31, delete "is" and insert "are"

Page 15, line 14, after "unit" insert ", to the pollution control agency if the notice of the release is required by section 115.061"

Page 15, after line 17, insert:

"A pipeline operator's report of a release to the commissioner satisfies the notification requirements of section 115.061."

Page 15, lines 21 and 31, delete "11 to 28" and insert "12 to 29"

Page 15, line 22, delete "those sections" and insert "rules adopted under this section"

Page 16, line 29, delete "11 to 28" and insert "12 to 29"

Page 17, lines 21 and 22, delete "11 to 28" and insert "12 to 29"

Page 17, lines 33 and 36, delete "26" and insert "27"

Page 19, line 6, delete "28" and insert "29"

Page 20, lines 3 and 7, delete "2" and insert "1"

Page 20, lines 5, 19 and 20, delete "11 to 28" and insert "12 to 29"

Page 20, lines 25 and 29, delete "26" and insert "27"

Page 21, line 32, delete "his"

Page 22, line 11, delete "26" and insert "27"

Page 22, line 14, delete "19 or 25" and insert "20 or 26"

Page 22, line 21, delete "23" and insert "24"

Page 22, line 24, before "fund" insert "pipeline safety"

Page 22, line 27, delete "19, 23, or 25" and insert "20, 24, or 26"

Page 22, line 31, delete "11 to 28" and insert "12 to 29"

Page 23, lines 4 and 5, delete "19, 22, 24, 25, and 26" and insert "20, 23, 25, 26, and 27"

Page 23, lines 13, 18 and 27, delete "11 to 28" and insert "12 to 29"

Page 23, line 16, delete "22" and insert "23"

Page 23, lines 28 and 35, delete "12" and insert "13"

Page 24, line 3, delete "11 to 28" and insert "12 to 29"

Page 24, after line 4, insert:

"Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1988.

Sections 19 and 27 are effective August 1, 1987, and apply to crimes committed on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, delete "section" and insert "sections"

Page 1, line 14, after the semicolon, insert "216B.16, by adding a subdivision;"

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

H.F. No. 66: A resolution memorializing the Congress of the United States to enact an extension of the federal highway program at the earliest possible date.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 136: A bill for an act relating to transportation; school bus safety; providing for amber proceed-with-caution signal for driver-activated student control warning systems; amending Minnesota Statutes 1986, section 169.44, subdivision 1d.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 44: A bill for an act relating to highways; abolishing restrictions on disposition of right-of-way of trunk highway No. 15 in St. Cloud; repealing Laws 1986, chapter 387, section 2.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 81: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state treasurer, state auditor, and secretary of state into the office of state comptroller; providing that the first comptroller would be elected in 1990; transferring the powers, responsibilities, and duties of the state auditor, the secretary of state, and the state treasurer to the state comptroller.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 161: A bill for an act relating to veterans; requiring the commissioner to establish a certification process for veterans service officers; amending Minnesota Statutes 1986, section 197.605, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 155: A resolution memorializing that the governments of the United States and the Socialist Republic of Vietnam take all possible action to determine the fate of persons missing in action and/or held as prisoners of war in Asian nations.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was re-referred

S.F. No. 1: A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; appropriating money: amending Minnesota Statutes 1986, sections 41A.01; 41A.02, subdivisions 3, 4, 6, and 11; 41A.05, subdivisions 1 and 2; 116.16, subdivisions 2 and 5; 116L.03, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; and 462.398; proposing coding for new law in Minnesota Statutes, chapters 41A; 84; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; amending Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, sections 41A.06, subdivision 2; 116.18, subdivision 3a; 116J.951; 116J.955; and 116J.961.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Education. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 136, 44, 161 and 155 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 66 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Diessner moved that the name of Mr. Spear be added as a co-author to S.F. No. 126. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Brandl be added as a co-author to S.F. No. 134. The motion prevailed.

Mr. Dahl moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 161. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Frederickson, D.J. be added as a co-author to S.F. No. 267. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Johnson, D.J. be added as a co-author to S.F. No. 268. The motion prevailed.

Mr. Solon moved that the name of Mr. Gustafson be added as a co-author to S.F. No. 270. The motion prevailed.

Mr. Solon moved that the name of Mr. Gustafson be added as a co-author to S.F. No. 271. The motion prevailed.

Mr. Merriam moved that the names of Messrs. Marty and Freeman be added as co-authors to S.F. No. 281. The motion prevailed.

Mr. Ramstad moved that his name be stricken as a co-author to S.F. No. 282. The motion prevailed.

Mr. Luther moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 282. The motion prevailed.

SUSPENSION OF RULES

Mr. Frederick moved that the rules of the Senate be so far suspended that S.F. No. 62, No. 5 on General Orders, be made a Special Order for immediate consideration.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Frederick.

The roll was called, and there were yeas 19 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Larson	Renneke
Belanger	Frederick	Knaak	McQuaid	Storm
Benson	Frederickson, D.R.	Knutson	Mehrkens	Taylor
Bernhagen	Gustafson	Laidig	Ramstad	

Those who voted in the negative were:

Adkins	Davis	Langseth	Morse	Solon
Beckman	DeCramer	Lantry	Novak	Spear
Berg	Dicklich	Lessard	Pehler	Vickerman
Berglin	Diessner	Luther	Peterson, D.C.	Waldorf
Bertram	Frank	Marty	Peterson, R.W.	Wegscheid
Brandl	Freeman	Merriam	Piper	Willet
Chmielewski	Hughes	Metzen	Reichgott	
Cohen	Johnson, D.J.	Moe, D.M.	Samuelson	
Dahl	Jude	Moe, R.D.	Schmitz	

The motion did not prevail.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Senate Calendar. The motion prevailed.

CALENDAR

S.F. No. 85: A bill for an act relating to real estate; providing for clearing title defects in adjacent land; amending Minnesota Statutes 1986, section 508.08

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Samuelson
Anderson	Davis	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Laidig	Morse	Spear
Benson	Diessner	Langseth	Novak	Storm
Berg	Frank	Lantry	Olson	Taylor
Berglin	Frederick	Larson	Pehler	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Peterson, D.C.	Waldorf
Bertram	Freeman	Luther	Peterson, R.W.	Wegscheid
Brandl	Gustafson	Marty	Piper	Willet
Brataas	Hughes	McQuaid	Ramstad	
Chmielewski	Johnson, D.E.	Mehrkens	Reichgott	
Cohen	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 97 and H.F. No. 45, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Samuelson introduced—

S.F. No. 288: A bill for an act relating to retirement; directing payment of certain disability benefits withheld from a member of the public em-

ployees police and fire fund.

Referred to the Committee on Governmental Operations.

Mr. Cohen introduced—

S.F. No. 289: A bill for an act relating to trusts; establishing the community trust for persons with severe chronic disabilities act; proposing coding for new law in Minnesota Statutes, chapter 501.

Referred to the Committee on Health and Human Services.

Mr. Cohen introduced—

S.F. No. 290: A bill for an act relating to professions and occupations; providing for exemptions from the continuing education requirements for real estate brokers and salespersons; amending Minnesota Statutes 1986, section 82.22, subdivision 13.

Referred to the Committee on Commerce.

Messrs. Stumpf, Lessard, Samuelson and Johnson, D.J. introduced—

S.F. No. 291: A bill for an act relating to intoxicating liquor; allowing counties to issue seasonal intoxicating liquor licenses subject to certain restrictions; amending Minnesota Statutes 1986, section 340A.404, subdivision 6.

Referred to the Committee on Commerce.

Ms. Peterson, D.C. introduced—

S.F. No. 292: A bill for an act relating to insurance; health and accident; requiring coverage for scalp hair prostheses in certain circumstances; amending Minnesota Statutes 1986, section 62E.06, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Ms. Peterson, D.C. introduced—

S.F. No. 293: A bill for an act relating to insurance; establishing rates for cooperative housing and neighborhood real estate trust insurance within the Minnesota FAIR plan; proposing coding for new law in Minnesota Statutes, chapter 65A.

Referred to the Committee on Commerce.

Mrs. McQuaid, Messrs. Bertram, Laidig, Larson and Ramstad introduced—

S.F. No. 294: A bill for an act relating to motor vehicles; authorizing special license plates for Pearl Harbor survivors; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Veterans.

Messrs. Johnson, D.E.; Pehler and Laidig introduced—

S.F. No. 295: A bill for an act relating to crimes; providing a penalty for assaulting correctional officers; amending Minnesota Statutes 1986, section 609.2231, subdivision 1.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. and Mr. Frank introduced—

S.F. No. 296: A bill for an act relating to eminent domain; regulating relocation benefits for displaced persons; amending Minnesota Statutes 1986, section 117.52, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Cohen, Ms. Peterson, D.C.; Messrs. Spear and Freeman introduced—

S.F. No. 297: A bill for an act relating to public safety; prohibiting assembly as a paramilitary organization for the purpose of practicing with weapons; prohibiting paramilitary training; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 624.

Referred to the Committee on Judiciary.

Mr. Samuelson introduced—

S.F. No. 298: A bill for an act relating to human services; creating additional AFDC work incentives; clarifying the residency requirement for the AFDC program; requiring minor parents on AFDC to attend high school; expanding the AFDC community work experience program; increasing the period of extended medical coverage for former AFDC recipients; creating a child support collection incentive account; amending Minnesota Statutes 1986, sections 256.736, by adding a subdivision; 256.737, subdivisions 1 and 2; 256.74, subdivision 1; and 256.863; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.J. introduced—

S.F. No. 299: A bill for an act relating to Cook county; permitting the sale of certain land.

Referred to the Committee on Environment and Natural Resources.

Messrs. Cohen, Pehler, Ms. Reichgott, Messrs. Jude and Belanger introduced—

S.F. No. 300: A bill for an act relating to education; establishing chemical abuse pre-assessment teams and community advisory teams; requiring teachers to report possession, use, and transfer of chemical substances by students; providing penalties; amending Minnesota Statutes 1986, sections 127.41, subdivision 3; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mr. Spear, Ms. Peterson, D.C.; Messrs. Marty and Ramstad introduced—

S.F. No. 301: A bill for an act relating to crimes; creating the crime of criminal sexual conduct by impersonating a health care professional; amending Minnesota Statutes 1986, sections 609.344, subdivision 1; and 609.345, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Spear, Pogemiller, Ms. Peterson, D.C. and Mr. Knaak introduced—

S.F. No. 302: A bill for an act relating to crimes; repealing the crime of criminal syndicalism; repealing Minnesota Statutes 1986, section 609.405.

Referred to the Committee on Judiciary.

Mr. Frederickson, D.R. introduced—

S.F. No. 303: A bill for an act relating to the state; designating an official state beer; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Jude, Schmitz, Ramstad, Novak and Wegscheid introduced—

S.F. No. 304: A bill for an act relating to taxation; providing for computation of the metropolitan transit tax reduction for certain cities and towns; amending Minnesota Statutes 1986, section 473.446, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Hughes, Jude, Wegscheid, Mrs. Lantry and Mr. Frederickson, D.R. introduced—

S.F. No. 305: A bill for an act relating to retirement; public employees retirement association; clarifying the final average salary and service credit applicable to certain later age employment-related injuries; amending Minnesota Statutes 1986, section 353.01, subdivisions 10 and 16.

Referred to the Committee on Governmental Operations.

Mr. Jude, Ms. Peterson, D.C.; Messrs. Wegscheid, Dicklich and Mrs. Brataas introduced—

S.F. No. 306: A bill for an act relating to local government; permitting compensation for members of statutory city park boards; amending Minnesota Statutes 1986, section 412.501.

Referred to the Committee on Local and Urban Government.

Messrs. Brandl, Frank, Ms. Piper, Mr. Dicklich and Ms. Olson introduced—

S.F. No. 307: A bill for an act relating to utilities; requiring recorded telephone solicitation devices to disconnect from the telephone line when the caller hangs up; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Commerce.

Messrs. Merriam, Ramstad, Dicklich and Chmielewski introduced—

S.F. No. 308: A bill for an act relating to animals; providing for the return of lost animals to their owners; prohibiting transfer of certain dogs and cats for use in research; providing a penalty; amending Minnesota Statutes 1986, section 35.71.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Wegscheid, Renneke and Pogemiller introduced—

S.F. No. 309: A bill for an act relating to retirement; highway patrol formula; amending Minnesota Statutes 1986, section 352B.08, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Waldorf, Wegscheid, Laidig, Benson and Mrs. Adkins introduced—

S.F. No. 310: A bill for an act relating to health; establishing a patient's rights act; providing standards for medical treatment; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services. Mr. Spear questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Knutson; Johnson, D.E.; Benson; Storm and Mrs. Brataas introduced—

S.F. No. 311: A bill for an act relating to human rights; establishing a cooperative health insurance program; increasing the medical assistance income limit for families with children; appropriating money; amending Minnesota Statutes 1986, sections 256B.06, subdivision 1; and 363.01, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 62J.

Referred to the Committee on Health and Human Services.

Mr. Knutson, Mmes. Lantry, Adkins, Messrs. Belanger and Renneke introduced—

S.F. No. 312: A bill for an act relating to human services; authorizing the disclosure of information about AFDC clients in certain circumstances; amending Minnesota Statutes 1986, section 13.46, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 313: A bill for an act relating to veterans; providing for special motor vehicle license plates for former prisoners of war free of charge; amending Minnesota Statutes 1986, section 168.125.

Referred to the Committee on Veterans.

Messrs. Pogemiller; Moe, D.M.; Wegscheid and Renneke introduced—

S.F. No. 314: A bill for an act relating to state investments; requiring the state board of investments to adopt an investment policy statement; authorizing state funds to be invested in certain securities; providing conditions of investment; amending Minnesota Statutes 1986, sections 11A.04; 11A.24, subdivisions 2, 3; 4, 5, and 6; and 11A.25.

Referred to the Committee on Governmental Operations.

Messrs. Berg; Larson; Frederickson, D.J.; Stumpf and Langseth introduced—

S.F. No. 315: A bill for an act relating to education; allowing a school district to use a state compatible financial reporting system without going through a regional center and without state board approval; amending Minnesota Statutes 1986, section 121.936, subdivision 1.

Referred to the Committee on Education.

Messrs. Purfeerst and Frank introduced—

S.F. No. 316: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, sections 2 and 4; providing for a senate of 36 members elected for staggered six-year terms and a house of representatives of 108 members elected for staggered four-year terms.

Referred to the Committee on Elections and Ethics.

Messrs. Wegscheid; Moe, D.M.; Renneke; Morse and Gustafson introduced—

S.F. No. 317: A bill for an act relating to retirement; police and salaried firefighters relief associations; authorizing the voluntary consolidation of local relief associations with the public employees police and fire fund; authorizing the individual election of applicable benefit coverage upon consolidation; amending Minnesota Statutes 1986, sections 353.01, subdivisions 2b, 10, and 16; 353.271; 353.64, subdivision 1; and 353.65, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 353; proposing coding for new law as Minnesota Statutes, chapters 353A and 353B.

Referred to the Committee on Governmental Operations.

Ms. Berglin, Mrs. Lantry, Ms. Piper, Messrs. Knutson and Samuelson introduced—

S.F. No. 318: A bill for an act relating to human services; creating a work incentive subsidized housing program for AFDC recipients; appropriating money; amending Minnesota Statutes 1986, section 256.736, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Metzen introduced—

S.F. No. 319: A bill for an act relating to education; requiring a grant for the all-day kindergarten program in Inver Grove Heights school district; appropriating money.

Referred to the Committee on Education.

Mses. Piper; Peterson, D.C.; Messrs. Marty, Mehrkens and Morse introduced—

S.F. No. 320: A bill for an act relating to education; restoring to school districts the authority to decide when to start the school year; repealing Minnesota Statutes 1986, section 126.12, subdivision 1.

Referred to the Committee on Education.

Mr. Merriam introduced—

S.F. No. 321: A bill for an act relating to public safety; clarifying the evidentiary use of partial alcohol concentration breath tests; expanding the crimes of driving a motor vehicle or a motorboat while under the influence of alcohol or certain substances; amending Minnesota Statutes 1986, sections 169.121, subdivisions 1, 2, and 6; 169.123, subdivisions 2, 2a, 3, 4, and 6; 361.12, subdivisions 1, 3, and 4; and 361.121, subdivisions 1, 3, 4, and 7.

Referred to the Committee on Judiciary.

Messrs. Waldorf and Kroening introduced—

S.F. No. 322: A bill for an act relating to consumer protection; providing for the retention and collection of spent lead-acid batteries; providing enforcement; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Messrs. Knutson; Bernhagen; Johnson, D.E. and Anderson introduced—

S.F. No. 323: A bill for an act relating to human services; requiring AFDC recipients to complete high school; increasing the county share of child support collections made on behalf of AFDC recipients; increasing the medical assistance income limit for families with children; appropriating money; amending Minnesota Statutes 1986, sections 256.736, by adding a subdivision; 256.863; and 256B.06, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Cohen, Pogemiller, Knaak, Ramstad and Ms. Peterson, D.C. introduced—

S.F. No. 324: A bill for an act relating to traffic regulations; removing exemptions regarding alcohol- or controlled substance-related activities of persons engaged in work upon the highway; amending Minnesota Statutes 1986, section 169.03, subdivision 6.

Referred to the Committee on Judiciary.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 12, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWELFTH DAY

St. Paul, Minnesota, Wednesday, February 11, 1987

The House of Representatives met on Wednesday, February 11, 1987, which was the Twelfth Legislative Day of the Seventy-Fifth Session of the Minnesota State Legislature. The Senate did not meet on this date.

THIRTEENTH DAY

St. Paul, Minnesota, Thursday, February 12, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rabbi Stephen H. Pinsky.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Johnson, D.J.	Merriam	Reichgott
Anderson	Davis	Jude	Metzen	Renneke
Beckman	DeCramer	Knaak	Moe, D.M.	Samuelson
Belanger	Dicklich	Knutson	Moe, R.D.	Schmitz
Benson	Diessner	Kroening	Morse	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederick	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brandl	Freeman	Luther	Peterson, R.W.	Vickerman
Brataas	Gustafson	Marty	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	Mehrkens	Ramstad	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Lessard and Purfeerst were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of the Minnesota School of the Arts and Resource Center is hereby respectfully submitted to the Senate for confirmation as required by law:

Marilyn Berg, 1242 Culligan Ln., Mendota Heights, Dakota County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Ethical Practices Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Martin J. McGowan, 19807 State Hwy. 15, Kimball, Stearns County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Elections and Ethics.)

January 26, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota Higher Education Facilities Authority are hereby respectfully submitted to the Senate for confirmation as required by law:

John Young, Jr., Box 752, Hawley, Clay County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Milton Radjenovich, P.O. Box 667, Buhl, St. Louis County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

January 26, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the World Trade Center Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Paul Rexford Thatcher, 15 S. First St., Minneapolis, Hennepin County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Irving M. Stern, 1660 S. Hwy. 100, St. Louis Park, Hennepin County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Thomas A. Foster, 332 Westwood Dr. N., Golden Valley, Hennepin County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Economic Development and Housing.)

Sincerely,

Rudy Perpich, Governor

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 167: A bill for an act relating to the Minnesota zoological garden; requiring board appointments to be subject to the advice and consent of the senate; amending Minnesota Statutes 1986, section 85A.01, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, strike "15" and insert "30"

Page 1, line 15, before "Members" insert "Twenty-nine"

Page 1, line 20, strike "and filling of vacancies"

Page 1, line 23, strike "In consultation with" and insert "*One member shall be appointed by the governor after consideration of a nominee submitted by*"

Page 1, line 24, strike everything after the first "board"

Page 1, strike line 25 and insert "*who must be a*"

Page 2, line 1, after the first "county" insert "*and*"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "*increasing the size of the board; clarifying the appointment process for the board;*"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 121: A bill for an act relating to traffic regulations; imposing penalty for failure to wear seat belt; amending Minnesota Statutes 1986, section 169.686, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, strike "(a)"

Page 1, line 14, strike "under the age of 11"

Page 1, line 15, before the period, insert "*who is older than three but younger than 11 years of age*"

Page 1, line 16, after "*who*" insert "*is 15 years of age or older and who*" and after "*violates*" insert "*clause (1) or (2) of*"

Page 1, line 18, strike "A violation of this subdivision may not"

Page 1, line 19, strike "be recorded on the driving record of any person" and insert "*The driver of the passenger vehicle in which the violation occurred is subject to a \$25 fine for a violation of clause (2) or (3) by a person under the age of 15*"

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "clarifying that a child under four is not required to use a seat belt;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 137: A bill for an act relating to agriculture; clarifying the exceptions to prohibition against manufacture of food from adulterated milk or cream; amending Minnesota Statutes 1986, section 32.21, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 105: A bill for an act relating to taxation; permitting counties to impose a special levy for payments to soil and water conservation districts; amending Minnesota Statutes 1986, section 275.50, subdivision 5.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 87: A bill for an act relating to tort claims; including the state agricultural society in the definition of state; amending Minnesota Statutes 1986, section 3.732, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 59: A bill for an act relating to highway traffic regulations; prescribing who shall prosecute persons who operate motorboats while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, section 361.12, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 361.12, subdivision 5, is amended to read:

Subd. 5. [PENALTIES.] (a) A person who violates any prohibition contained in subdivision 1 is guilty of a misdemeanor; except that a person who violates any prohibition contained in subdivision 1 within five years of a prior conviction under that subdivision or civil liability under section 361.121, subdivision 2, or within ten years of two or more prior convictions

under that subdivision or civil liability under section 361.121, subdivision 2, is guilty of a gross misdemeanor. *The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section is also responsible for prosecution of gross misdemeanor violations of this section.*

(b) A person who operates a motorboat on the waters of this state during the period the person is prohibited from operating any motorboat or after the person's motorboat operator's permit has been revoked, as provided under subdivision 6, is guilty of a misdemeanor."

Amend the title as follows:

Page 1, line 6, delete "by adding a" and after "subdivision" insert "5"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, makes the following report:

The Permanent Rules of the Senate for the 75th Legislature shall read as follows:

"PERMANENT RULES OF THE SENATE

PARLIAMENTARY REFERENCE

1. The rules of parliamentary practice comprised in Mason's Manual of Legislative Procedure shall govern the Senate in all cases in which they are applicable, and in which they are not inconsistent with these rules and orders of the Senate and the joint rules and orders of the Senate and House of Representatives.

HOUR OF CONVENING

2. The Senate shall convene on days of meeting at 2 o'clock p.m. unless the Senate directs otherwise.

PRESIDENT

3. The President shall take the chair at the hour to which the Senate adjourned. He shall immediately call the members to order and, on the appearance of a quorum, shall proceed with the regular order of business. He shall preserve order and decorum, may speak on points of order in preference to members, and shall also decide all questions of order, subject to an appeal to the Senate by a member. An appeal is decided by a majority vote of those present and voting. Upon an appeal from the decision of the President, the question is, "Shall the decision of the President be the judgment of the Senate?"

SUBSTITUTES FOR THE PRESIDENT

4. The President may call a member to preside. In the absence of the President the ~~Chairman~~ *Chair* of the Committee on Rules and Administration, or his designee, shall preside over the Senate. In the absence of the President and the ~~Chairman~~ *Chair*, a member may be selected by the Senate to perform the duties of the President. Substitutions do not extend beyond adjournment.

ABSENCE OF MEMBERS

5. No member or officer of the Senate shall be absent from a session of the Senate unless excused by the Senate.

DECORUM DURING BUSINESS

6. When the President puts a question, or addresses the Senate, no one shall walk out of or cross the Chamber. When a member is speaking, no one shall pass between the member speaking and the President. No member, or other person, shall proceed to or remain by the Secretary's desk while the yeas and nays are being called or counted. No member may speak without using a microphone.

ORDER OF BUSINESS

7. The order of business is as follows:

1. Petitions, letters, remonstrances.
2. Executive and official communications.
3. Messages from the House of Representatives.
4. First reading of House bills.
5. Reports of committees.
 - (a) From standing committees.
 - (b) From select committees.
6. Second reading of Senate bills.
7. Second reading of House bills.
8. Motions and Resolutions.
9. Calendar.
10. Consent Calendar.
11. General Orders.
12. Introduction and first reading of Senate bills.
13. Announcements of Senate interest.

Under the order of business of Motions and Resolutions the Senate may by a majority vote of the whole Senate temporarily revert or proceed to any other order of business.

CALENDAR

8. The Secretary shall make a Calendar of all bills, resolutions and other matters coming before the Senate for final action. He shall place them on the Calendar in the order in which they have been acted upon in Committee of the Whole. The Calendar shall be printed and placed upon the members' desks at least one calendar day before the matters on it are considered.

CONSENT CALENDAR

9. If a committee determines that a bill it recommends to pass is of a routine nature or otherwise of a nature which likely will not be opposed, it may in its report recommend that the bill be placed on the Consent Calendar. If the report is adopted, the bill shall be printed and placed on the Consent Calendar after its second reading. On the question of adoption of the report the question of accepting the recommendation that the bill be placed on the Consent Calendar may be divided from the question of adopting the report in other respects.

A majority of the whole Senate, or the ~~Subcommittee on Bill Scheduling~~

Chair of the Committee on Rules and Administration, may order a bill on General Orders to be placed on the Consent Calendar.

The Consent Calendar consists of bills placed on it. Senate bills shall be positioned ahead of House bills. The Consent Calendar shall be printed and placed on the members' desks at least one calendar day before the matters on it are considered.

If a member objects to consideration of a bill on the Consent Calendar at any time during its consideration in the Senate before the question on final passage is put, and that objection is supported by at least two other members, the bill shall be referred to the Committee of the Whole, and shall be placed at the bottom of General Orders subject to Rule 11, except that it need not lie over one calendar day before consideration in the Committee of the Whole.

SPECIAL ORDER

10. The ~~Chairman~~ *Chair of the Subcommittee on Bill Scheduling of the Committee on Rules and Administration*, as authorized by the ~~subcommittee~~, may designate a special order for a bill that has been given its second reading.

A special order shall provide that the bill be considered immediately, at a time certain, or after specific other business is completed.

During consideration of a special order, Rule 20 is suspended. As nearly as applicable, debate on the bill and all proceedings including amendments and substitutions shall be that of the Committee of the Whole.

On any question a member may call for the yeas and nays which shall be entered in the Journal.

Unless it is otherwise disposed of, after consideration a bill on Special Orders of the Senate shall immediately proceed to its third reading and final passage.

GENERAL ORDERS

11. The Secretary shall make a list of all bills, resolutions, reports of committees, and other proceedings of the Senate, which are referred to the Committee of the Whole, and which are not made the order of the day, for a particular day, and number them. The lists are called the "General Orders". They shall be taken up in the order in which they are numbered unless otherwise ordered by a majority of the committee.

General Orders, together with all bills included on it required to be printed under the rules or orders of the Senate, shall be printed and placed upon the members' desks at least one calendar day before being considered in Committee of the Whole.

MOTIONS

12. When a motion is made it shall be stated by the President. If it is in writing it shall be handed to the Secretary and read to the members.

13. A motion or amendment shall be written if the President or a member requests. In that case it must be signed by the member or committee offering it.

14. After a motion is stated by the President, or read by the Secretary, it is in possession of the Senate, but may be withdrawn by the author at any time before decision or amendment.

PRECEDENCE OF MOTIONS

15. When a question is under debate no motion shall be received, except:

1. To adjourn.
2. To recess.
3. To reconsider.
4. To lay on the table.
5. For the previous question.

(Motions numbered 1, 2, 4 and 5 above shall be decided without debate.)

6. To refer.
7. To postpone to a day certain.
8. To amend.
9. To postpone indefinitely.

These several motions have precedence in the foregoing order; but when a motion for the previous question has been seconded, or the main question ordered, a motion to lay on the table is not in order.

A motion to postpone to a day certain, to refer, to postpone indefinitely, or to amend, having been decided, shall not again be put on the same day, nor at the same stage of the bill or proposition.

MOTION TO ADJOURN

16. A motion to adjourn is always in order, and also a motion to adjourn to a time certain. The latter motion is debatable solely as to the time. When either motion is rejected it shall not be renewed until further business has been transacted.

AMENDMENTS TO RULES AND SUSPENSION OF RULES

17. Every proposition to amend a rule of the Senate shall be referred to the Committee on Rules and Administration. The proposition shall not be acted upon until the report of the committee is received by the Senate. A rule shall not be suspended except by at least two-thirds vote of the whole Senate. A motion to suspend the rules for the purpose of advancing a bill shall be made only under the order of business, "Motions and Resolutions".

ORDER IN DEBATE

18. When a member is about to speak in debate, or deliver a matter to the Senate, the member shall rise and respectfully address "Mr. President". The member shall not proceed to speak further until recognized by the President. The member shall speak only to the question under debate and avoid personality. In discussing a resolution, each member is limited to ten minutes.

19. When a member is called to order, he shall be silent until it is

determined whether or not he is in order. If a member is called to order for words spoken in debate, the words excepted to shall be taken down in writing by the Secretary immediately.

20. No member shall speak more than twice on the same question on the same day without leave of the Senate.

COMMITTEES NOT TO BE ABSENT

21. Committees shall not be absent from the Senate without permission of the Senate. The names of the members excused shall be printed in the Journal.

MEMBERS TO VOTE UNLESS EXCUSED

22. Every member who is in the Senate Chamber during a roll call shall vote upon the request of another member unless, for special reasons, excused by the Senate.

A motion by a member to be excused from voting shall be made before the question is put. A member wishing to be excused from voting may make a brief statement of the reason for making the request and the question on the motion shall be taken without further debate.

When members have had an opportunity to vote and fail to do so, a majority of all the members of the Senate may, by motion, direct the President to close the roll. The vote on a motion to close the roll shall be taken without debate and no member is required to vote on the motion.

CALL OF THE SENATE

23. A member may impose a call of the Senate requiring the attendance of all members before any further proceedings occur except a motion to adjourn. Upon the imposition of a call, a record of those present shall be obtained upon the request of any member, and the Sergeant at Arms instructed to bring in the absent members. When the Senate has been placed under call, a member may demand that the doors be closed and no member permitted to leave the Chamber until the matter or question, if any, under consideration at the time of the call is disposed of, or until the call is lifted by a majority vote of all the members of the Senate, or until the Senate adjourns. A majority vote of all the members of the Senate may excuse from attendance members not answering the call.

A call cannot be made after voting has commenced.

QUESTIONS—HOW STATED AND DECIDED

24. Questions shall be distinctly put. The President shall declare all votes but if a member rises to question a vote, the President shall order a division.

ONLY MEMBERS PRESENT TO VOTE

25. Upon a division and count of the Senate on a question, only members present in the Senate Chamber shall be counted. No member may vote on a question except at the member's own seat in the Chamber.

ANY MEMBER MAY DEMAND YEAS AND NAYS

26. At any time prior to the start of voting on a question, a member may call for the yeas and nays which shall be entered in the Journal. A call for the yeas and nays cannot be interrupted except as provided in Rule No. 22.

AUTHORIZED ELECTRICAL VOTING DEVICE

27. Unless otherwise ordered, a vote, except upon elections and upon the overriding of a governor's veto, may be taken by means of the electrical voting system which is under the control of the President.

CERTIFICATE FOR MONEY

28. No certificate authorizing the payment of money appropriated by the Legislature shall be issued by the Secretary by virtue of a motion or resolution, unless the motion or resolution is voted for by a majority of all members of the Senate upon a call of the yeas and nays.

THE PREVIOUS QUESTION

29. Unless the motion for the previous question is made specifically applicable to a subsidiary motion, the previous question shall be in this form:

"Shall the main question now be put?" It shall only be admitted when demanded by a majority of the members present, and its effect is to put an end to all debate, and bring the Senate to a direct vote upon amendments reported by a committee, if any, then upon all pending amendments in their order and then upon the main question.

On a motion for the previous question a call of the Senate is in order before the President submits the question to the Senate.

On a previous question there is no debate. All incidental questions of order, arising after a motion is made for the previous question, and pending the motion, shall be decided, whether on appeal or otherwise, without debate.

DIVISION OF QUESTION

30. A member may call for a division of the question when the question will admit of it. A motion to strike out and insert is indivisible. A motion to strike out being lost does not preclude an amendment nor a motion to strike out and insert.

RECONSIDERATION

31. When a motion or question has been once put and carried in the affirmative or negative, it is in order for a member who voted with the prevailing side to move for reconsideration on the same day on which the vote was taken or within the next two calendar days or, if later, the first day the Senate meets after the vote was taken. The motion takes precedence over all other questions except a motion to adjourn or recess. When a motion to adjourn is adopted prior to the disposition of the motion for reconsideration, a motion for reconsideration shall lie over until the next succeeding day the Senate meets except as provided in this rule. When

notice of intention to move reconsideration of the final action of the Senate on a question is given by a member, the Secretary shall retain the subject of the notice until after the expiration of the time during which the motion can be made.

During the six calendar days before the first Tuesday following the third Saturday in May of any year a notice of intention to move for reconsideration is not in order, but a motion to reconsider may be made and have priority over all other business except a motion to adjourn. A motion for reconsideration having been once voted on shall not be put again nor reconsidered.

INTRODUCTION OF BILLS

32. Bills, memorials, concurrent or joint resolutions may be introduced by a member or by order of the Senate on a report of a committee. An original and three copies are required for introduction. The number of authors shall not exceed five. A member or a committee desiring to introduce a bill, memorial or concurrent or joint resolution shall place it in the hands of the Secretary, and the Secretary shall promptly deliver all the bills, memorials or concurrent or joint resolutions to the President who shall present them to the Senate.

The name of the author or authors shall be prefixed to each bill, memorial or resolution and the name of a committee introducing a bill, memorial or resolution shall be endorsed on it.

RECESS BILL INTRODUCTIONS

33. During the period between the last day of the session in any odd-numbered year and the first day of the session in the following year, a bill filed with the Secretary for introduction shall be given a file number and may be unofficially referred by the President, with the approval of the ~~Subcommittee on Bill Scheduling~~ *Chair of the Committee on Rules and Administration*, to an appropriate standing committee of the Senate. All bills filed for introduction during this period shall be presented to the Senate when it reconvenes and shall be referred to the standing committees previously indicated by the President, subject to objection under Rule 35.

REPORTING OF BILLS

34. Every bill, memorial, order, resolution or vote requiring the approval of the Governor shall be reported to the Senate on three different days previous to its passage. The first report, called the first reading, is made when it has been received for introduction; the second report, called the second reading, is made when it has been considered by all the necessary standing committees and is ready for debate; the third report, called the third reading, is made when it is ready for final passage.

REFERRING OF BILLS

35. All bills shall be referred by the President without motion to the proper standing committee unless otherwise referred by the Senate. A bill introduced by a committee need not be referred to a standing committee unless a question arises but rather shall lie over one day before being given its second reading. When a question arises concerning the proper reference of a bill during the order of business of first reading on the day of introduction or at the time of report on it by a standing committee to which the

bill was previously referred, the bill shall be referred without debate to the Committee on Rules and Administration to report the proper reference, and upon adoption of the report of the Committee on Rules and Administration, it shall be referred accordingly.

All bills appropriating money, or obligating the state to pay or expend money, or establishing a policy which to be effective will require expenditure of money, when referred to and reported by any other than the Committee on Finance, shall, before passage, be referred to the Committee on Finance.

36. No bill or resolution shall be referred to committee or amended until it has been given its first reading. No bill or resolution shall be objected to on its introduction.

AMENDMENTS TO BE GERMANE

37. An amendment proposed to the Senate or to the Committee of the Whole that is not germane is out of order. A non-germane amendment includes one that relates to a substantially different subject, or is intended to accomplish a substantially different purpose than that of the original bill to which it is proposed. Whether an amendment is germane is a question to be decided by the President, who may put the question to the body if he chooses.

AMENDMENTS TO BILLS

38. In drawing an amendment to a bill or resolution reference shall be made therein, first to the number of the bill, then to the page, and then to the line or lines from which matter is to be stricken or in which new matter is to be inserted.

AMENDMENTS TO TITLE

39. The title to a bill may be amended at any time during its pendency in the Senate.

RECALL FROM COMMITTEE

40. *With the concurrence of the first author of the bill*, a majority of the Senate may at any time recall a bill from any committee or take a bill from the table and place it on General Orders.

By a report of the Committee on Rules and Administration adopted by the Senate, the Committee on Rules and Administration, on request of the first author, may remove a bill from committee and re-refer it to any other committee or place it on General Orders.

DISTRIBUTION AND PRINTING OF BILLS

41. To the extent practical the Secretary shall provide a copy of any bill to the public. He may charge a reasonable fee.

Unless otherwise ordered by the Senate, all Senate bills which have been reported upon favorably or without recommendation by a committee shall be printed prior to consideration by the Senate or the Committee of the Whole. A committee ~~chairman~~ *chair*, a majority of the last committee to consider a bill, or the Senate may require that a House bill amended by

the Senate be unofficially engrossed and printed when placed on General Orders. A bill may be printed by order of the Secretary when amended after second reading. A bill shall be printed when ordered by a majority vote of the Senate. Action by the Senate on a bill which has not been printed is a waiver of the printing requirement.

COMMITTEE OF THE WHOLE

42. All bills, memorials, orders, resolutions and votes requiring the approval of the Governor shall, after a second reading, be considered in Committee of the Whole before they are finally acted upon by the Senate, except as provided for in Rules 9 and 10.

43. The President may call a member to the Chair when the Senate resolves itself into the Committee of the Whole. The rules observed in the Senate govern, as far as practicable, the proceedings of the Committee of the Whole, and the ~~Chairman~~ Chair of the Committee of the Whole has the powers of the President, as appropriate. However, a member may speak more than twice on the same subject and a call for the previous question cannot be made. The yeas and nays shall be taken only upon the request of three members, and when taken shall be recorded in the Journal along with the amendment; provided, however, that a member may, with the approval of the ~~Chairman~~ Chair of the Committee on Rules and Administration, submit a description of the amendment for printing. In those cases the Secretary shall retain in the minutes of the Committee of the Whole the full text of the amendment.

44. The recommendations of the Committee of the Whole shall be reported to the Senate. If a recommendation contains a proposed amendment of a bill, that amendment shall be noted on a separate piece of paper but when reported need not be read by the President unless required by one or more of the members. The question is on the adoption or rejection of the report, and no other question shall be admitted. The question may be divided to permit separate Senate action on the report as to any bill. On adoption of the report of the Committee of the Whole all bills recommended to pass shall be placed upon the Calendar.

AMENDMENT ON THIRD READING

45. No amendment is in order on third reading without the unanimous consent of the Senate unless it fills a blank, amends the title as provided by Rule 39, is proposed to the chief author of the bill by the Revisor of Statutes to correct technical defects found by the Revisor while engrossing earlier amendments to the bill, or is proposed to a bill on the Consent Calendar before the bill is given its third reading.

In filling blanks, the largest sum, the longest time and the greatest distance shall be first taken.

MOTION TO REFER

46. A bill or resolution may be referred to committee at any time prior to its passage, and if an amendment is reported on the referral to any other than *the* Committee of the Whole, it shall again be read the second time, considered in Committee of the Whole, read the third time and placed on final passage. If the referral is to the Committee of the Whole it shall be placed at the head of General Orders, except when the referral is under

Rule 9.

FINAL PASSAGE

47. The final question upon a bill or other matter requiring action by both Houses after its first and second reading, and after the consideration in Committee of the Whole, is upon its final passage.

TRANSMITTING OF BILLS TO THE HOUSE

48. Except as provided in Rule 31, immediately after the passage of a bill or other matter in which the concurrence of the House of Representatives is requested, the Secretary shall transmit it to the House. On the concurrence of a bill or other matter of the House by the Senate, or on the concurrence or disagreement in a vote of the House, the Secretary shall notify the House.

COMPARISON AND SUBSTITUTION OF BILLS

49. Unless there is a motion *by the Chair of the Committee on Rules and Administration* or objection *under Rule 35*, a House bill, after its first reading, shall be referred as follows:

(a) If there is no Senate companion bill, the House bill shall be referred to the appropriate standing committee;

(b) If there is a Senate companion bill, the House bill shall be referred to the standing committee possessing the Senate companion;

(c) If the Senate companion bill has been reported to the Senate, the House bill shall be referred to the Committee on Rules and Administration, which shall report whether the House bill is identical to the Senate companion bill. If the bills are identical, the report shall recommend that the House bill be given its second reading and substituted for the Senate companion bill and the Senate companion bill be indefinitely postponed. If the House bill is not identical to the Senate companion bill, the report of the committee shall so state and recommend an amendment to the House bill that when adopted will render the House bill identical to the Senate bill. Upon adoption of a committee report containing the proposed amendment, the House bill as amended shall be given its second reading and substituted for the Senate companion bill and the Senate companion bill shall be indefinitely postponed.

Reports of the Committee on Rules and Administration pursuant to this rule shall be prepared and submitted on behalf of the committee by the Secretary.

A House bill placed on the Calendar by substitution shall not be given its third reading on the same day as the substitution.

ENGROSSING AND ENROLLING OF BILLS

50. All engrossing and enrolling of bills shall be done at the direction and under authority of the Senate.

Every bill, memorial, order or resolution originating in the Senate shall be carefully engrossed before being transmitted to the House of Representatives for concurrence.

All bills shall be carefully enrolled under the supervision of the Committee on Rules and Administration, which may report to the Senate at any time on the enrollment of bills.

DISPOSITION OF BILLS ON ADJOURNMENT

51. Adjournment of the regular session in an odd-numbered year to a date certain in the following year shall be equivalent to daily adjournment, except that a bill on the Calendar, Consent Calendar, or General Orders shall be returned to the standing committee other than the Committee on Rules and Administration from which it was last reported to the Senate, unless otherwise provided for by motion prior to adjournment. Bills returned to committee pursuant to this rule shall, upon request of the author, be given priority for consideration by the committee ahead of all other bills in the order in which they appeared on the Calendar, Consent Calendar, or General Orders.

PETITIONS AND OTHER COMMUNICATIONS

52. In presenting a petition, memorial, remonstrance or other communication addressed to the Senate, a member shall only state the general purpose of it.

Every petition, memorial, remonstrance, resolution, bill and report of committee, shall have an appropriate title, and the name of the member presenting it written on it.

RESOLUTIONS

53. Memorial resolutions addressed to the President or the Congress of the United States, or a house or member of Congress, or a department or officer of the United States, or a state or foreign government, joint resolutions, and resolutions requiring the signature of the Governor shall follow the same procedure as bills before being adopted.

Upon a member giving notice of intention to debate a resolution not required to follow the same procedure as bills and not offered by the Committee on Rules and Administration, the resolution shall lie over one calendar day without debate or other action. Upon the request of a member, the resolution shall be referred to the proper committee. Whenever a question arises concerning the proper reference the procedure provided by Rule 35 applies.

CONFIRMATIONS

54. Every gubernatorial appointment requiring the advice and consent of the Senate shall be referred by the President to the appropriate committee. If a question arises as to the proper committee, the appointment shall be referred without debate to the Committee on Rules and Administration for a report making the proper reference.

The final question on the appointment is, "Will the Senate, having given its advice, now consent to this appointment?" The question shall not be put the same day the appointment is received or on the day it is reported by committee unless by unanimous consent.

SIGNING OF ACTS, RESOLUTIONS

55. In addition to his duties under Rule 3, the President shall sign all acts, memorials, addresses and resolutions. All writs, warrants and subpoenas issued by the Senate shall be signed by the President and attested by the Secretary. Upon a finding by the Committee on Rules and Administration that the President refuses or is unable to sign any of the documents described in this rule, the ~~Chairman~~ Chair of the Committee on Rules and Administration, or some other member selected by the committee shall assume the duties of the President under this rule until the President is able to sign the documents described or until the Senate elects a new President, whichever occurs first.

APPOINTMENT OF COMMITTEES

56. The majority and minority shall each be represented on all standing committees of the Senate. The majority group shall assign the number of positions the minority group will hold on each committee. The minority group shall be given adequate notice about its positions prior to the commencement of the session. Both the majority and minority groups shall appoint their own members to fill the number of positions each group will hold on each committee. The minority group shall transmit notice of its assignments to the majority group within ten calendar days after receipt of the notice of positions available. If the minority group for any reason fails to make its appointments pursuant to this rule, the majority group may make all the committee assignments.

The majority and minority committee assignments are subject to the uniform criteria governing committee assignments applicable to both the majority and minority. The uniform criteria shall be promulgated by the majority group and transmitted to the minority group together with notification of committee positions available to the minority.

Committee assignments as made by the majority and minority groups shall be followed by the Senate in the resolution establishing representation on all Senate standing committees.

After the organization of the Senate, all committees of the Senate and members of commissions to be appointed by the Senate authorized by rule, statute, resolution or otherwise, shall be appointed by the Subcommittee on Committees of the Committee on Rules and Administration, unless otherwise provided, subject to confirmation by the Senate. In the appointment of members of conference committees between the two houses, the Subcommittee on Committees of the Committee on Rules and Administration of the Senate shall appoint those who are in accord with the position of the Senate, and whenever practical, give preference to authors of bills in dispute and to members of standing committees in which the bills were considered.

STANDING COMMITTEES

57. The standing committees of the Senate are as follows:

Agriculture

Commerce

Economic Development and Housing

Education
Elections and Ethics
Employment
Environment and Natural Resources
Finance
General Legislation and Public Gaming
Governmental Operations
Health and Human Services
Judiciary
Local and Urban Government
Public Utilities and Energy
Rules and Administration
Taxes and Tax Laws
Transportation
Veterans

~~The Committee on Rules and Administration may constitute a standing Subcommittee on Engrossing and Enrolling, the report of which within its jurisdiction has the effect of a report of the main Committee on Rules and Administration, and the reference under Rule 49 is made directly to this subcommittee.~~

~~The Committee on Rules and Administration may constitute a standing Subcommittee on Bill Scheduling, the report of which within its jurisdiction has the effect of a report of the main Committee on Rules and Administration. The subcommittee shall consist of six members, two of whom shall be members of the minority group.~~

The Committee on Rules and Administration may constitute a standing Subcommittee on Committees, the report of which within its jurisdiction has the effect of a report of the main Committee on Rules and Administration. The subcommittee shall consist of five members, one of whom shall be a member of the minority group.

Each standing committee of the Senate, including a subcommittee of the committee, is authorized at any time to sit and act, to investigate and take testimony on any matter within its jurisdiction, to report hearings held by it, and to make expenditures as authorized from time to time by the standing Committee on Rules and Administration. A standing committee, but not a subcommittee, may require by subpoena or otherwise the attendance and testimony of witnesses and the production of correspondence, books, papers, and documents, in the manner provided by Minnesota Statutes, Section 3.153.

COMMITTEE MEETINGS

58. All meetings of the Senate, its committees and subcommittees are open to the public.

To the extent practical, meetings of all committees shall be announced

to the public at least three calendar days prior to convening. The notice shall state the name of the committee, the bill or bills to be considered, the place and time of meeting. The notice shall be posted on all Senate bulletin boards in the Capitol, and the State Office Building. A notice shall be sent to the House of Representatives for posting as it deems necessary.

QUORUM IN COMMITTEE

59. A majority of its members constitutes a quorum of a committee.

REPORT OF VOTE IN COMMITTEE

60. Upon the request of a member of a committee or subcommittee to which a bill has been referred, or upon the request of the author of the bill, a record shall be made of the vote on the bill in the committee or subcommittee, including the vote on any amendment or proposed amendment to it, in the committee or subcommittee to which the bill was referred.

Upon request of three members of the committee before the vote is taken, the record of a roll call vote in a standing committee shall accompany the committee report and be printed in the Journal.

COMMITTEE ACTION

61. No report of any committee shall be made to the Senate unless it reports action taken at a regular or special meeting of the committee. A report in violation of this rule is out of order.

A committee report or a proposed amendment to a bill, memorial or resolution shall be in six copies ~~and written only on one side of the paper.~~

EMPLOYEES AUTHORIZED IN THE SENATE

62. The Committee on Rules and Administration shall establish positions, set compensation, appoint employees, and authorize expense reimbursement for employees as it deems proper to carry out the work of the Senate. At the request of any committee member, an action of the committee shall be submitted as a Senate resolution for adoption by the Senate. A roster of all employees of the Senate, including positions and compensation, shall be kept by the Secretary and shall be open for inspection by the public. *The Secretary shall post, in a public place in the Capitol, a notice of every vacant position on the permanent staff of the Senate. The notice must remain posted for at least two weeks, and no vacancy may be filled until the period of posting has elapsed.*

ADDITIONAL EMPLOYEES BUDGET AND EXPENDITURES

63. *The Committee on Rules and Administration shall adopt an operating budget for the Senate and refer it to the Committee on Finance.*

All propositions for the appointment and payment of employees of the Senate or for expenditures on account of the Legislature, other than those provided by law, shall be referred to the Committee on Rules and Administration without debate.

AUTHORITY OVER EMPLOYEES

64. Except as otherwise provided in these rules, the Committee on Rules and Administration has full and exclusive authority over, and charge of all employees, officers and clerks of the Senate both elective and appointive. The committee has the sole and exclusive power and authority to assign them to duties other than for which they were elected or appointed as the committee may from time to time provide. The committee has power to appoint employees, officers or clerks as it deems proper to exercise the power granted to it by this rule. The committee may make rules and regulations for the government of the employees, officers and clerks as they see fit. In case of violation of an order of the committee by an employee, officer or clerk, or in case of a violation of a rule or regulation made by the committee, or in case of misconduct or omission by an employee, officer or clerk, the Committee on Rules and Administration may hear complaints and discharge the employee, officer or clerk or impose other punishment by way of fine or otherwise upon the employee, officer or clerk as the committee deems just and proper.

DUTIES OF SECRETARY

65. The Secretary shall keep a correct Journal of the proceedings of the Senate and shall perform other duties assigned to him as Secretary. He shall not permit Journal records, accounts or papers to be taken from the table or out of his custody, other than in the regular mode of business. If a paper in his charge is missing, he shall report the fact to the President, so that inquiry may be made. He shall superintend the recording of proceedings in the Journal, the engrossing, transcribing and copying of the bills and resolutions, supervise the assistants, clerks and stenographers under the direction of the Committee on Rules and Administration, and generally perform the duties of Secretary, under direction of the President. ~~The Secretary shall keep the books to be called "Minute Books" in which he shall enter under the appropriate marginal numbers, a record of all Senate and House bills, and correct notes, with the dates thereof, of showing the state, condition, and progress of each bill pending, until its final passage.~~

The Secretary shall cause to be recorded on magnetic tape the proceedings of the Senate, the Committee of the Whole, each standing committee and standing subcommittee. Each tape shall be clearly labeled to show the name of the body whose proceedings are recorded and the dates the proceedings occurred. Each tape shall be accompanied by a log showing the number of each bill considered and the places on the tape where consideration of the bill occurred. Within two working days after each day the Senate is in session the Secretary shall make a copy of the tape and corresponding log of proceedings of the Senate and the Committee of the Whole and deliver the copies to the Legislative Reference Library. Within one week after each meeting of a standing committee or standing subcommittee the Secretary shall make a copy of the tape and corresponding log of the meeting and deliver the copies to the Legislative Reference Library. Upon completion and approval of the minutes of the meeting, a copy of the minutes shall be promptly delivered to the Legislative Reference Library. The Secretary shall keep a record of each session of the Senate and the Committee of the Whole, each meeting of a Senate standing committee or standing subcommittee, and the date on which a tape recording of the session or meeting was transmitted to the Legislative Reference Library. The Library shall keep a similar record of all tapes received. The Library

shall provide committee staff with reasonable access to Senate tapes and shall provide the public with convenient facilities to listen to the tapes. Copies of Senate tapes shall be available to the public from the Secretary, for a fee determined by the Secretary to be adequate to cover the cost of preparing the copies. A copy shall be provided free to a member of the Senate upon request for use in legislative business. The original tape and log of each session of the Senate and the Committee of the Whole shall be kept by the Secretary until the end of the period for which the members of the existing House of Representatives have been elected, at which time the tape may be preserved or disposed of as he sees fit. Tapes, logs, and minutes forwarded to the Legislative Reference Library shall be kept by the Library until two years after the end of the period for which the members of the existing Senate have been elected, at which time they may be preserved or disposed of as the Library sees fit. It is the intention that testimony and discussion preserved under this rule not be admissible in any court or administrative proceeding on an issue of legislative intent.

JOURNAL—HOW APPROVED

66. The Journal of each day's proceedings is open for correction at any time during the session of the next day the Senate meets. Unless corrected on that day, the Journal stands approved.

SECRETARY MAY CORRECT ERRORS

67. The Secretary of the Senate and Engrossing Secretary, in all proper cases, shall correct all mistakes in numbering the sections and reference to them, whether the errors occur in the original bill or are caused by amendments to it.

PURCHASING SUPPLIES

68. The Secretary is the agent of the Senate for the purchase of supplies. The Secretary's records on purchase of supplies are open for inspection during normal business hours.

DUTIES OF THE SERGEANT AT ARMS

69. The Sergeant at Arms shall execute all orders of the President and perform all duties assigned to him connected with the police and good order of the Senate Chamber; exercise supervision over the entry and exit of all persons to and from the Chamber; see that messages are promptly delivered; see that the hall is properly ventilated and the temperature properly regulated, and that it is open for the use of members of the Senate at the time fixed; and perform all other services pertaining to his office.

PERSONS PRIVILEGED TO THE FLOOR OF THE SENATE

70. No person shall be admitted within the Senate Chamber, but a member, an officer, the ~~executive or constitutional officers~~, ex-Governors of the State of Minnesota, members of the House, judges of the ~~Supreme and Districts trial and appellate~~ courts and members of Congress. Those who have been members of Congress or of the state Legislature who are not interested in any claim or directly in a bill pending before the Legislature may be personally admitted by a member of the Senate. An employee of either house may be admitted at the request of a member or an officer of

the Senate. The head of a department of state government may be admitted by the President. *When a member-elect is sworn in, the member-elect may request that one guest be admitted.* When the Senate is not meeting, a person not a member may be admitted to the floor at the request of a member or officer. No public hearings shall be held in the Senate Chamber. The retiring room of the Senate is reserved for the exclusive use of the members of the Senate at all times. The Sergeant at Arms shall strictly enforce this rule.

PRIVILEGE OF REPORTERS

71. Provision shall be made for news reporters on the Senate floor in limited numbers, and in the Senate gallery. Because of limited space on the floor, permanent space is limited to those news agencies which have regularly covered the legislature, namely: The Associated Press, United Press International, St. Paul Pioneer Press and Dispatch, Minneapolis Star and Tribune, Duluth News-Tribune and Herald, Rochester Post-Bulletin, *St. Cloud Daily Times*, WCCO radio, KSTP radio, and Minnesota Public Radio. An additional two spaces shall be provided to other reporters.

One person from each named agency may be present at the press table on the Senate floor at any one time.

Other news media personnel may occupy seats provided in the Senate gallery.

The Committee on Rules and Administration may, through committee action or by delegating authority to the Secretary, allow television filming on the Senate floor on certain occasions.

The committee or its agent may designate a committee of three senior news correspondents to act as an issuing agency for reporters' badges or other credentials.

DISORDERLY CONDUCT

72. In case of a disturbance or disorderly conduct in the lobbies or galleries, the President may order them cleared. Picture taking by persons other than accredited news reporters, *picture taking with floodlights or flash units*, hand clapping, demonstrations, and food and beverages, are prohibited *in the Senate Chamber and in the galleries.*

INTRODUCTION OF VISITORS

73. No introduction of a visitor or visitors in the galleries shall be made from the floor or rostrum of the Senate.

SMOKING

74. No person is permitted to smoke in the Senate Chamber. There shall be no smoking in the visitors section of the galleries.

ETHICAL CONDUCT

75. The Subcommittee on Committees shall appoint a special committee on Ethical Conduct consisting of four members, two from the majority and two from the minority.

The committee shall serve in an advisory capacity to a member or

employee upon written request and shall issue recommendations to the member or employee.

A lobbyist shall not appear before a Senate committee pursuant to his employment unless he is in compliance with the law requiring lobbyist registration, Minnesota Statutes, Sections 10A.03 to 10A.06. A lobbyist when appearing before a committee shall disclose to the committee those in whose interest he speaks and the purpose of his appearance. A lobbyist shall not knowingly furnish false or misleading information or make a false or misleading statement that is relevant and material to a matter before the Senate or any of its committees when he knows or should know it will influence the judgment or action of the Senate or any of its committees thereon. A lobbyist shall not exert undue influence or expend improper sums of money in connection with any legislation.

The committee shall investigate a complaint by a member of the Senate in writing under oath received during a legislative session regarding improper conduct by a member or employee of the Senate or a lobbyist. The committee has the powers of a standing committee to issue subpoenas pursuant to Minnesota Statutes, Section 3.153. In order to determine whether there is probable cause to believe that improper conduct has occurred, the committee may, by a vote of three of its members, conduct a preliminary inquiry in executive session to which the requirements of Rule 58 do not apply. Upon a finding of probable cause, further proceedings on the complaint are open to the public. If, after investigation, the committee finds the complaint substantiated by the evidence, it shall recommend to the Senate appropriate disciplinary action."

Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 121, 137, 87 and 59 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Wegscheid moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 6. The motion prevailed.

Mr. Diessner moved that the names of Messrs. Lessard, Bertram and Berg be added as co-authors to S.F. No. 42. The motion prevailed.

Ms. Berglin moved that the name of Mr. Marty be added as a co-author to S.F. No. 125. The motion prevailed.

Mr. Beckman moved that the name of Mr. Marty be added as a co-author to S.F. No. 155. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Marty be added as a co-author to S.F. No. 176. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Marty be added as a co-author to S.F. No. 217. The motion prevailed.

Mr. Merriam moved that the name of Mr. Luther be added as a co-author to S.F. No. 281. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Ms. Berglin be added as a co-author to S.F. No. 293. The motion prevailed.

Mr. Samuelson moved that the names of Messrs. Beckman, Diessner and

Luther be added as co-authors to S.F. No. 298. The motion prevailed.

Mr. Spear moved that the name of Mr. Freeman be added as a co-author to S.F. No. 302. The motion prevailed.

Mr. Bertram moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 313. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Brandl be added as a co-author to S.F. No. 316. The motion prevailed.

Mr. Merriam moved that the name of Mr. Diessner be added as a co-author to S.F. No. 321. The motion prevailed.

Mr. Waldorf moved that the names of Messrs. Merriam and Dahl be added as co-authors to S.F. No. 322. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Senate Calendar. The motion prevailed.

CALENDAR

H.F. No. 45: A bill for an act relating to commerce; revising the Uniform Trade Secret Act; clarifying remedies; amending Minnesota Statutes 1986, sections 325C.02; 325C.03; and 325C.07.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrrens	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	DeCramer	Jude	Metzen	Renneke
Benson	Dicklich	Knaak	Moe, D.M.	Samuelson
Berg	Diessner	Kroening	Moe, R.D.	Schmitz
Berglin	Frank	Laidig	Morse	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Marty	Piper	Waldorf
Cohen	Hughes	McQuaid	Pogemiller	Wegscheid
				Willet

So the bill passed and its title was agreed to.

S.F. No. 97: A bill for an act relating to frauds; fixing conditions for the legal determination of fraud in property transfers; enacting the uniform fraudulent transfer act; proposing coding for new law in Minnesota Statutes, chapter 513; repealing Minnesota Statutes 1986, sections 513.20; 513.21; 513.22; 513.23; 513.24; 513.25; 513.26; 513.27; 513.28; 513.29; 513.30; 513.31; and 513.32.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Berg	Brandl	Dahl	Diessner
Anderson	Berglin	Brataas	Davis	Frank
Beckman	Bernhagen	Chmielewski	DeCramer	Frederick
Benson	Bertram	Cohen	Dicklich	Frederickson, D.J.

Frederickson, D.R.	Laidig	Metzen	Piper	Storm
Freeman	Langseth	Moe, D.M.	Pogemiller	Stumpf
Gustafson	Lantry	Moe, R.D.	Ramstad	Taylor
Hughes	Larson	Morse	Reichgott	Vickerman
Johnson, D.E.	Luther	Novak	Renneke	Waldorf
Johnson, D.J.	Marty	Olson	Samuelson	Wegscheid
Jude	McQuaid	Pehler	Schmitz	Willet
Knaak	Mehrkens	Peterson, D.C.	Solon	
Kroening	Merriam	Peterson, R.W.	Spear	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

S.F. No. 136: A bill for an act relating to transportation; school bus safety; providing for amber proceed-with-caution signal for driver-activated student control warning systems; amending Minnesota Statutes 1986, section 169.44, subdivision 1d.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Morse	Solon
Anderson	Dicklich	Kroening	Novak	Spear
Beckman	Diessner	Laidig	Olson	Storm
Benson	Frank	Langseth	Pehler	Stumpf
Berg	Frederick	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Piper	Waldorf
Bertram	Freeman	Marty	Pogemiller	Wegscheid
Brandl	Gustafson	McQuaid	Ramstad	Willet
Brataas	Hughes	Mehrkens	Reichgott	
Chmielewski	Johnson, D.E.	Merriam	Renneke	
Cohen	Johnson, D.J.	Metzen	Samuelson	
Dahl	Jude	Moe, D.M.	Schmitz	
Davis	Knaak	Moe, R.D.		

So the bill passed and its title was agreed to.

S.F. No. 44: A bill for an act relating to highways; abolishing restrictions on disposition of right-of-way of trunk highway No. 15 in St. Cloud; repealing Laws 1986, chapter 387, section 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Berglin	Cohen	Frank	Hughes
Anderson	Bernhagen	Dahl	Frederick	Johnson, D.E.
Beckman	Bertram	Davis	Frederickson, D.J.	Johnson, D.J.
Belanger	Brandl	DeCramer	Frederickson, D.R.	Jude
Benson	Brataas	Dicklich	Freeman	Knaak
Berg	Chmielewski	Diessner	Gustafson	Knutson

Kroening	McQuaid	Novak	Ramstad	Storm
Laidig	Mehrkens	Olson	Reichgott	Stumpf
Langseth	Merriam	Pehler	Renneke	Taylor
Lantry	Metzen	Peterson, D.C.	Samuelson	Vickerman
Larson	Moe, D.M.	Peterson, R.W.	Schmitz	Waldorf
Luther	Moe, R.D.	Piper	Solon	Wegscheid
Marty	Morse	Pogemiller	Spear	Willet

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that the proposed Permanent Rules of the Senate contained in the report of the Committee on Rules and Administration, adopted February 12, 1987, be now adopted.

Mr. Knaak moved to amend the report from the Committee on Rules and Administration relating to the Permanent Rules of the Senate as follows:

Page 3, line 27, after "10." insert "*A majority of the whole Senate, or*"

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

Mr. Chmielewski moved to amend the report from the Committee on Rules and Administration relating to the Permanent Rules of the Senate as follows:

Page 13, lines 25 and 26, delete the new language

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Hughes	Langseth	Olson
Belanger	Dahl	Johnson, D.E.	Lantry	Ramstad
Benson	Frank	Jude	Larson	Renneke
Bernhagen	Frederick	Knaak	McQuaid	Storm
Bertram	Frederickson, D.R.	Knutson	Mehrkens	Taylor
Brataas	Gustafson	Laidig	Metzen	

Those who voted in the negative were:

Adkins	Dicklich	Merriam	Piper	Vickerman
Beckman	Diessner	Moe, D.M.	Pogemiller	Waldorf
Berg	Frederickson, D.J.	Moe, R.D.	Reichgott	Wegscheid
Berglin	Freeman	Morse	Samuelson	Willet
Brandl	Johnson, D.J.	Novak	Schmitz	
Cohen	Kroening	Pehler	Solon	
Davis	Luther	Peterson, D.C.	Spear	
DeCramer	Marty	Peterson, R.W.	Stumpf	

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

Mr. Waldorf moved to amend the report from the Committee on Rules and Administration relating to the Permanent Rules of the Senate as follows:

Page 3, line 27, reinstate "Subcommittee on Bill"

Page 3, lines 28 and 29, reinstate the stricken language and delete the new language

Page 18, lines 3 to 8, reinstate the stricken language

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

The question recurred on the adoption of the motion of Mr. Moe, R.D.

to adopt the Permanent Rules. The motion prevailed. So the Permanent Rules of the Senate were adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Knutson and Storm introduced—

S.F. No. 325: A bill for an act relating to health; changing eligibility requirements for catastrophic health expense protection program; authorizing the commissioner of commerce to regulate the program; appropriating money; amending Minnesota Statutes 1986, sections 62E.52, subdivisions 2, 3, 7, and by adding a subdivision; 62E.53, subdivisions 1, 2, 3, and 4; and 62E.531, subdivisions 1 and 3.

Referred to the Committee on Health and Human Services.

Mr. Langseth introduced—

S.F. No. 326: A bill for an act relating to public safety; authorizing executive council, under federal law, to repair state property damaged by major disaster; dedicating receipts from criminal justice datacommunications network billings; appropriating video gaming license fees to commissioner of public safety for disbursement to municipalities; amending Minnesota Statutes 1986, sections 9.061, subdivision 1; 299C.48; and 349.52, subdivisions 2 and 3.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Wegscheid introduced—

S.F. No. 327: A bill for an act relating to traffic regulations; requiring motorcycle riders born after July 31, 1969 to wear protective headgear; amending Minnesota Statutes 1986, section 169.974, subdivision 4.

Referred to the Committee on Transportation.

Mr. Pehler introduced—

S.F. No. 328: A bill for an act relating to retirement; authorizing a certain Stearns county historical society employee to retain membership in the public employees retirement association.

Referred to the Committee on Governmental Operations.

Messrs. Frank, Diessner, Dahl, Marty and Ms. Reichgott introduced—

S.F. No. 329: A bill for an act relating to highway traffic regulations; requiring a driver involved in an accident resulting in injury or death to submit to chemical testing; amending Minnesota Statutes 1986, section 169.123, by adding a subdivision.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Kroening, Johnson, D.J.; Pogemiller and Storm introduced—

S.F. No. 330: A bill for an act relating to Hennepin county; creating a county housing and redevelopment authority; applying the municipal housing and redevelopment act to Hennepin county; providing for local approval of projects; proposing coding for new law in Minnesota Statutes, chapter 383B.

Referred to the Committee on Economic Development and Housing.

Messrs. Taylor and Frederickson, D.R. introduced—

S.F. No. 331: A bill for an act relating to education; appropriating money to the department of education for the KIDS technology demonstration site at Mankato-St. Peter.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 332: A bill for an act relating to human services; extending eligibility of all work readiness registrants to a maximum of six months during any consecutive 12-month period; amending Minnesota Statutes 1986, section 256D.051, subdivisions 1 and 6; and repealing Minnesota Statutes 1986, section 256D.051, subdivisions 4, 5, and 12.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 333: A bill for an act relating to game and fish; allowing raccoon dog field trials to tree raccoons during certain periods by permit; amending Minnesota Statutes 1986, section 97B.621, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Merriam introduced—

S.F. No. 334: A bill for an act relating to game and fish; authorizing commissioner to allow a person to take two deer; amending Minnesota Statutes 1986, section 97B.301, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Messrs. Brandl, Chmielewski, Solon, Knutson and Wegscheid introduced—

S.F. No. 335: A bill for an act relating to occupations and professions; authorizing physical therapy treatment without referral by a physician; prohibiting certain business relationships in the practice of physical therapy; amending Minnesota Statutes 1986, sections 148.75 and 148.76, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Stumpf and Wegscheid introduced—

S.F. No. 336: A bill for an act relating to agriculture; changing the shade tree disease control program; imposing certain penalties; eliminating cer-

tain audit requirements and an insurance limitation; changing the cooperative associations law; amending Minnesota Statutes 1986, sections 18.023, subdivisions 1, 1a, and 9; 28A.08; 40.071; 308.58, subdivision 2; 308.62; 308.77; 308.83; and 308.85; repealing Minnesota Statutes 1986, sections 38.02, subdivision 2; 38.13; 308.71; 308.82; 308.84; and 308.901 to 308.92.

Referred to the Committee on Agriculture.

Messrs. Vickerman, DeCramer and Morse introduced—

S.F. No. 337: A bill for an act relating to game and fish; beginning the open season for angling two weeks earlier in certain areas south of U.S. trunk highway No. 14 and in Lincoln, Lyon, Redwood, and Brown counties; amending Minnesota Statutes 1986, section 97C.395, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 338: A bill for an act relating to tax forfeited land; providing for the sale of a certain tract.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 339: A bill for an act relating to public improvements; providing for loans for firefighting facilities; providing for a state bond issue; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Local and Urban Government.

Mr. Johnson, D.J. introduced—

S.F. No. 340: A bill for an act relating to labor; defining a professional strikebreaker; amending Minnesota Statutes 1986, section 179.01, subdivision 16.

Referred to the Committee on Employment.

Mrs. Lantry, Mr. Freeman, Mrs. McQuaid, Messrs. Spear and Dahl introduced—

S.F. No. 341: A bill for an act relating to insurance; regulating unfair settlement practices of automobile insurers; requiring repairs with original equipment parts; providing an exception; regulating insurance appraisals; revising the truth-in-repairs act to require disclosure of whether new parts are original equipment parts; amending Minnesota Statutes 1986, sections 72A.20, subdivision 12a; 72B.091, subdivision 2; 325F.56, subdivision 8; and 325F.60, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Dahl, Solon, Pehler and Langseth introduced—

S.F. No. 342: A bill for an act relating to human services; authorizing grants for programs that provide perishable food to nonprofit organizations providing on-site food programs; appropriating money; proposing coding

for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Messrs. Jude, Purfeerst, Mrs. McQuaid, Messrs. Metzen and Mehrkens introduced—

S.F. No. 343: A bill for an act relating to transportation; requiring the licensing of limousine services by the registrar of motor vehicles; providing for conditions of licensure and operation of limousines; requiring bonds; providing penalties; amending Minnesota Statutes 1986, sections 169.01, subdivision 50; and 169.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Transportation.

Messrs. Novak, Knaak, Frank, Hughes and Laidig introduced—

S.F. No. 344: A bill for an act relating to education; increasing the mill levy for secondary vocational education in certain intermediate school districts; recognizing in the statutes that districts 12 and 16 of Anoka county are members of district 916; amending Minnesota Statutes 1986, section 136D.71; 136D.74, subdivision 2; and 136D.87.

Referred to the Committee on Education.

Messrs. Jude, Marty, Ramstad, Dahl and Wegscheid introduced—

S.F. No. 345: A bill for an act relating to environment; prohibiting the use of certain pesticides; proposing coding for new law in Minnesota Statutes, chapter 18A.

Referred to the Committee on Environment and Natural Resources.

Mr. Novak, Mmes. Lantry, McQuaid, Messrs. Dicklich and Solon introduced—

S.F. No. 346: A bill for an act relating to health; establishing a statewide cancer surveillance system; providing for rule authority to administer the system and collect and distribute data; appropriating money; amending Minnesota Statutes 1986, sections 144.68; and 144.69; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, sections 144.66 and 144.67.

Referred to the Committee on Health and Human Services.

Mrs. Brataas, Mr. Knaak, Ms. Olson, Messrs. Mehrkens and Hughes introduced—

S.F. No. 347: A bill for an act relating to education; moving up the possible first day of school from Labor Day to September 1; amending Minnesota Statutes 1986, section 126.12, subdivision 1.

Referred to the Committee on Education.

Messrs. Novak, Luther, Laidig, Frank and Wegscheid introduced—

S.F. No. 348: A bill for an act relating to metropolitan government; changing the treatment of current value credits and modifying the cost

allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1986, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9; repealing Minnesota Statutes 1986, section 473.517, subdivisions 4, 5, and 7.

Referred to the Committee on Local and Urban Government.

Mr. Peterson, R.W. introduced—

S.F. No. 349: A bill for an act relating to conciliation courts; providing for entry of judgment; providing for vacation of default judgment in certain circumstances; providing for time limitation and service by mail on removal to county court; allowing a party to proceed without payment of a filing fee; amending Minnesota Statutes 1986, section 487.30, by adding subdivisions.

Referred to the Committee on Judiciary.

Mr. Pehler, Ms. Piper and Mr. DeCramer introduced—

S.F. No. 350: A bill for an act relating to education; appropriating money to the state university board for women's intercollegiate athletic programs.

Referred to the Committee on Education.

Messrs. Pehler and Samuelson introduced—

S.F. No. 351: A bill for an act relating to housing; extending housing and redevelopment authority interest reduction program; amending Minnesota Statutes 1986, section 462.445, subdivision 13.

Referred to the Committee on Economic Development and Housing.

Mr. Spear, Ms. Berglin, Mr. Cohen, Ms. Piper and Mr. Brandl introduced—

S.F. No. 352: A bill for an act relating to human rights; prohibiting unfair discriminatory practices on the basis of affectional or sexual orientation; amending Minnesota Statutes 1986, sections 363.01, subdivision 24, and by adding a subdivision; 363.02, subdivisions 1 and 2; 363.03, subdivisions 1, 2, 3, 4, 5, 7, and 8; 363.05, subdivision 1; 363.11; 363.115; and 363.12, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Jude, Merriam, Ms. Olson, Mr. Pogemiller and Mrs. Adkins introduced—

S.F. No. 353: A bill for an act relating to Hennepin county; establishing a county-wide program for the conservation and protection of ground water resources of the county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Frederick, Anderson, Gustafson, Chmielewski and Knaak introduced—

S.F. No. 354: A bill for an act relating to taxation; individual income; eliminating restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1986, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Johnson, D.J. and Dicklich introduced—

S.F. No. 355: A resolution memorializing the President and Congress to adopt amendments to the Retirement Income Security Act of 1974.

Referred to the Committee on Governmental Operations.

Messrs. Dahl, Merriam, Novak and Frank introduced—

S.F. No. 356: A bill for an act relating to Anoka county; directing the department of energy and economic development to refund a bond deposit; appropriating money.

Referred to the Committee on Economic Development and Housing.

Messrs. Ramstad, Benson, Knaak, Jude and Ms. Reichgott introduced—

S.F. No. 357: A bill for an act relating to education; requiring a chemical health and abuse and prevention of chemical dependency course before graduation; amending Minnesota Statutes 1986, section 126.031, by adding a subdivision.

Referred to the Committee on Education.

Mr. Solon introduced—

S.F. No. 358: A bill for an act relating to intoxicating liquor; authorizing counties to issue temporary on-sale licenses; amending Minnesota Statutes 1986, section 340A.404, subdivision 10.

Referred to the Committee on Commerce.

Ms. Berglin, Messrs. Knutson, Solon, Benson and Ms. Piper introduced—

S.F. No. 359: A bill for an act relating to human services; increasing personal needs allowance for residents of certain facilities; amending Minnesota Statutes 1986, section 256B.35, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 360: A bill for an act relating to public welfare; providing an exemption from statutory limits for certain levies for services to the aging; amending Minnesota Statutes 1986, section 256.01, subdivision 8.

Referred to the Committee on Health and Human Services.

Messrs. Freeman, Metzen and Fredrickson, D.R. introduced—

S.F. No. 361: A bill for an act relating to state employees; permitting certain employees to donate vacation time to a union representative; amending Minnesota Statutes 1986, section 43A.04, subdivision 8.

Referred to the Committee on Governmental Operations.

Mr. Willet introduced—

S.F. No. 362: A bill for an act relating to natural resources; revising qualifications for the office of director of the division of waters; amending Minnesota Statutes 1986, section 105.40, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pehler and Peterson, R.W. introduced—

S.F. No. 363: A bill for an act relating to education; increasing the capital expenditure revenue allowance; decreasing the capital expenditure levy; amending Minnesota Statutes 1986, sections 124.245, subdivision 1; and 275.125, subdivision 11a.

Referred to the Committee on Education.

Mr. Davis introduced—

S.F. No. 364: A bill for an act relating to agriculture; reactivating the agricultural data collection task force; appropriating money; amending Laws 1985, chapter 19, section 6, subdivision 6, as amended.

Referred to the Committee on Agriculture.

Mr. Merriam introduced—

S.F. No. 365: A bill for an act relating to search and seizure; requiring enforcement officers to have probable cause before entering certain buildings to determine whether wild animals are stored in compliance with the game and fish laws; amending Minnesota Statutes 1986, section 97A.215, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 366: A bill for an act relating to workers' compensation; providing for determination of permanent total disability compensation; amending Minnesota Statutes 1986, sections 176.101, subdivision 4; and 176.645, subdivision 1.

Referred to the Committee on Employment.

Messrs. Merriam, Spear and Johnson, D.E. introduced—

S.F. No. 367: A bill for an act relating to courts; abolishing the county and probate court; transferring the jurisdiction, cases, records, and employees of that court to the district court; merging the municipal and conciliation courts with the district court in the second and fourth judicial districts; transferring the jurisdiction, cases, records, and employees of those courts to the district court; providing that municipal and probate and

county judges are district judges; providing transitional retirement benefits; amending Minnesota Statutes 1986, sections 484.01; 484.69, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 487, 488A, and 490; repealing Minnesota Statutes 1986, section 487.191.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Knaak, Cohen and Peterson, R. W. introduced—

S.F. No. 368: A bill for an act relating to eminent domain; increasing appraisal fees awarded by commissioners; amending Minnesota Statutes 1986, section 117.085.

Referred to the Committee on Judiciary.

Messrs. Storm, Knutson and Frank introduced—

S.F. No. 369: A bill for an act relating to education; requiring selective service registration as a prerequisite to enrollment in public post-secondary institutions; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Veterans.

Mr. Frederickson, D.R. introduced—

S.F. No. 370: A bill for an act relating to education; restoring to school districts the authority to decide when to start the school year; repealing Minnesota Statutes 1986, section 126.12, subdivision 1.

Referred to the Committee on Education.

Mr. Frederickson, D.R. introduced—

S.F. No. 371: A bill for an act relating to education; clarifying that funds may not be transferred from the debt redemption fund; amending Minnesota Statutes 1986, section 121.9121, subdivision 1.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Marty and Merriam introduced—

S.F. No. 372: A bill for an act relating to crime victims; permitting the crime victims reparation board to file a claim for reparations; altering the manner of determining reparations claims; requiring law enforcement agencies to aid the board; permitting an offender's dependents to receive some proceeds of a commercial enactment of a crime; providing for the classification of various data; providing penalties; amending Minnesota Statutes 1986, sections 611A.04, by adding a subdivision; 611A.52, subdivision 8; 611A.53, subdivision 2; 611A.57; 611A.66; 611A.68, subdivisions 1, 2, 8, and by adding subdivisions; repealing Minnesota Statutes 1986, section 611A.59.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C.; Messrs. Samuelson and Peterson, R.W. introduced—

S.F. No. 373: A bill for an act relating to state employees; providing that certain state employees who are eligible to retire are eligible for state-paid life insurance and other benefits; amending Minnesota Statutes 1986, section 43A.24, subdivision 2.

Referred to the Committee on Governmental Operations.

Ms. Peterson, D.C.; Mr. Marty and Ms. Berglin introduced—

S.F. No. 374: A bill for an act relating to crimes; expanding the crime of witness tampering to include the act of intimidating a witness to make false statements; amending Minnesota Statutes 1986, section 609.498, subdivisions 1 and 2.

Referred to the Committee on Judiciary.

Ms. Olson and Mr. Waldorf introduced—

S.F. No. 375: A bill for an act relating to education; making admission to the community college system admission to the AVTI system and vice versa; proposing coding for new law in Minnesota Statutes, chapters 136 and 136C.

Referred to the Committee on Education.

Mr. Marty introduced—

S.F. No. 376: A bill for an act relating to law enforcement; providing for management of records relating to certain liquor law violations; amending Minnesota Statutes 1986, section 340A.503, subdivision 7.

Referred to the Committee on Judiciary.

Messrs. Marty; Moe, D.M.; Morse; Wegscheid and Storm introduced—

S.F. No. 377: A bill for an act relating to state government; regulating the state council for the handicapped; extending the time for appeals by the council from state building code decisions affecting the interests of handicapped persons; changing the name of the council; amending the duties and responsibilities of the council; authorizing the council to initiate or intervene in proceedings affecting handicapped persons; amending Minnesota Statutes 1986, sections 16B.67; and 256.482.

Referred to the Committee on Governmental Operations.

Mr. Merriam introduced—

S.F. No. 378: A bill for an act relating to utilities; providing that owners of electric power lines are strictly liable for damages resulting from contact with lines; requiring owners to trim vegetation around lines; providing that failure to trim vegetation is a nuisance; proposing coding for new law in Minnesota Statutes, chapter 561.

Referred to the Committee on Public Utilities and Energy.

Mr. Dicklich introduced—

S.F. No. 379: A bill for an act relating to insurance; providing for premium reductions for automobile insurance for senior insureds who complete an approved accident prevention course; lowering the minimum age of eligibility; amending Minnesota Statutes 1986, section 65B.28.

Referred to the Committee on Commerce.

Mr. Dicklich introduced—

S.F. No. 380: A bill for an act relating to health insurance; providing for cancellation of coverage under a comprehensive health insurance plan and refund of a pro-rata share of the premium paid; proposing coding for new law in Minnesota Statutes, chapter 62E.

Referred to the Committee on Commerce.

Mr. Dicklich introduced—

S.F. No. 381: A bill for an act relating to elections; requiring school district elections to comply with the Minnesota election laws; amending Minnesota Statutes 1986, sections 123.11; and 123.32, subdivision 1; repealing Minnesota Statutes 1986, sections 123.32, subdivisions 2, 3, 4, 5, 6, 8, 8a, 24, and 25; and 200.015.

Referred to the Committee on Elections and Ethics.

Mr. Dicklich introduced—

S.F. No. 382: A bill for an act relating to independent school district No. 706; authorizing the issuance of general obligation bonds to finance the acquisition and betterment of school buildings and facilities and the levy of ad valorem taxes therefor; authorizing the transfer of certain taconite taxes to the district for payment of debt service on the bonds; appropriating money.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 383: A bill for an act relating to independent school district No. 701; authorizing a permanent fund transfer.

Referred to the Committee on Education.

Mr. Dicklich introduced—

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

Referred to the Committee on Employment.

Mr. Merriam introduced—

S.F. No. 385: A bill for an act relating to game and fish; clarifying and making technical changes in the game and fish laws; recodifying establishment of the wild rice management account; defining enforcement officer; defining brown trout as a game fish; defining an unloaded firearm; allowing the commissioner to use the game and fish fund for activities of the enforcement division; designating notices to be placed on state park and wildlife management area boundaries; changing the expiration date for muskrat farm licenses; removing certain restrictions on the size of shooting preserves; prescribing violations of hunting while under the influence of alcohol or a controlled substance; providing when license must be in personal possession; allowing more than one license, except a big game license, to be issued in a license year; exempting big game licenses from certain types of license revocations; prescribing submission of annual reports for tanners, fur dealers, and taxidermists; providing a nonresident under age 16 may purchase a nonresident fishing license and take and possess fish; prescribing conditions for oath administration; eliminating certain requirements for wild animals that are gifts; allowing a person to transport more than one big game animal; eliminating certain restrictions on transporting big game animals; prohibiting a person from trespassing to retrieve wounded game after being notified; allowing a person to ship more than one fish with a permit; prescribing permission needed to take wild animals in certain areas; allowing possession of shotgun and certain shells in areas where deer may be taken; allowing persons to take raccoons with lights and firearms at night; clarifying that a small game license is not required to pursue and tree raccoons during the closed season; authorizing the commissioner to restrict the taking of pine marten and opossum; eliminating requirement for a license and seals to take beaver damaging property; prescribing when certain devices to take fish may be possessed; amending Minnesota Statutes 1986, sections 97A.015, subdivisions 18, 25, 43, 45, and 51; 97A.055, subdivision 1; 97A.065, subdivision 2; 97A.075, subdivision 1; 97A.085, subdivisions 5 and 7; 97A.111, subdivisions 2 and 7; 97A.115, subdivision 3; 97A.135, subdivision 1; 97A.201, subdivision 1; 97A.211, subdivisions 1 and 2; 97A.221, subdivision 1; 97A.311, subdivision 4; 97A.315, subdivision 2; 97A.325, subdivision 1; 97A.331, subdivision 1; 97A.405, subdivision 2; 97A.415, subdivision 1; 97A.421, subdivision 1; 97A.425, subdivision 3; 97A.445, subdivision 3; 97A.451, subdivisions 1 and 5; 97A.475, subdivision 7; 97A.481; 97A.505, subdivisions 4 and 5; 97A.535, subdivisions 3 and 4; 97A.545, subdivision 4; 97A.551, subdivision 3; 97B.001, subdivisions 3, 5, and 7; 97B.041; 97B.061; 97B.065; 97B.081, subdivision 1; 97B.601, subdivision 4; 97B.605; 97B.635; 97B.655, subdivision 2; 97C.345, subdivisions 2 and 3; repealing Minnesota Statutes 1986, sections 97A.065, subdivision 4; 97A.121, subdivision 5; 97A.255, subdivision 3; 97A.461; 97A.505, subdivisions 1, 3, and 6; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Mr. Cohen introduced—

S.F. No. 386: A bill for an act relating to vocational technical education; requiring the state board to establish a two-year pilot program at a vocational technical institute for vocational generalist; appropriating money; amending Minnesota Statutes 1986, section 136C.04, by adding a subdivision.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 387: A bill for an act relating to taxation; providing an income tax checkoff for support of the arts; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Marty; Willet; Peterson, R. W. and Merriam introduced—

S.F. No. 388: A bill for an act relating to environment; authorizing the pollution control agency to issue administrative orders assessing penalties; establishing a hearing procedure; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, section 115B.20, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski, Mrs. Lantry, Messrs. Lessard, Waldorf and Benson introduced—

S.F. No. 389: A bill for an act relating to health; providing for disposition of the remains of human fetuses; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Mr. Spear introduced—

S.F. No. 390: A bill for an act relating to public safety; providing that violation of local DWI ordinance is counted for purposes of driver's license revocation; providing that courts must report juvenile traffic violations to the department of public safety; amending Minnesota Statutes 1986, sections 169.121, subdivision 4; 171.16, subdivision 5; 171.17; and 260.161, by adding a subdivision; repealing Minnesota Statutes 1986, section 260.193, subdivision 9.

Referred to the Committee on Judiciary.

Messrs. Spear, Pogemiller, Marty and Ms. Peterson, D.C. introduced—

S.F. No. 391: A bill for an act relating to crimes; sentencing; allowing the extension of a stay of execution in misdemeanor cases involving driving under the influence and fifth degree assault; amending Minnesota Statutes 1986, section 609.135, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Spear, Jude, Marty and Ramstad introduced—

S.F. No. 392: A bill for an act relating to public safety; providing for the mandatory surrender of registration plates and certificates of motor vehicles operated by repeat DWI offenders; providing for administrative and judicial review; amending Minnesota Statutes 1986, sections 168.041; 169.123, subdivisions 5b, 5c, and 6; 169.1261; and 171.29, by adding a subdivision.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Johnson, D.J.; Chmielewski and Ramstad introduced—

S.F. No. 393: A bill for an act relating to unemployment compensation; regulating the receipt of benefits; providing that wages for volunteer fire-fighter services not be deducted for benefit calculation purposes; amending Minnesota Statutes 1986, section 268.07, subdivision 2.

Referred to the Committee on Employment.

Messrs. Dicklich, Kroening, Solon, Chmielewski and Laidig introduced—

S.F. No. 394: A bill for an act relating to insurance; health and accident; requiring health maintenance organizations to provide chiropractic care; amending Minnesota Statutes 1986, section 62D.02, subdivision 7.

Referred to the Committee on Health and Human Services.

Messrs. Davis, Vickerman, Freeman, Beckman and Stumpf introduced—

S.F. No. 395: A bill for an act relating to agriculture; providing programs for interest reductions on farm operating loans; appropriating money.

Referred to the Committee on Agriculture.

Ms. Peterson, D.C.; Mr. Pogemiller, Ms. Berglin, Messrs. Spear and Brandl introduced—

S.F. No. 396: A bill for an act relating to local government; special school district No. 1 and the city of Minneapolis; adding directors to the board of education; amending Laws 1959, chapter 462, section 3, subdivision 1, as amended.

Referred to the Committee on Education.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 16, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FOURTEENTH DAY

St. Paul, Minnesota, Monday, February 16, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Robert Lehner.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	DeCramer	Knutson	Moe, D.M.	Renneke
Beckman	Dicklich	Kroening	Moe, R.D.	Samuelson
Belanger	Diessner	Laidig	Morse	Schmitz
Benson	Frank	Langseth	Novak	Solon
Berg	Frederick	Lantry	Olson	Spear
Berglin	Frederickson, D.J.	Larson	Pehler	Storm
Bernhagen	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Bertram	Gustafson	Luther	Peterson, R.W.	Vickerman
Brandl	Hughes	Marty	Piper	Waldorf
Brataas	Johnson, D.E.	McQuaid	Pogemiller	Willet
Chmielewski	Johnson, D.J.	Mehrkens	Purfeerst	
Cohen	Jude	Merriam	Ramstad	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Dahl, Freeman, Taylor and Wegscheid were excused from the Session of today. Mr. Laidig was excused from the Session of today at 2:20 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of the Minnesota School of the

Arts and Resource Center is hereby respectfully submitted to the Senate for confirmation as required by law:

Alexandra L. Jacobs, 1700 Shoreline Dr., Wayzata, Hennepin County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of the Minnesota School of the Arts and Resource Center is hereby respectfully submitted to the Senate for confirmation as required by law:

Sarah Fields Nesson, 5429 Brookview Ave., Edina, Hennepin County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of the Minnesota School of the Arts and Resource Center is hereby respectfully submitted to the Senate for confirmation as required by law:

Ruth E. Roitenberg, 1201 Yale Pl., Minneapolis, Hennepin County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Public Utilities Commission is hereby respectfully submitted to the Senate for confirmation as required by law:

Darrel L. Peterson, 9740 Arkansas Path, Inver Grove Heights, Dakota County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Public Utilities and Energy.)

January 26, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Tax Court is hereby respectfully submitted to the Senate for confirmation as required by law:

Arthur Roemer, 2139 Sioux Blvd., New Brighton, Ramsey County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Taxes and Tax Laws.)

January 26, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the World Trade Center Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Willis R. Eken, Twin Valley, Norman County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Ronald Bosrock, 1814 Hillcrest, St. Paul, Ramsey County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Arnold Aberman, 8900 Minnehaha Cir., Minneapolis, Hennepin County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Economic Development and Housing.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 12, 1987

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 1: A bill for an act relating to agriculture: extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 3, subdivision 5.

Referred to the Committee on Agriculture.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 139: A bill for an act relating to alcoholic beverages; authorizing St. Louis county to issue one off-sale license.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 211: A bill for an act relating to alcoholic beverages; premises which may be issued on-sale licenses; amending Minnesota Statutes 1986, sections 340A.404, subdivisions 1 and 6; 340A.411, subdivision 1; and 340A.504, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 94: A bill for an act relating to public health; requiring an itemized billing for hearing aid repairs; amending Minnesota Statutes 1986, section 145.43, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 38: A bill for an act relating to alcoholic beverages; permitting certain transactions by brewers and wholesalers; authorizing cities to issue temporary off-sale licenses for the sale of vintage wine at auctions; amending Minnesota Statutes 1986, sections 340A.308; and 340A.405, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 32, delete "*five*" and insert "*ten*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 123: A bill for an act relating to local government; broadening the joint self-insurance pool regulation exemption; amending Minnesota Statutes 1986, section 471.982, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after "*insurance*" insert "*and bond*"

Page 1, line 17, after the period, insert "*In addition, the Minnesota association of townships insurance and bond trust and the townships that*

belong to it are exempt from the requirement to hold the certificate of surety authorization issued by the commissioner of commerce as provided in section 574.15."

Page 1, after line 17, insert:

"Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 117: A bill for an act relating to liquor; authorizing St. Louis county to issue one off-sale liquor license.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, before "*liquor*" insert "*intoxicating*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 226: A bill for an act relating to state government; transferring the Moose Lake State Hospital to the department of veterans affairs; establishing a veteran's home in the former Moose Lake State Hospital; amending Minnesota Statutes 1986, sections 246.02, subdivision 2; 253.015; 254.04; and 254.05; proposing coding for new law in Minnesota Statutes, chapter 198.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Pehler from the Committee on Education, to which was re-referred

S.F. No. 1: A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; appropriating money; amending Minnesota Statutes 1986, sections 41A.01; 41A.02, subdivisions 3, 4, 6, and 11; 41A.05, subdivisions 1 and 2; 116.16, subdivisions 2 and 5; 116L.03, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; and 462.398; proposing coding for new law in Minnesota Statutes, chapters 41A; 84; 116J; 116L; and 136A; proposing coding for new law as Minnesota

Statutes, chapters 116N; 116P; and 446A; amending Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, sections 41A.06, subdivision 2; 116.18, subdivision 3a; 116J.951; 116J.955; and 116J.961.

Reports the same back with the recommendation that the bill be amended as follows:

Page 10, after line 21, insert:

"Sec. 15. Minnesota Statutes 1986, section 116J.955, subdivision 1, is amended to read:

116J.955 [RURAL REHABILITATION REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT.] The rural rehabilitation revolving fund is established as an account in the state treasury. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation revolving fund. ~~The principal amount of the rural rehabilitation revolving fund, \$9,300,000, may not be spent and must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the activities of the rural development council.~~

Sec. 16. Minnesota Statutes 1986, section 116J.955, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURE OF INVESTMENT INCOME FUND.] The commissioner may ~~only~~ use the ~~income from the investment of the~~ rural rehabilitation revolving fund for the purposes that are allowed under the Minnesota rural rehabilitation corporation's charter and agreement with the United States Secretary of Agriculture as provided in Public Law Number 499, 81st Congress, enacted May 3, 1950 and as allowed under ~~section 116J.961, subdivision 8 sections 21 and 26.~~ Not more than three percent of the book value of the Minnesota rural rehabilitation corporation's assets may be used for administrative purposes in a year without approval of the United States Secretary of Agriculture. *The commissioner may create separate accounts within the fund for use in accordance with the fund's purposes.*"

Page 11, line 21, delete "*chairperson*" and insert "*executive director*"

Page 11, line 29, delete "17" and insert "19"

Page 11, line 30, delete "24" and insert "26"

Page 12, line 24, delete "*five*" and insert "*seven*"

Page 12, line 25, after "*board*" insert "*, with at least one public member from each of the regions established in section 26*" and after the period, insert "*Two of the public members must be local elected officials.*"

Page 12, line 28, delete everything after the period

Page 12, delete lines 29 and 30

Page 13, line 16, delete "*appropriation under section 81*" and insert "*rural rehabilitation revolving fund*"

Page 14, line 26, delete "*grants made under the customized training program,*"

Page 16, line 25, delete "*appropriate challenge grant*" and insert "*rural rehabilitation revolving*"

Page 18, line 24, delete "25 to 34" and insert "27 to 36"

Pages 22 and 23, delete section 35 and insert:

"Sec. 37. [136A.134] [GRANTS TO DISLOCATED RURAL WORKERS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] A dislocated rural worker grant program is established under the supervision of the higher education coordinating board. The board shall develop policies and procedures for the administration of the program and the allocation of the program funds to eligible institutions.

Subd. 2. [ELIGIBLE INSTITUTIONS.] For purposes of this section, "eligible institution" means eligible institutions as defined in section 136A.101.

Subd. 3. [APPLICANTS.] An applicant is eligible to be considered for a dislocated rural worker grant if the applicant:

(1) is a resident of the area of the state located outside of the metropolitan area defined in section 473F.02, subdivision 2;

(2) is enrolled in an adult farm management program or a program designed to provide preparation for available employment within the local labor market or in an area to which the individual is willing to relocate;

(3) has met the financial need criteria established by the board; and

(4) can demonstrate that one of the following criteria has been met:

(i) the applicant or applicant's spouse has been separated from employment or has received a notice of separation from employment as a result of job obsolescence, plant shutdown, regional decline in the applicant's customary occupation, or industry slowdown and the applicant is unlikely to return to work for that employer or in that occupation within 12 months following separation from employment;

(ii) the applicant is a displaced homemaker; or

(iii) the applicant or the applicant's spouse is a farmer who can demonstrate severe household financial need.

Subd. 4. [PROGRAM RECIPIENTS.] A recipient of a dislocated rural worker grant shall be selected by the post-secondary education institution in accordance with guidelines, policies, and rules established by the board. The board may adopt emergency rules for awarding grants only for the fiscal year beginning July 1, 1987.

Subd. 5. [PROGRAM COORDINATION: INFORMATION.] The board shall develop and provide information to dislocated workers in rural areas about post-secondary education opportunities and student financial aid programs. The board shall also provide for the coordination of dislocated rural worker grants with other available student financial aid programs. Dislocated rural worker grants must be awarded in a manner that maximizes the use of existing federal and state student financial aid programs."

Page 23, line 32, delete "36 to 57" and insert "38 to 59"

Page 24, line 13, delete "36" and insert "38"

Page 24, line 14, delete "57" and insert "59"

Page 24, delete lines 17 to 21

Page 24, line 22, delete "4" and insert "3"

Page 24, line 25, delete "5" and insert "4"

Page 24, line 32, delete "6" and insert "5"

Page 27, line 35, delete "commissioner" and insert "authority"

Page 33, line 29, delete "36 to 57" and insert "38 to 59"

Page 35, line 6, delete "36 to 57" and insert "38 to 59"

Page 36, lines 2, 7 and 16, delete "44" and insert "46"

Page 36, line 31, delete "36 to 57" and insert "38 to 59"

Page 37, line 13, delete "36 to 57" and insert "38 to 59"

Page 46, line 1, delete "1990" and insert "1991"

Page 46, line 25, delete "43" and insert "45"

Page 46, line 34, delete "35" and insert "37"

Page 47, delete section 78

Page 47, line 22, delete "16" and insert "18"

Page 47, line 27, delete "35" and insert "37"

Page 47, delete section 81

Page 47, line 34, delete "28" and insert "30"

Pages 47 and 48, delete section 83 and insert:

"Sec. 83. [RULES TRANSFERRED.]

All rules adopted by the pollution control agency pursuant to the responsibilities of administering the independent wastewater treatment grant program remain effective and shall be enforced until amended or repealed in accordance with law by the Minnesota public finance authority."

Page 48, line 25, delete "116J.955; and" and after "116J.961" insert "; and 116J.965"

Page 48, lines 26 and 28, delete "42" and insert "44"

Page 48, line 30, delete "43" and insert "45"

Page 48, line 32, delete "25 to 57 and 74" and insert "27 to 59 and 76"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 20, after "5;" insert "116J.955, subdivisions 1 and 2;"

Page 1, line 31, delete "116J.955; and"

Page 1, line 32, after "116J.961" insert "; and 116J.965"

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 34: A bill for an act relating to corporations; providing for modification of liability of directors; amending Minnesota Statutes 1986, sections 302A.111, subdivision 4; and 302A.251, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 15, before the semicolon, insert "*or 80A.23*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 139, 211, 94, 38, 123 and 117 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 34 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1. The motion prevailed.

Mr. Knutson moved that the name of Mr. Metzen be added as a co-author to S.F. No. 77. The motion prevailed.

Mr. Pogemiller moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 170. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 217. The motion prevailed.

Mr. Dahl moved that the name of Mr. Marty be added as a co-author to S.F. No. 240. The motion prevailed.

Mr. Stumpf moved that his name be stricken as a co-author to S.F. No. 255. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Anderson be added as a co-author to S.F. No. 255. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 298. The motion prevailed.

Mr. Spear moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 301. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 316. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 322. The motion prevailed.

Mr. Merriam moved that the name of Mr. Morse be added as a co-author to S.F. No. 334. The motion prevailed.

Mr. Freeman moved that the name of Mr. Morse be added as a co-author to S.F. No. 361. The motion prevailed.

Mr. Merriam moved that the name of Mr. Morse be added as a co-author

to S.F. No. 365. The motion prevailed.

Mr. Frederickson, D.R. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 370. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Novak be added as a co-author to S.F. No. 372. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Morse be added as a co-author to S.F. No. 380. The motion prevailed.

Mr. Merriam moved that the name of Mr. Novak be added as a co-author to S.F. No. 385. The motion prevailed.

Mr. Spear moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 390. The motion prevailed.

Mr. Spear moved that the name of Mr. Morse be added as a co-author to S.F. No. 391. The motion prevailed.

Mr. Spear moved that the name of Mr. Morse be added as a co-author to S.F. No. 392. The motion prevailed.

Messrs. Benson, Frederick, Taylor, Ramstad and Johnson, D.E. introduced—

Senate Resolution No. 28: A Senate resolution relating to the budget; directing establishment of a process to set limits on appropriations from the general fund.

Referred to the Committee on Rules and Administration.

Mr. Vickerman moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Davis be added as chief author to S.F. No. 93. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 168 and 87, which the committee recommends to pass.

S.F. No. 62, which the committee recommends to pass, after the following motion:

Mr. Benson moved to amend S.F. No. 62 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1986, chapter 398, article 23, section 1, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer who applies to a lender for a farm operating loan ~~between the dates January 1, 1986, and December 30, 1986,~~ and who meets all qualifications established in section 2 and any further qualifications that may be established in the program year guidelines adopted by the commissioner under section 4, subdivision 1. *Controlling dates for the definition of "eligible borrower" during each interest buy-down program year include the following:*

<i>For Program Year</i>	<i>Earliest Loan Application Date</i>	<i>Latest Loan Application Date</i>	<i>Latest Maturity Date</i>
1985	March 5, 1985	December 31, 1985	March 1, 1986
1986	January 1, 1986	December 31, 1986	June 30, 1987
1987	January 1, 1987	December 31, 1987	June 30, 1988

Sec. 2. Laws 1986, chapter 398, article 23, section 1, subdivision 6, is amended to read:

Subd. 6. [FARM OPERATING LOAN.] "Farm operating loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm operating loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm operating loan eligible for interest rate buy-down must ~~have a meet application and maturity date of June 30, 1987, or earlier dates specified in subdivision 5.~~

Sec. 3. Laws 1986, chapter 398, article 23, section 1, is amended by adding a subdivision to read:

Subd. 11. [PROGRAM YEAR.] "Program year" means the calendar year or other time period as specified in subdivision 5 within which a farmer may make application to a lender for a farm operating loan eligible for interest buy-down.

Sec. 4. Laws 1986, chapter 398, article 23, section 3, subdivision 5, is amended to read:

Subd. 5. [REVIEW OF APPLICATIONS FOR BUY-DOWN PAYMENT.] The commissioner must review within five working days of submission by a participating lender a properly completed application for interest rate buy-down payments on a farm operating loan made to a farmer. ~~If a qualified lender does not receive written notice that the commissioner has denied interest rate buy-down payments within seven working days, the farmer is an eligible borrower and interest rate buy-down payments on the farm operating loan are approved by the commissioner.~~ All applications received by the commissioner after appropriated interest rate buy-down program funds have been encumbered must be returned immediately to the lender with an explanation that interest buy-down payments are denied due to prior commitment of available program funds.

Sec. 5. [LIFETIME LIMIT ON INTEREST BUY-DOWN PAYMENTS.]

The commissioner shall not make farm operating loan interest buy-down payments on behalf of an eligible borrower that total more than \$12,500 for program years 1985, 1986, 1987, and any future program years. In any program year in which an eligible borrower would exceed the lifetime limit on interest buy-down payments, the commissioner shall make buy-down payments only to the limit regardless of interest rates specified in the program year guidelines.

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [INTEREST RATE BUY-DOWN.] Notwithstanding any

law to the contrary, the following amounts are appropriated from the general fund for fiscal year 1987 to the commissioner of commerce for purposes of the interest rate buy-down program established in Laws 1986, chapter 398, article 23:

- | | |
|--|--------------|
| (1) for deficits incurred during
program year 1986 | \$13,985,300 |
| <i>Any portion of this amount that
remains unexpended on August 1, 1987,
is added to the amount appropriated for
interest buy-down payments in program
year 1987</i> | |
| (2) for interest buy-down
payments in program year 1987 | \$20,000,000 |
| (3) for costs of administering
the interest buy-down program
in program year 1987 | \$ 60,000 |

These amounts shall not cancel but remain available until expended.

Sec. 7. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 3, subdivision 5."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	McQuaid	Ramstad
Belanger	Frederick	Knaak	Mehrkens	Renneke
Benson	Frederickson, D.R.	Knutson	Olson	Storm
Bernhagen	Gustafson	Larson	Purfeerst	Vickerman

Those who voted in the negative were:

Adkins	DeCramer	Langseth	Morse	Schmitz
Beckman	Dicklich	Lantry	Novak	Solon
Berg	Diessner	Lessard	Pehler	Spear
Berglin	Frank	Luther	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Marty	Peterson, R.W.	Waldorf
Brandl	Hughes	Merriam	Piper	Willet
Chmielewski	Johnson, D.J.	Metzen	Pogemiller	
Cohen	Jude	Moe, D.M.	Reichgott	
Davis	Kroening	Moe, R.D.	Samuelson	

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

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Ms. Peterson, D.C.; Messrs. Luther and Laidig introduced—

S.F. No. 397: A bill for an act relating to elections; setting times for changing election precincts and reapportioning certain election districts; amending Minnesota Statutes 1986, sections 204B.14, subdivision 3; and 375.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on Elections and Ethics.

Mr. Frederickson, D.R. introduced—

S.F. No. 398: A bill for an act relating to health; creating an exception to the nursing home moratorium; amending Minnesota Statutes 1986, section 144A.01, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Renneke introduced—

S.F. No. 399: A bill for an act relating to financial institutions; detached facilities; requiring the commissioner to determine the population of municipalities for the purpose of authorizing the establishment and maintenance of these facilities; amending Minnesota Statutes 1986, section 47.52.

Referred to the Committee on Commerce.

Mrs. Lantry, Mr. Solon, Mrs. Adkins, Ms. Berglin and Mr. Knutson introduced—

S.F. No. 400: A bill for an act relating to human services; creating a grant program of caregiver support services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Marty and Mrs. Lantry introduced—

S.F. No. 401: A bill for an act relating to the city of St. Paul; repealing bonding authority and a sunset provision relating to the port authority; amending Laws 1983, chapter 110, section 4; repealing Minnesota Statutes 1986, section 458.773.

Referred to the Committee on Economic Development and Housing.

Messrs. Jude; Luther; Cohen; Peterson, R.W. and Ramstad introduced—

S.F. No. 402: A bill for an act relating to courts; setting uniform fees in probate proceedings; amending Minnesota Statutes 1986, section 525.033.

Referred to the Committee on Judiciary.

Mr. Bertram, Mrs. McQuaid, Messrs. Renneke, Wegscheid and Schmitz introduced—

S.F. No. 403: A bill for an act relating to newspapers; providing that only qualified newspapers may accept legal notices for publication; amending Minnesota Statutes 1986, section 331A.02, subdivision 1.

Referred to the Committee on Local and Urban Government.

Mr. Bertram introduced—

S.F. No. 404: A bill for an act relating to liability; providing immunity from liability for volunteer fire chiefs; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary.

Messrs. Benson, Merriam, Ms. Piper, Messrs. Willet and Kroening introduced—

S.F. No. 405: A bill for an act relating to Forestville state park; adding property comprising Mystery Cave to Forestville state park; authorizing acquisition of lands and interests in lands therefor; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Metzen, Solon and Belanger introduced—

S.F. No. 406: A bill for an act relating to commerce; regulating the distribution and sale of motor vehicles; limiting the granting or relocating of certain franchises; specifying the circumstances to be considered; removing certain regulations on nonrenewals; amending Minnesota Statutes 1986, section 80E.14, subdivision 2; repealing Minnesota Statutes 1986, section 80E.10.

Referred to the Committee on Commerce.

Mr. Wegscheid, Mrs. Adkins, Messrs. Schmitz, Taylor and Jude introduced—

S.F. No. 407: A bill for an act relating to food licenses; regulating certain vending machine inspection fees; amending Minnesota Statutes 1986, section 28A.09, subdivision 1.

Referred to the Committee on Agriculture.

Mrs. Lantry, Messrs. Vickerman, Solon, Storm and Benson introduced—

S.F. No. 408: A bill for an act relating to human services; authorizing the commissioner of human services to establish a study committee on problems of elderly persons with mental retardation or related conditions.

Referred to the Committee on Health and Human Services.

Mr. Cohen, Mses. Berglin, Piper, Messrs. Marty and Ramstad introduced—

S.F. No. 409: A bill for an act relating to child abuse reporting; requiring mandated reporters to report certain past occurrences of child abuse or neglect; amending Minnesota Statutes 1986, section 626.556, subdivisions 3 and 6.

Referred to the Committee on Judiciary.

Mrs. Brataas, Messrs. Knutson, Ramstad, Benson and Frederickson, D.R. introduced—

S.F. No. 410: A bill for an act relating to employment; regulating the administration of the unemployment compensation law; providing for the amount of benefits; regulating benefit eligibility; providing for employer contributions; transferring certain hearing functions and personnel to the office of administrative hearings; amending Minnesota Statutes 1986, sections 14.03, subdivision 2; 14.48; 14.51; 14.53; 16A.671, subdivision 1; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivisions 1 and 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Employment.

Mr. Luther, Ms. Peterson, D.C.; Messrs. Jude, Laidig and Pogemiller introduced—

S.F. No. 411: A bill for an act relating to crimes; allowing the court to sentence defendants up to, and including, the maximum sentence provided by law for the offense of conviction if one or more aggravating factors are present; amending Minnesota Statutes 1986, section 244.10, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Luther; Willet; Peterson, R.W.; Morse and Knaak introduced—

S.F. No. 412: A bill for an act relating to real property; creating a lien against real property for expenses incurred by agencies or political subdivisions in taking action to protect public health, safety, or the environment with respect to the release of substances; providing for filing, enforcement, and appeal of the lien; proposing coding for new law in Minnesota Statutes, chapter 514.

Referred to the Committee on Judiciary.

Messrs. Hughes, Pehler, Ms. Reichgott, Messrs. Ramstad and Langseth introduced—

S.F. No. 413: A bill for an act relating to education; establishing a comprehensive health and wellness education program in public elementary and secondary schools; appropriating money; amending Minnesota Statutes 1986, section 126.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 124; and 126.

Referred to the Committee on Education.

Messrs. Hughes, Solon, Mrs. Lantry, Messrs. Johnson, D.E. and Laidig introduced—

S.F. No. 414: A bill for an act relating to children; regulating the trust fund for prevention of child abuse; continuing an advisory council; appropriating money; amending Minnesota Statutes 1986, sections 299A.23,

subdivision 2; 299A.25. subdivisions 3 and 6.

Referred to the Committee on Health and Human Services.

Messrs. Hughes, Pogemiller, Morse, Samuelson and Johnson, D.E. introduced—

S.F. No. 415: A bill for an act relating to elections; providing for experimental mail elections; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on Elections and Ethics.

Mr. Hughes, Ms. Peterson, D.C.; Messrs. Morse, Samuelson and Johnson, D.E. introduced—

S.F. No. 416: A bill for an act relating to elections; changing registration, absentee ballot, filing, training, administrative, electronic voting, ballot preparation, canvassing, and election contest provisions; amending Minnesota Statutes 1986, sections 201.071, subdivision 4; 201.091, subdivision 4; 203B.03, subdivision 1; 203B.06, subdivision 3; 204B.11, subdivision 1; 204B.25, subdivision 1; 204B.27, subdivision 1; 204B.40; 204C.24, subdivision 1; 204C.27; 204C.31, subdivision 1; 204D.04, subdivision 2; 204D.11, subdivision 6; 206.61, subdivision 5; 206.82, subdivision 2; 206.90, subdivision 3; and 209.021, subdivision 3.

Referred to the Committee on Elections and Ethics.

Mr. Bertram introduced—

S.F. No. 417: A bill for an act relating to the city of St. Stephen; authorizing the issuance of bonds for the construction of a city civic building.

Referred to the Committee on Local and Urban Government.

Messrs. Johnson, D.E.; Frederickson, D.R.; Renneke; Samuelson and DeCramer introduced—

S.F. No. 418: A bill for an act relating to retirement; authorizing municipalities to establish and finance defined contribution plans for municipal ambulance and rescue volunteers; amending Minnesota Statutes 1986, sections 356.24; and 356.25; proposing coding for new law as Minnesota Statutes, chapter 424B.

Referred to the Committee on Governmental Operations.

Mr. Mehrkens, Ms. Olson, Mr. Morse, Ms. Piper and Mr. Wegscheid introduced—

S.F. No. 419: A bill for an act relating to education; moving up the possible first day of school from Labor Day to September 1; amending Minnesota Statutes 1986, section 126.12, subdivision 1.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Mmes. Lantry, McQuaid and Mr. Marty introduced—

S.F. No. 420: A bill for an act relating to crimes; authorizing the metropolitan transit commission to hire peace officers to police its routes and properties; amending Minnesota Statutes 1986, section 473.405, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Merriam, Ms. Peterson, D.C.; Mr. Knaak, Ms. Reichgott and Mr. Pogemiller introduced—

S.F. No. 421: A bill for an act relating to crimes; providing for attachment of financial assets of persons charged with committing a felony; enhancing penalties for using a false name to get a credit card; updating the wiretap law; prohibiting persons from defrauding insurers by concealing or removing property for the purpose of making a fraudulent insurance claim; amending Minnesota Statutes 1986, sections 609.611; 609.821, subdivisions 2 and 3; and 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Messrs. Diessner; Frank; Solon; Johnson, D.J. and Brandl introduced—

S.F. No. 422: A bill for an act relating to economic development; authorizing economic development authorities to construct and furnish buildings; providing for a referendum on an economic development authority's issuance of general obligation bonds; amending Minnesota Statutes 1986, section 458C.14, by adding a subdivision; and section 458C.15, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Stumpf and Moe, R.D. introduced—

S.F. No. 423: A bill for an act relating to finance; allowing remaining funds in Red River of the North dike appropriation to be used for planning and engineering.

Referred to the Committee on Environment and Natural Resources.

Mses. Berglin; Reichgott; Peterson, D.C.; Messrs. Storm and Marty introduced—

S.F. No. 424: A bill for an act relating to the child abuse reporting act; providing a standard for the disclosure of the reporter's name; amending Minnesota Statutes 1986, section 626.556, subdivision 11.

Referred to the Committee on Judiciary.

Mr. Pehler, Ms. Olson, Messrs. Davis, Mehrkens and Ms. Reichgott introduced—

S.F. No. 425: A bill for an act relating to education; modifying certain provisions of the compulsory attendance laws; establishing new compulsory attendance requirements; amending Minnesota Statutes 1986, sections 121.11,

subdivision 7; 123.935, subdivision 7; 127.19; and 127.20; proposing coding for new law in Minnesota Statutes, chapter 120; repealing Minnesota Statutes 1986, sections 120.10, subdivisions 1, 2, 2a, and 2b; and 120.12.

Referred to the Committee on Education.

Messrs. Stumpf, Langseth, Davis and DeCramer introduced—

S.F. No. 426: A bill for an act relating to economic development; renaming the agricultural resource loan guaranty board; providing powers; authorizing the board to participate in loans; appropriating money; amending Minnesota Statutes 1986, sections 41A.01; 41A.02, subdivisions 3, 4, 5, 6, 11, and 15; 41A.03, subdivisions 4 and 5; 41A.04, subdivision 1; 41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivision 1; 297A.44, subdivision 1; 362A.041; and 362A.05; proposing coding for new law in Minnesota Statutes, chapter 41A.

Referred to the Committee on Agriculture.

Messrs. Wegscheid and Knutson introduced—

S.F. No. 427: A bill for an act relating to human services; defining Medicaid health plan; amending Minnesota Statutes 1986, section 256B.69, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Wegscheid and Knutson introduced—

S.F. No. 428: A bill for an act relating to human services; exempting nursing homes from the prepayment demonstration project; amending Minnesota Statutes 1986, section 256B.69, subdivisions 2 and 3.

Referred to the Committee on Health and Human Services.

Messrs. Moe, R.D.; Langseth and Stumpf introduced—

S.F. No. 429: A bill for an act relating to agriculture; providing minimum standards for seed potatoes; proposing coding for new law in Minnesota Statutes, chapter 21.

Referred to the Committee on Agriculture.

Messrs. Gustafson, Taylor, Mrs. McQuaid, Messrs. Knaak and Bernhagen introduced—

S.F. No. 430: A bill for an act relating to unemployment compensation; regulating the administration of the unemployment compensation law; providing for the amount of benefits; regulating benefit eligibility; providing for employer contributions; transferring certain hearing functions and personnel to the office of administrative hearings; providing penalties; amending Minnesota Statutes 1986, sections 14.03, subdivision 2; 14.48; 14.51; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 2, 4, 24, 25, and by adding subdivisions; 268.06, subdivisions 2, 5, 8, 18, 19, 20, and by adding a subdivision; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.08, subdivisions 1 and 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 1, 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; 268.121; 268.16, subdivision 2, and by adding a subdivision; 268.18, subdivisions 1 and 2; proposing coding for

new law in chapter 268; repealing Minnesota Statutes 1986, section 268.04, subdivisions 29 and 30; and 268.06, subdivision 24.

Referred to the Committee on Employment.

Messrs. Moe, D.M.; Wegscheid; Pogemiller and Renneke introduced—

S.F. No. 431: A bill for an act relating to retirement; Minnesota state retirement system; increasing employee and employer contributions to pay for an improved retirement formula and survivor benefits; amending Minnesota Statutes 1986, sections 352.04, subdivisions 2 and 3; 352.115, subdivision 3; and 352.12, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Moe, D.M. and Spear introduced—

S.F. No. 432: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 12; eliminating references to "legislative days" and the restriction on the length of legislative sessions to 120 legislative days.

Referred to the Committee on Elections and Ethics.

Mr. Wegscheid, Mrs. Adkins, Messrs. Benson, Diessner and Schmitz introduced—

S.F. No. 433: A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; proposing coding for new law as Minnesota Statutes, chapter 468.

Referred to the Committee on Local and Urban Government.

Mr. Wegscheid introduced—

S.F. No. 434: A bill for an act relating to traffic regulations; requiring motorcycle passengers to wear protective headgear; amending Minnesota Statutes 1986, section 169.974, subdivision 4.

Referred to the Committee on Transportation.

Mr. Diessner introduced—

S.F. No. 435: A bill for an act relating to workers' compensation; defining the function of health care providers and lawyers in the workers' compensation system; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Employment.

Ms. Berglin introduced—

S.F. No. 436: A bill for an act relating to human services; raising income standards for medical assistance; amending Minnesota Statutes 1986, section 256B.06, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Knutson, Mrs. Brataas and Ms. Berglin introduced—

S.F. No. 437: A bill for an act relating to marriage; requiring certain blood tests before marriage; amending Minnesota Statutes 1986, section 517.08, subdivision 1a.

Referred to the Committee on Judiciary.

Mr. Samuelson, Mses. Peterson, D.C.; Berglin; Messrs. Benson and Laidig introduced—

S.F. No. 438: A bill for an act relating to elections; changing what name may be used on ballots, nominating petitions, and affidavits of candidacy; repealing Minnesota Statutes 1986, section 204B.05.

Referred to the Committee on Elections and Ethics.

Ms. Piper, Messrs. Cohen, Marty, Mrs. Brataas and Ms. Peterson, D.C. introduced—

S.F. No. 439: A bill for an act relating to adoption; providing for notice of an adopted child or genetic parent's death; proposing coding for new law in Minnesota Statutes, chapter 259.

Referred to the Committee on Judiciary.

Mses. Piper, Reichgott, Mr. Marty, Mrs. Brataas and Ms. Peterson, D.C. introduced—

S.F. No. 440: A bill for an act relating to statutes; removing certain substantive gender references in Minnesota Statutes; amending Minnesota Statutes 1986, sections 13.83, subdivision 2; 88.11, subdivision 1; 176.111, subdivisions 3, 15, and 21; 204B.05; 218.021, subdivision 2; 252.07; 260.094; 315.44; 315.48; 353.01, subdivision 2b; 358.14; 382.17; 387.15; 387.16; 459.16; 540.05; 548.06; 593.01, subdivision 1; 593.02; 631.412; 641.06; 641.14; and 642.08; repealing Minnesota Statutes 1986, sections 176.011, subdivision 13; and 315.49.

Referred to the Committee on Judiciary.

Ms. Piper, Messrs. Marty, Cohen and Ms. Peterson, D.C. introduced—

S.F. No. 441: A bill for an act relating to human rights; defining marital status discrimination to include actions against an individual because of the spouse's political status; amending Minnesota Statutes 1986, section 363.01, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 442: A bill for an act relating to civil liability; requiring dram shop insurance premiums to be based on the claims experience of the insured; providing for recovery of costs by certain licensees in dram shop actions; amending Minnesota Statutes 1986, sections 340A.409, by adding a subdivision; and 340A.802, subdivision 3.

Referred to the Committee on Commerce.

Mr. Spear introduced—

S.F. No. 443: A bill for an act relating to family law; eliminating the requirement that a husband's consent to donor insemination be filed with the commissioner of health; amending Minnesota Statutes 1986, section 257.56, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Waldorf introduced—

S.F. No. 444: A bill for an act relating to education; establishing the state board of technical colleges; prescribing powers, transferring functions; requiring report; proposing coding for new law as Minnesota Statutes, chapter 136E.

Referred to the Committee on Education.

Mr. Johnson, D.J. introduced—

S.F. No. 445: A bill for an act relating to taxation; individual income, updating provisions to the Internal Revenue Code of 1986; eliminating or simplifying certain modifications, exclusions, deductions, credits, carryovers, and basis adjustments; reducing income tax rates; defining terms; making technical corrections and administrative changes; appropriating money; amending Minnesota Statutes 1986, sections 10A.31, subdivisions 1, 3, and by adding a subdivision: 16A.275; 290.01, subdivisions 7, 19, 20, and by adding subdivisions; 290.032, subdivisions 1 and 2; 290.06, subdivisions 2c and 2d; 290.067, subdivision 1; 290.077, subdivision 1; 290.081; 290.091, subdivisions 1 and 4; 290.095, subdivisions 9 and 11; 290.10; 290.12, by adding a subdivision; 290.131, by adding a subdivision; 290.134, by adding a subdivision; 290.14; 290.15; 290.16, subdivision 1a; 290.17, subdivision 2; 290.23, subdivisions 3 and 5; 290.31, subdivisions 2, 3, 5, and by adding a subdivision; 290.37, subdivisions 1 and 3; 290.38; 290.39, subdivision 3; 290.431; 290.45, subdivisions 1 and 2; 290.48, subdivision 10; 290.491; 290.92, subdivisions 2a, 4a, 5, 5a, and 6; 290.93, subdivision 10; 290.9726, subdivisions 1, 2, and 4; and 290.974; repealing Minnesota Statutes 1986, sections 290.01, subdivisions 20a, 20b, 20f, 21, and 24; 290.013; 290.06, subdivisions 3f, 3g, and 11; 290.067, subdivisions 2, 3, 4, and 5; 290.077, subdivision 3; 290.079; 290.08; 290.085; 290.088; 290.089; 290.09; 290.091, subdivisions 2 and 3; 290.12, subdivision 4; 290.139; 290.17, subdivision 1a; 290.18, subdivision 2; and 290.9726, subdivisions 3, 5, and 6.

Referred to the Committee on Taxes and Tax Laws.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 19, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTEENTH DAY

St. Paul, Minnesota, Thursday, February 19, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Reginald G. Penner.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Knaak	Moe, D.M.	Reichgott
Anderson	Davis	Knutson	Moe, R.D.	Samuelson
Beckman	DeCramer	Kroening	Morse	Schmitz
Benson	Diessner	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Gustafson	Marty	Piper	Vickerman
Brataas	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid
Cohen	Jude	Merriam	Ramstad	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Belanger, Dicklich, Freeman, Hughes, Larson, Metzen, Renneke and Willet were excused from the Session of today. Messrs. Brandl and Wegscheid were excused from the Session of today at 3:00 p.m. Mr. Beckman was excused from the Session of today from 2:00 to 2:20 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

February 4, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 95.

Sincerely,

Rudy Perpich, Governor

February 4, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1987 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
95		Res. No. 1	February 4	February 4

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 127.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 16, 1987

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 127: A bill for an act relating to nonprofit corporations; adoption services corporations; providing that pledges to make contributions to reimburse the corporation for expenses shall be voidable at the option of the person making the pledge and payment of expenses shall not be a prerequisite to providing adoption services; amending Minnesota Statutes 1986, section 317.65, subdivision 7.

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 55 and 63. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 22: A bill for an act relating to local government; permitting certain counties to levy a tax for the county historical society; imposing a reverse referendum requirement.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 201: A bill for an act relating to Anoka county; authorizing the issuance of county bonds for capital improvements.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 3, before the period, insert "*except as provided in section 3*"

Page 2, line 6, before the first "*The*" insert "*Except as provided in section 3,*"

Page 2, after line 19, insert:

"Sec. 3. [REVERSE REFERENDUM.]

Prior to the issuance of any bonds provided by section 2, the Anoka county board shall publish its intention to do so for two successive weeks in the official newspaper of the county or a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing to obtain public comment on the matter. The hearing shall be held not less than two nor more than four weeks after the first publication of the resolution.

If within 30 days after the hearing, a petition requesting a vote on section 2, signed by voters equal in number to ten percent of the votes cast in the county in the last general election, is filed with the county auditor, no bonds may be issued under section 2 until a majority of the voters at a general or special election cast affirmative votes on the question of the issuance of the bonds."

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 56: A bill for an act relating to workers' compensation; providing for the organization and powers of the state compensation insurance fund; appropriating money; amending Minnesota Statutes 1986, sections 11A.24, subdivision 6; 176A.02, subdivision 1; 176A.04; and 176A.11.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 16, delete "*the state*" and insert "*any domestic mutual insurance company*"

Page 2, line 17, delete everything before the period

Page 2, after line 25, insert:

"Sec. 3. Minnesota Statutes 1986, section 176A.02, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The board of directors consists of

seven members and the commissioner of labor and industry *and manager of the fund* who shall be ~~an~~ *ex officio member members*. Each director shall hold office until a successor is appointed and qualifies. Each director shall represent a policyholder and may be an employee of a policyholder. A policyholder may designate a person to represent them on the board. The initial board of directors shall be appointed by the governor and shall consist of seven members, and the commissioner of labor and industry. Each member of the initial board shall be either an employer or employee. If the fund is operational and issuing policies upon the expiration of the terms of the initial board and thereafter, the governor shall appoint every other director until the governor has made four appointments. The remaining three directors shall be chosen by the fund's policyholders. In addition to the commissioner, no more than one member of the board shall be a representative of a governmental entity. At least two members of the board shall represent private, for profit, enterprises. No member of the board may represent or be an employee of an insurance company.

The membership terms shall be as provided in section 15.0575. The membership compensation shall be set by the board.

The board shall annually elect a chair from among its members and other officers it deems necessary for the performance of its duties."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "subdivision" and insert "subdivisions" and after "1" insert "and 2"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 25: A bill for an act relating to traffic regulations; specifying colors of slow moving vehicle emblems; amending Minnesota Statutes 1986, section 169.522, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, before "All" insert "(a)"

Page 1, line 18, strike "Such" and insert "The" and after "shall" insert "*consist of a fluorescent yellow-orange triangle with a dark red reflective border and*"

Page 2, lines 3 to 7, delete the new language

Page 2, after line 14, insert:

"(b) An alternate slow moving vehicle emblem consisting of a dull black triangle with a white reflective border may be used after obtaining a permit from the commissioner under rules of the commissioner. A person with a permit to use an alternate slow moving vehicle emblem must:

(1) carry in the vehicle a regular slow moving vehicle emblem and display the emblem only when operating a vehicle between sunset and sunrise, and at any other time when visibility is impaired by weather, smoke, fog, or other conditions; and

(2) permanently affix to the rear of the slow moving vehicle at least 72 square inches of reflective tape that reflects the color red.”

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert “requiring additional reflective devices for persons using alternate”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 55: A bill for an act relating to motor vehicles; providing that the initial fee to renew personalized license plates be prorated; providing for refunds or reissues in certain cases; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Page 2, line 11, delete “*difference of*”

Page 2, line 12, delete “*and the amount owed under section 1,*” and insert “*fee*”

Page 2, line 19, before “*section*” insert “*this*” and delete “*1*”

Page 2, line 30, before “*section*” insert “*this*” and delete “*1*”

Page 3, line 2, delete everything before “*and*”

Page 3, delete section 3

Page 3, line 19, delete “*Sections 1 and 2 are*” and insert “*Section 1 is*”

Page 3, line 21, delete “*Sections 1 to 3 are*” and insert “*Section 1 is*”

Page 3, line 22, delete “*4*” and insert “*2*”

Renumber the sections in sequence

Delete the title and insert:

“A bill for an act relating to motor vehicles; providing for a refund of a fee paid for personalized license plates and for reissuance of personalized license plates in certain cases.”

And when so amended the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 217: A bill for an act relating to state employees; permitting direct deposit of pay in financial institutions; amending Minnesota Statutes 1986, section 16A.133, subdivision 1; repealing Minnesota Statutes 1986, section 16A.133, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 24 to 26, delete the new language

Page 2, lines 1 and 2, delete the new language

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 63: A bill for an act relating to motor vehicles; providing that certain license plates be issued every six years; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 14 and 15, strike "motorcycles, motorized bicycles, and motor scooters"

Page 2, line 17, delete "A" and strike "general reissuance of" and delete "these" and strike "plates"

Page 2, line 18, delete the new language

Page 2, line 19, delete "1987. Thereafter, these" and insert "All" and after "plates" insert "issued under this paragraph"

Page 3, line 18, delete "is required" and insert "must be paid" and after "the" insert "law requires the"

Page 3, line 19, delete "are required" and delete "by law"

Page 4, strike lines 12 to 15

Page 4, line 26, strike "\$3" and insert "\$2"

Page 4, after line 34, insert:

"Sec. 4. [TRANSITION.]

Except as provided in this section, all passenger automobile license plates issued under Minnesota Statutes 1986, section 169.12, subdivision 1, paragraph (3), must be replaced in a general reissuance beginning no later than July 1, 1987. In the general reissuance required by this section, the commissioner of public safety shall not require the replacement of passenger automobile license plates that were issued less than two years before the date on which the general reissuance begins. The commissioner shall require the replacement of passenger automobile license plates that were issued less than two years before the date on which the general reissuance begins when they are six years old at the time of annual registration or will become so during the registration period.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4, are repealed.

Section 4 is repealed January 1, 1990."

Amend the title as follows:

Page 1, line 2, delete "certain" and insert "passenger automobile"

Page 1, line 5, before the period, insert; "repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4"

And when so amended the bill do pass. Mr. Merriam questioned the

reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 89: A bill for an act relating to agriculture; clarifying and amending the farmer-lender mediation act; amending Minnesota Statutes 1986, sections 336.9-501; 550.365; 559.209; 581.015; 583.22, subdivisions 2 and 8; 583.23, subdivision 1; 583.24, subdivisions 1, 3, and by adding a subdivision; 583.26, subdivisions 1, 2, 3, 4, 5, 6, 8, 9, and by adding a subdivision; 583.27, subdivisions 1 and 3; and 583.28; proposing coding for new law in Minnesota Statutes, chapter 583.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 336.9-501, is amended to read:

336.9-501 [DEFAULT; PROCEDURE WHEN SECURITY AGREEMENT COVERS BOTH REAL AND PERSONAL PROPERTY.]

(1) When a debtor is in default under a security agreement, a secured party has the rights and remedies provided in this part and except as limited by subsection (3) those provided in the security agreement. The secured party may reduce a claim to judgment, foreclose, or otherwise enforce the security interest by any available judicial procedure. If the collateral is documents the secured party may proceed either as to the documents or as to the goods covered thereby. A secured party in possession has the rights, remedies, and duties provided in section 336.9-207. The rights and remedies referred to in this subsection are cumulative.

(2) After default, the debtor has the rights and remedies provided in this part, those provided in the security agreement, and those provided in section 336.9-207.

(3) To the extent that they give rights to the debtor and impose duties on the secured party, the rules stated in the subsections referred to below may not be waived or varied except as provided with respect to compulsory disposition of collateral (subsection (3) of section 336.9-504 and section 336.9-505) and with respect to redemption of collateral (section 336.9-506) but the parties may by agreement determine the standards by which the fulfillment of these rights and duties is to be measured if such standards are not manifestly unreasonable:

(a) Subsection (2) of section 336.9-502 and subsection (2) of section 336.9-504 insofar as they require accounting for surplus proceeds of collateral;

(b) Subsection (3) of section 336.9-504 and subsection (1) of section 336.9-505 which deal with disposition of collateral;

(c) Subsection (2) of section 336.9-505 which deals with acceptance of collateral as discharge of obligation;

(d) Section 336.9-506 which deals with redemption of collateral; and

(e) Subsection (1) of section 336.9-507 which deals with the secured party's liability for failure to comply with this part.

(4) If the security agreement covers both real and personal property, the secured party may proceed under this part as to the personal property or may proceed as to both the real and the personal property in accordance with the secured party's rights and remedies in respect of the real property in which case the provisions of this part do not apply.

(5) When a secured party has reduced a claim to judgment the lien of any levy which may be made upon collateral by virtue of any execution based upon the judgment shall relate back to the date of the perfection of the security interest in such collateral. A judicial sale, pursuant to such execution, is a foreclosure of the security interest by judicial procedure within the meaning of this section, and the secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this article.

(6) A person may not begin to enforce a security interest in collateral that is agricultural property subject to sections 583.20 to 583.32 that has secured a debt *for an original contract price of more than \$5,000 \$20,000* unless: a mediation notice under subsection (7) is served on the debtor *after a condition of default has occurred in the security agreement* and a copy ~~filed with~~ *served on* the director; and the debtor and creditor have completed mediation under sections 583.20 to 583.32; *or as otherwise allowed under sections 583.20 to 583.32.*

(7) A mediation notice under subsection (6) must contain the following notice with the blanks properly filled in.

"TO: _____(Name of Debtor)_____

YOU HAVE DEFAULTED ON THE _____(Debt in Default)
SECURED BY AGRICULTURAL PROPERTY DESCRIBED AS _____
(Reasonable Description of Agricultural Property Collateral)_____.

AS A SECURED PARTY, _____(Name of Secured Party)
INTENDS TO ENFORCE THE SECURITY AGREEMENT AGAINST THE
AGRICULTURAL PROPERTY DESCRIBED ABOVE BY REPOSSESS-
ING, FORECLOSING ON, OR OBTAINING A COURT JUDGMENT
AGAINST THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR
MEDIATION. *IF YOU REQUEST MEDIATION, THIS DEBT WILL BE
MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS
DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SE-
CURED PARTY ENFORCES THE DEBT.*

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE
AGRICULTURAL EXTENSION SERVICE WILL PROVIDE A ~~CREDIT~~
FINANCIAL ANALYST TO HELP YOU TO PREPARE FINANCIAL IN-
FORMATION. *A FINANCIAL ANALYST MUST CERTIFY THAT YOUR
FINANCIAL RECORDS AND FARM PLANS ARE PREPARED BEFORE
A MEDIATION MEETING WILL BE HELD. IF YOU DECIDE TO PAR-
TICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO AS-
SEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO
CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE.*
MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR
HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST

FILE A MEDIATION REQUEST WITH THE DIRECTOR _____
 (~~Date of 14 Days after Service of the Mediation Notice~~) _____
 WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIA-
 TION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORD-
 ER'S OR COUNTY EXTENSION OFFICE.

FROM: _____(Name and Address of Secured Party) "

Sec. 2. Minnesota Statutes 1986, section 550.365, is amended to read:

**550.365 [MEDIATION NOTICE AND CONDITIONS FOR AGRICUL-
 TURAL PROPERTY.]**

Subdivision 1. [REQUIREMENT.] A person may not attach, execute on, levy on, or seize agricultural property subject to sections 583.20 to 583.32 that has secured a debt of more than ~~\$5,000~~ \$20,000 unless: (1) a mediation notice is served on the judgment debtor and a copy filed with served on the director; and (2) the debtor and creditor have completed mediation under sections 583.20 to 583.32; or (2) as otherwise allowed under sections 583.20 to 583.32.

Subd. 2. [CONTENTS.] A mediation notice must contain the following notice with the blanks properly filled in.

"TO: _____(Name of Judgment Debtor)_____

A JUDGMENT WAS ORDERED AGAINST YOU BY _____
 (Name of Court)_____ ON _____(Date of Judgment).

AS A JUDGMENT CREDITOR, _____(Name of Judgment
 Creditor) _____INTENDS TO TAKE ACTION AGAINST THE
 AGRICULTURAL PROPERTY DESCRIBED AS _____(Descrip-
 tion of Agricultural Property) _____TO SATISFY THE JUDGMENT.

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR
 MEDIATION. IF YOU REQUEST MEDIATION, THIS DEBT WILL BE
 MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS
 DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SE-
 CURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE
 AGRICULTURAL EXTENSION SERVICE WILL PROVIDE A CREDIT
 FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFOR-
 MATION. A FINANCIAL ANALYST MUST CERTIFY THAT YOUR FI-
 NANCIAL RECORDS AND FARM PLANS ARE PREPARED BEFORE A
 MEDIATION MEETING WILL BE HELD. IF YOU DECIDE TO PARTIC-
 IPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEM-
 BLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CON-
 TACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE.
 MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR
 HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST
 FILE A MEDIATION REQUEST WITH THE DIRECTOR _____
 (~~Date of 14 Days after Service of the Mediation Notice~~) _____
 WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIA-
 TION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORD-
 ER'S OR COUNTY EXTENSION OFFICE.

FROM: _____(Name and Address of Judgment Creditor) "

Sec. 3. Minnesota Statutes 1986, section 559.209, is amended to read:

559.209 [MEDIATION NOTICE AND CONDITIONS FOR AGRICULTURAL PROPERTY.]

Subdivision 1. [REQUIREMENT.] A person may not begin to terminate a contract for deed under section 559.21 to purchase agricultural property subject to sections 583.20 to 583.32 ~~that secured a debt for an original contract price of more than \$5,000~~ \$20,000 unless: (1) a mediation notice is served on the contract for deed purchaser *after a default has occurred under the contract* and a copy ~~filed with~~ *served on* the director; and ~~(2)~~ the contract for deed vendor and purchaser have completed mediation under sections 583.20 to 583.32; *or (2) as otherwise allowed under sections 583.20 to 583.32.*

Subd. 2. [CONTENTS.] A mediation notice must contain the following notice with the blanks properly filled in.

"TO: _____ (Name of Contract for Deed Purchaser)

YOU HAVE DEFAULTED ON THE CONTRACT FOR DEED OF THE AGRICULTURAL PROPERTY DESCRIBED AS _____ (Size and Reasonable Location of Property, Not Legal Description) _____.

AS THE CONTRACT FOR DEED VENDOR, _____ (Contract for Deed Vendor) _____ INTENDS TO TERMINATE THE CONTRACT AND TAKE BACK THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION. *IF YOU REQUEST MEDIATION, THIS DEBT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.*

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE A ~~CREDIT~~ FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. *A FINANCIAL ANALYST MUST CERTIFY THAT YOUR FINANCIAL RECORDS AND FARM PLANS ARE PREPARED BEFORE A MEDIATION MEETING WILL BE HELD. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.*

TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR BY - - - (Date of 14 Days after Service of the Mediation Notice) - - - *WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE.* THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: _____ (Name and Address of Contract for Deed Vendor) _____"

Sec. 4. Minnesota Statutes 1986, section 581.015, is amended to read:

581.015 [MEDIATION NOTICE AND CONDITIONS FOR AGRICULTURAL PROPERTY.]

Subdivision 1. [REQUIREMENT.] A person may not begin a proceeding under ~~this~~ chapter 580 or 581 to foreclose a mortgage on agricultural property subject to sections 583.20 to 583.32 that has a secured debt for an original contract price of more than ~~\$5,000~~ \$20,000 unless: (1) a mediation notice is served on the mortgagor after a default has occurred in the mortgage and a copy is ~~filed with~~ served on the director; and (2) the mortgagor and mortgagee have completed mediation under sections 583.20 to 583.32; or (2) as otherwise allowed under sections 583.20 to 583.32.

Subd. 2. [CONTENTS.] A mediation notice must contain the following notice with the blanks properly filled in.

“TO: _____ (Name of Record Owner) _____

YOU HAVE DEFAULTED ON THE MORTGAGE OF THE AGRICULTURAL PROPERTY DESCRIBED AS _____ (Size and Reasonable Location, Not Legal Description) _____.

AS HOLDER OF THE MORTGAGE, _____ (Name of Holder of Mortgage) _____ INTENDS TO FORECLOSE ON THE PROPERTY DESCRIBED ABOVE.

YOU HAVE THE RIGHT TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION. *IF YOU REQUEST MEDIATION, THIS DEBT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.*

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE A CREDIT FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. A FINANCIAL ANALYST MUST CERTIFY THAT YOUR FINANCIAL RECORDS AND FARM PLANS ARE PREPARED BEFORE A MEDIATION MEETING WILL BE HELD. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR _____ (Date of 14 Days after Service of the Mediation Notice) _____ WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: _____ (Name and Address of Holder of Mortgage)”

Sec. 5. Minnesota Statutes 1986, section 583.22, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL PROPERTY.] “Agricultural property” means real property that is principally used for farming as defined in section 500.24, subdivision 2, paragraph (a), and raising poultry, and personal property that is used as security to finance a farm operation or used as part of a farm operation including equipment, crops, livestock, and proceeds of the security. “Agricultural property” does not include personal property that is subject to a possessory lien under sections 514.18 to 514.22 or the

property that is leased to the debtor.

Sec. 6. Minnesota Statutes 1986, section 583.22, is amended by adding a subdivision to read:

Subd. 6a. [FINANCIAL ANALYST.] "Financial analyst" means a person: (1) knowledgeable in agricultural and financial matters that can provide financial analysis; (2) who is able to aid the debtor in preparing the financial information required under section 583.26, subdivision 3; and (3) who is approved by the director. A financial analyst may include county extension agents, adult farm management instructors, AVTI instructors, and other persons able to carry out the duties of a financial analyst.

Sec. 7. Minnesota Statutes 1986, section 583.22, subdivision 8, is amended to read:

Subd. 8. [SERVE.] "Serve" means (1) personal service as in a district court civil action; (2) service by certified mail using return receipt signed by addressee only; ~~or~~ (3) actual delivery of required documents with signed receipt; or (4) if an unsuccessful attempt is made to serve under clause (1) or (2), service may be made by mail with a receipt of mailing to the last known address of the debtor. For purposes of serving under clause (4), the addressee is considered to have been served the documents five days after the date on the receipt of mailing.

Sec. 8. [583.235] [SEASONAL USE MACHINERY.]

Subdivision 1. [DEFINITION.] As used in this section, "seasonal use machinery" means machinery, equipment, or implements that is security for debts subject to the farmer-lender mediation act, is used almost exclusively for a single season of the year, and has less value and little use during the remainder of the year. "Seasonal use machinery" is limited to machinery, equipment, and implements used exclusively for planting only, row crop cultivating only, or harvesting only. "Seasonal use machinery" does not include a tractor or tillage equipment used for general farm use.

Subd. 2. [PROCEDURE TO ENFORCE DEBT.] If a debt is secured by a purchase money security interest in agricultural property that is seasonal use machinery, and under other provisions of the farmer-lender mediation act the creditor is prohibited from enforcing the debt during the period the machinery is normally used, the creditor may begin to enforce the debt against the seasonal use machinery after serving a notice on the debtor and the other creditors subject to the mediation proceeding. In the notice, the creditor must specify the payments to be made by the debtor to retain use of the machinery.

Sec. 9. Minnesota Statutes 1986, section 583.24, subdivision 1, is amended to read:

Subdivision 1. [CREDITORS.] (a) The farmer-lender mediation act applies to creditors who are owed debts subject to the farmer-lender mediation act and are:

- (1) the United States or an agency of the United States;
- (2) corporations, partnerships, and other business entities; and
- (3) individuals.

(b) The farmer-lender mediation act does not apply to creditors of a

debtor described under subdivision 2, paragraph (b).

Sec. 10. Minnesota Statutes 1986, section 583.24, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL INSTITUTION UNDER CEASE AND DESIST ORDER.] (a) Upon the request of an institution, as defined in section 46.23, subdivision 4, the commissioner of commerce may exempt the institution from the farmer-lender mediation act without a hearing or contested case proceeding if:

(1) the institution is subject to a cease and desist order issued under sections 46.23 to 46.33; and

(2) the commissioner determines that exemption is essential to the financial survival of the institution.

(b) The commissioner shall notify the director that the institution is exempt from mediation. The director shall notify the mediator that the institution is exempt. The reason for the exemption is confidential.

Sec. 11. Minnesota Statutes 1986, section 583.24, is amended by adding a subdivision to read:

Subd. 4. [DEBTS.] (a) *The farmer-lender mediation act does not apply to a debt:*

(1) *for which a proof of claim form has been filed in bankruptcy by a creditor or that was listed as a scheduled debt, of a debtor who has filed a petition in bankruptcy after the effective date of this act under United States Code, title 11, chapters 7, 11, 12, or 13;*

(2) *if the debt was in default when the creditor received a mediation proceeding notice under the farmer-lender mediation act and the creditor filed a claim form and has signed a termination statement;*

(3) *for which the creditor has served a mediation notice, the debtor has failed to make a timely request for mediation, and within 30 days after the debtor failed to make a timely request the creditor began a proceeding to enforce the debt against the agricultural property of the debtor;*

(4) *for which a creditor has received a mediation proceeding notice and the creditor and debtor have signed a mediation agreement; or*

(5) *secured by agricultural property of debtor if the agricultural property is leased to a relative of the debtor or the debtor's spouse within the third degree of kindred according to civil law.*

(b) *For purposes of paragraph (a), clause (3), providing a copy of a forbearance policy is considered beginning a proceeding to enforce a debt if the board of an institution has adopted a forbearance policy that provides for deferring or rescheduling payments of principal or interest, renewal or extension of loan terms, reduction in the amount or rate of principal or interest due on a loan, or other similar actions, and requires that the debtor must receive a copy of the policy at least 20 days prior to loan acceleration or debt collection proceedings.*

Sec. 12. Minnesota Statutes 1986, section 583.26, subdivision 1, is amended to read:

Subdivision 1. [MEDIATION NOTICE.] (a) A creditor desiring to start a proceeding to enforce a debt against agricultural property under chapter 580 or 581

or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property, must serve an applicable mediation notice under sections 336.9-501, 550.365, 559.209, and 581.015 on the debtor and the director. *The creditor must also file with the director proof of the date the mediation notice was served on the debtor.* The creditor may not begin the proceeding until the creditor and debtor have completed mediation 90 days after the date the debtor and the director are served the applicable mediation notice for the mediation proceeding or as allowed under sections ~~583.20 to 583.32~~ subdivisions 2 and 5. *The date the debtor and the director have been served the applicable mediation notice means the date by which both the debtor and the director have been served the applicable mediation notice.*

(b) The director shall combine more than one mediation notice for the same debtor into one mediation proceeding.

Sec. 13. Minnesota Statutes 1986, section 583.26, subdivision 2, is amended to read:

Subd. 2. [MEDIATION REQUEST.] (a) *To be eligible for mediation* a debtor must file a mediation request form with the director by 14 days after receiving a mediation notice. The mediation request form must state all known creditors with debts secured by agricultural property and may state unsecured creditors that are necessary for the farm operation of the debtor. *The mediation request must state the date that the notice was served on the debtor.* The director shall make mediation request forms available in the county recorder's and county extension office of each county.

(b) Except as provided in section 583.24, subdivision 4, paragraph (a), clause (3), a debtor who fails to file a timely mediation request waives the right to mediation for that debt under the farmer-lender mediation act. The director shall notify a the creditor who served the mediation notice stating that the creditor may proceed against the agricultural property because the debtor has failed to file a mediation request.

(c) If a debtor has not received a mediation notice and is subject to a proceeding of a creditor enforcing a debt against agricultural property under chapter 580 or 581 or sections 336.9-501 to 336.9-508, terminating a contract for deed to purchase agricultural property under section 559.21, or garnishing, levying on, executing on, seizing, or attaching agricultural property, the debtor may file a mediation request with the director. The mediation request form must indicate that the debtor has not received a mediation notice.

Sec. 14. Minnesota Statutes 1986, section 583.26, subdivision 3, is amended to read:

Subd. 3. [~~CREDIT FINANCIAL ANALYST AND FARM ADVOCATE.~~] (a) *Within three business days* after receiving a mediation ~~notice~~ request, the director shall provide a ~~credit~~ financial analyst knowledgeable in agricultural and financial matters to meet with the debtor and assure that information relative to the finances of the debtor is prepared for the initial mediation meeting. *The financial analyst must verify that the debtor has prepared a current balance sheet, a current inventory of farm assets, a farm operating plan, and input forms for a cash flow analysis developed through the use of a FINPAC or similar cash flow analysis computer program. The financial analyst must forward the verification to the mediator.*

(b) After receiving the mediation notice, the director shall notify the debtor that a farm advocate may be available without charge to assist the debtor and the

credit financial analyst.

Sec. 15. Minnesota Statutes 1986, section 583.26, subdivision 4, is amended to read:

Subd. 4. ~~[INITIAL MEDIATION MEETING PROCEEDING NOTICE.]~~ (a) By ~~ten~~ *five business days* after receiving a mediation request, the director shall send: (1) a mediation ~~meeting proceeding~~ *meeting proceeding* notice to the debtor; ~~and~~ (2) a mediation ~~meeting proceeding~~ *meeting proceeding* notice to all creditors listed by the debtor in the mediation request; and (3) a claim form to all ~~known~~ *secured* creditors ~~of~~ *listed by* the debtor.

(b) ~~The mediation meeting notice must include a time and place for an initial mediation meeting between the debtor, all known creditors of the debtor, and a list of three mediators. An initial mediation meeting must be held within 20 days of the notice proceeding notice must state:~~

- (1) *the name and address of the debtor;*
- (2) *that the debtor has requested mediation under the farmer-lender mediation act;*
- (3) *that the debtor has been provided with a financial analyst to prepare financial information related to the debtor's farm operation;*
- (4) *that the mediator assigned to the proceeding will notify the creditors of the first mediation meeting after the financial analyst certifies that the debtor's financial information has been prepared;*
- (5) *a list of the names of three mediators that may be assigned to the proceeding;*
- (6) *that the debtor and each creditor may request the director to exclude one mediator by notifying the director within three days after receiving the notice;*
- (7) *that in lieu of having a mediator assigned by the director, the debtor and any one or more of the creditors may agree to select and pay for a professional mediator that is approved by the director;*
- (8) *the date the first mediation notice of this proceeding was served on the debtor and the director;*
- (9) *that the farmer-lender mediation act prohibits the creditor from beginning or continuing a proceeding to enforce the debt against agricultural property for 90 days after the date the first mediation notice was served on the debtor unless otherwise allowed; and*
- (10) *that the creditor must provide the debtor by the first mediation meeting with copies of notes and contracts for debts subject to the farmer-lender mediation act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal balance, the creditor's value of the collateral, and debt restructuring programs available by the creditor.*

(c) Each creditor and the debtor may request the director to exclude one mediator from the list by sending the director a notice to ~~such effect~~ *exclude the mediator* within three days after receiving the mediation meeting notice. ~~In the event that~~ *If* requests from the creditors to remove mediators from the list would result in the exclusion of all of the remaining mediators, the director shall appoint the mediator not excluded by the creditor owed the largest debt. ~~In the event that a~~ *If* the debtor and ~~creditor~~ *a majority of the creditors* request the same mediator, the director shall ~~appoint~~ *assign* that mediator. *In other cases the director has the discretion to assign a mediator for the proceeding from the list. If a mediator is unable to complete a mediation proceeding, the director*

shall assign a mediator to the proceeding.

(d) In lieu of the director assigning a mediator, the debtor and any one or more of the creditors may agree to select and pay for a professional mediator for the mediation proceeding. The director must approve the professional mediator before the professional mediator may be assigned to the mediation proceeding. The professional mediator may not be approved unless the professional mediator acknowledges an affidavit:

(1) disclosing any biases, relationships, or previous associations with the debtor or creditors subject to the mediation proceedings;

(2) stating certifications, training, or qualifications as a professional mediator;

(3) disclosing fees to be charged or a rate schedule of fees for the mediation proceeding; and

(4) affirming to uphold the farmer-lender mediation act and faithfully discharge the duties of a mediator.

(e) A creditor must return a claim form if the debt is not subject to the farmer-lender mediation act and specify why the debt is not subject to sections 583.20 to 583.32.

Sec. 16. Minnesota Statutes 1986, section 583.26, subdivision 5, is amended to read:

Subd. 5. [EFFECT OF MEDIATION MEETING PROCEEDING NOTICE.]

(a) Except as provided in ~~paragraph~~ paragraphs (b), (c), and (d), if a creditor receives a mediation ~~meeting~~ proceeding notice under subdivision 4 the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt subject to the farmer-lender mediation act against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property. ~~Time periods under and affecting those procedures stop running until (1) 90 days after the initiation of date the debtor and the director are served the first mediation, or (2) a mediation agreement is reached~~ notice under subdivision 1 for the mediation proceeding.

(b) Except as provided in paragraphs (d) and (e), if a creditor is an agency of the United States and receives a mediation meeting notice under subdivision 4, the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property. ~~Time periods under and affecting those procedures stop running until (1) 180 days after the initiation of mediation, or (2) a mediation agreement is reached~~ date the debtor and the director are served the first mediation notice under subdivision 1 for the mediation proceeding.

(c) For a proceeding to enforce a debt against the agricultural property of a debtor that is stayed under paragraph (a) or (b), the proceeding is stayed at the point it is at when the creditor receives the mediation proceeding notice and time periods under the proceeding are tolled until the creditor can enforce the debt under the farmer-lender mediation act. The creditor may continue the proceeding at the point it was interrupted except if the proceeding was subject to the jurisdiction of a court, the court may determine whether the proceeding should be begun again or commenced from the point it was interrupted.

(d) Notwithstanding paragraphs (a) and (b) or section 583.26, subdivision 1, a creditor receiving a mediation proceeding notice may begin proceedings to enforce a debt against agricultural property of the debtor:

(1) at the time the creditor receives a mediator's affidavit of the debtor's lack of good faith under section 583.27;

(2) five days after the date the debtor and creditor sign an agreement allowing the creditor to proceed to enforce the debt against agricultural property if the debtor has not rescinded the agreement within the five days; or

(3) as provided in section 8 if the agricultural property is seasonal use machinery.

(e) The provisions of this subdivision are subject to:

(1) subdivision 10 relating to increasing or decreasing the time before a creditor can begin a proceeding if a termination statement is not signed;

(2) section 583.27 relating to extension or reduction in the period before a creditor may begin to enforce a debt and court supervised mediation; and

(3) section 583.28 relating to additional mediation after objections.

(f) A creditor receiving a mediation notice must provide the debtor by the first mediation meeting with copies of notes and contracts for debts subject to the farmer-lender mediation act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal balance, a creditor's value of the collateral, and debt restructuring programs available by the creditor.

Sec. 17. Minnesota Statutes 1986, section 583.26, subdivision 6, is amended to read:

Subd. 6. [DUTIES OF MEDIATOR.] (a) As soon as possible after the mediator has received verification from the debtor's financial analyst that financial information has been prepared the mediator shall notify the debtor and creditors of the first mediation meeting. If the mediator is a professional mediator, a copy of the professional mediator's affidavit must be enclosed with the notice.

(b) At the initial mediation meeting and subsequent meetings, the mediator shall:

(1) listen to the debtor and the creditors desiring to be heard;

(2) attempt to mediate between the debtor and the creditors;

(3) advise the debtor and creditors of assistance programs available;

(4) attempt to arrive at an agreement to fairly adjust, refinance, or pay the debts; and

(5) advise, counsel, and assist the debtor and creditors in attempting to arrive at an agreement for the future conduct of financial relations among them.

Sec. 18. Minnesota Statutes 1986, section 583.26, subdivision 8, is amended to read:

Subd. 8. [MEDIATION PERIOD.] The mediator may call mediation meetings during the mediation period, which is up to ~~60~~ 85 days after the ~~initial date the debtor and the director are served the first mediation meeting notice under subdivision 1 for the mediation proceeding.~~

Sec. 19. Minnesota Statutes 1986, section 583.26, subdivision 9, is amended to read:

Subd. 9. [MEDIATION AGREEMENT.] (a) If an agreement is reached among

the debtor and creditors the mediator shall ~~draft~~ *approve* a written mediation agreement, have it signed by the *debtor and* creditors, and, if applicable, submit the agreement to the Minnesota rural finance administration for approval of debt restructuring.

(b) The debtor and creditors who are parties to the approved mediation agreement and creditors who have filed claim forms and have not objected to the mediation agreement:

- (1) are bound by the terms of the agreement;
- (2) may enforce the mediation agreement as a legal contract; and
- (3) may use the mediation agreement as a defense against an action contrary to the mediation agreement.

(c) *A debtor may agree to allow a creditor to proceed to enforce a debt against agricultural property before the enforcement is otherwise allowed under subdivision 5, but the debtor and creditor may rescind the agreement within five business days after the debtor and particular creditor both sign the agreement.*

Sec. 20. Minnesota Statutes 1986, section 583.26, is amended by adding a subdivision to read:

Subd. 10. [END OF MEDIATION.] (a) The mediator, the debtor, and each secured creditor must sign a termination statement by the end of the mediation period.

(b) The mediator must prepare a termination statement that:

- (1) acknowledges that mediation has ended; and*
- (2) describes or references agreements reached between the creditor signing the termination statement and debtor, if any, and agreements reached among creditors, if any.*

(c) Mediation agreements may be included as part of the termination statement.

(d) A termination statement is not required to be signed if an affidavit of lack of good faith is filed by the mediator.

(e) If a creditor fails to sign a termination statement, the creditor may not begin a proceeding to enforce a debt against agricultural property of the debtor until 15 days after the date the creditor would otherwise be allowed to begin the proceeding under the farmer-lender mediation act.

(f) If a debtor fails to sign a termination statement the creditor may begin a proceeding to enforce a debt against agricultural property of the debtor 15 days before the creditor would otherwise be allowed to begin the proceeding under the farmer-lender mediation act.

Sec. 21. Minnesota Statutes 1986, section 583.27, subdivision 1, is amended to read:

Subdivision 1. [OBLIGATION OF GOOD FAITH.] *(a) The parties must engage in mediation in good faith. Not participating in good faith includes: (1) a failure on a regular or continuing basis to attend and participate in mediation sessions without cause; (2) failure to provide full information regarding the financial obligations of the parties and other creditors; (3) failure of the creditor to designate a representative to participate in the mediation with authority to make binding commitments within one business day to fully settle, compromise, or otherwise mediate the matter; (4) lack of a written statement of debt restructuring alternatives and a statement of reasons why alternatives are un-*

acceptable to one of the parties; (5) failure of a creditor to release funds from the sale of farm products to the debtor for necessary living and farm operating expenses; or (6) other similar behavior which evidences lack of good faith by the party. A failure to agree to reduce, restructure, refinance, or forgive debt does not, in itself, evidence lack of good faith by the creditor.

(b) The creditor is only required to release necessary living expenses if the debtor has less off-farm income than the amount equal to the amount that the debtor's family would be entitled to if eligible for payments under section 256.74.

(c) If the debtor and creditor do not agree on the amount of necessary living expenses to be released, the debtor or creditor may petition conciliation court in the county of the debtor's residence to make a determination of the amount to be released. The conciliation court must make the determination within ten days after receiving the petition.

(d) If the debtor and creditors do not agree on the amount of necessary operating expenses or necessary living and operating expenses to be released, the debtor or a creditor requested to release necessary living or operating expenses may petition the district court of the debtor's residence to make a determination of the amount to be released. The court shall hear and make a determination of the amount of living and operating expenses to be released within ten days after receiving the petition. The court shall also add or subtract up to ten days to the time when the creditor can begin to enforce a proceeding to collect the debt against agricultural property of the debtor and assess costs, including any attorney fees among the parties to the court proceeding. The court shall equitably adjust the time to begin a creditor's proceeding and the assessment of costs based on the parties' good faith claim to the amount of living and operating expenses to be released.

Sec. 22. Minnesota Statutes 1986, section 583.27, subdivision 3, is amended to read:

Subd. 3. [CREDITOR'S LACK OF GOOD FAITH; COURT SUPERVISED MEDIATION.] If the mediator finds the creditor has not participated in mediation in good faith, the debtor may require court supervised mandatory mediation by filing the affidavit with the district court of the county ~~where the property is located~~ of the debtor's residence with a request for court supervision of mediation and serving a copy of the request on the creditor. Upon request the court shall require both parties to mediate under the supervision of the court in good faith for a period of not more than 60 days. All creditor remedies must be suspended during this period. The court may issue orders necessary to effect good faith mediation. Following the mediation period, if the court finds the creditor has not participated in mediation in good faith, the court shall by order suspend the creditor's remedies for an additional period of 180 days. A creditor found by the mediator not to have participated in good faith shall pay attorneys' fees and costs of the debtor requesting court-supervision of mediation or additional suspension of creditor's remedies.

Sec. 23. Minnesota Statutes 1986, section 583.27, subdivision 4, is amended to read:

Subd. 4. [DEBTOR LACK OF GOOD FAITH.] *(a) A debtor is not mediating in good faith if the debtor with an intent to defraud conceals, removes, or transfers agricultural property in which the debtor knows there is a security interest. The concealing, removing, or transferring must be in violation of a security agreement without remitting the proceeds to the secured party and must have occurred within 24 months prior to the mediation period or during the media-*

tion period.

(b) A creditor may immediately proceed with creditor's remedies upon receipt of a mediator's affidavit of a debtor's lack of good faith notwithstanding any other requirements of sections 583.20 to 583.32.

Sec. 24. Minnesota Statutes 1986, section 583.28, is amended to read:

583.28 [CREDITOR NOT ATTENDING MEDIATION MEETING.]

Subdivision 1. [FILING AND EFFECT OF CLAIM FORM.] A creditor that is notified of the ~~initial mediation meeting proceeding~~ is subject to and bound by a mediation agreement if the creditor does not attend mediation meetings unless the creditor files a claim form. In lieu of attending a mediation meeting, a creditor may file a notice of claim and proof of claim on a claim form with the mediator before the scheduled meeting. By filing a claim form the creditor agrees to be bound by a mediation agreement reached at the mediation meeting unless an objection is filed within the time specified. The mediator must notify the creditors who have filed claim forms of the terms of any agreement.

Subd. 2. [OBJECTIONS TO AGREEMENTS.] A creditor who has filed a claim form may serve a written objection to the terms of the agreement on the mediator and the debtor within ten days after receiving notice of the agreement. If a creditor files an objection to the terms of an agreement, the mediator shall meet again with debtors and creditors within ten days after receiving the objection to mediate a new agreement. Notwithstanding the mediation period under section 583.26, subdivision 8, if an objection is filed, the mediator shall call mediation meetings during the ten-day period following receipt of the objection, *except that the mediation period must end by 90 days after the date the debtor and director are served with the first mediation notice under section 583.26, subdivision 1, for the mediation proceeding.*

Sec. 25. [583.284] [RETENTION OF PURCHASE MONEY SECURITY INTEREST.]

If a creditor has a purchase money security interest as defined in section 336.9-107, and renegotiates the debt under the farmer-lender mediation act to reduce the principal balance or the interest rate or to extend the repayment period, the creditor retains the purchase money security interest for the renegotiated debt.

Sec. 26. Minnesota Statutes 1986, section 583.285, is amended to read:

583.285 [RULES.]

~~The state court administrator~~ *commissioner of agriculture*, in consultation with the director of the bureau of mediation services and the director of the University of Minnesota agricultural extension service, shall make rules under chapter 14, to implement the farmer-lender mediation act. ~~The state court administrator~~ *commissioner of agriculture* may adopt emergency rules.

Sec. 27. [583.33] [NOTIFICATION OF MEDIATION RIGHTS.]

The director of Minnesota extension, county extension agents, farm advocates, commissioner of agriculture, family farm law project, and the attorney general's office must make all reasonable efforts to notify farm debtors of mediation available under the farmer-lender mediation act including:

(1) *if a debtor has not received a mediation notice and is subject to a proceeding of a creditor to enforce a debt of any amount against agricultural property of the debtor, the debtor may file a mediation request and is entitled to have debts mediated as provided under section 583.26, subdivision 2, paragraph*

(c); and

(2) that all debts secured by agricultural property regardless of amount are subject to mediation under the farmer-lender mediation act unless exempted under section 583.24, subdivision 4.

Sec. 28. [INSTRUCTION TO REVISOR.]

The revisor shall renumber section 581.015 as section 582.039 and make all corresponding changes to cross references.

Sec. 29. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; clarifying and amending the farmer-lender mediation act; amending Minnesota Statutes 1986, sections 336.9-501; 550.365; 559.209; 581.015; 583.22, subdivisions 2 and 8, and by adding a subdivision; 583.24, subdivisions 1, 3, and by adding a subdivision; 583.26, subdivisions 1, 2, 3, 4, 5, 6, 8, 9, and by adding a subdivision; 583.27, subdivisions 1, 3, and 4; 583.28; and 583.285; proposing coding for new law in Minnesota Statutes, chapter 583."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 25 and 89 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the names of Messrs. Davis and Peterson, R.W. be added as co-authors to S.F. No. 22. The motion prevailed.

Ms. Berglin moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 242. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 333. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 334. The motion prevailed.

Mr. Pehler moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 350. The motion prevailed.

Mr. Solon moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 358. The motion prevailed.

Mr. Willet moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 362. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 365. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 385. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Beckman and Vickerman be added as co-authors to S.F. No. 404. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Beckman be added as a co-

author to S.F. No. 426. The motion prevailed.

Mr. Moe, D.M. moved that the name of Mr. Frank be added as a co-author to S.F. No. 432. The motion prevailed.

Mr. Knutson moved that the names of Messrs. Benson and Merriam be added as co-authors to S.F. No. 437. The motion prevailed.

Messrs. Vickerman; Frederickson, D.J.; Beckman and Morse introduced—

Senate Resolution No. 29: A Senate resolution congratulating Slayton Elementary School for receiving the Minnesota School of Excellence Award.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Concurrent Resolution No. 5: A Senate concurrent resolution directing an interim study of the problems of the rural emergency medical system in Minnesota.

Referred to the Committee on Rules and Administration.

CALENDAR

S.F. No. 168: A bill for an act relating to human rights; clarifying certain provisions relating to discrimination in the extension of credit because of sex or marital status; amending Minnesota Statutes 1986, section 363.03, subdivision 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Morse	Schmitz
Anderson	DeCramer	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Lessard	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Bertram	Johnson, D.E.	Marty	Piper	Wegscheid
Brandl	Johnson, D.J.	McQuaid	Pogemiller	
Chmielewski	Jude	Mehrkens	Purfeerst	
Cohen	Knaak	Merriam	Ramstad	
Dahl	Knutson	Moe, R.D.	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 62: A bill for an act relating to agriculture; appropriating money for a deficiency in the interest rate buy-down program.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Laidig	Novak	Spear
Anderson	Diessner	Langseth	Olson	Storm
Benson	Frank	Lantry	Pehler	Stumpf
Berg	Frederickson, D.J.	Lessard	Peterson, D.C.	Vickerman
Berglin	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Bernhagen	Gustafson	Marty	Piper	Wegscheid
Bertram	Johnson, D.E.	McQuaid	Pogemiller	
Brandl	Johnson, D.J.	Mehrkens	Purfeerst	
Chmielewski	Jude	Merriam	Ramstad	
Cohen	Knaak	Moe, D.M.	Reichgott	
Dahl	Knutson	Moe, R.D.	Samuelson	
Davis	Kroening	Morse	Schmitz	

So the bill passed and its title was agreed to.

S.F. No. 87: A bill for an act relating to tort claims; including the state agricultural society in the definition of state; amending Minnesota Statutes 1986, section 3.732, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Moe, D.M.	Reichgott
Anderson	Diessner	Kroening	Moe, R.D.	Samuelson
Benson	Frank	Laidig	Morse	Schmitz
Berglin	Frederickson, D.J.	Langseth	Novak	Solon
Bernhagen	Frederickson, D.R.	Lantry	Olson	Spear
Bertram	Gustafson	Lessard	Pehler	Storm
Brandl	Johnson, D.E.	Luther	Peterson, D.C.	Stumpf
Chmielewski	Johnson, D.J.	Marty	Piper	Vickerman
Cohen	Jude	McQuaid	Pogemiller	Waldorf
Dahl	Knaak	Mehrkens	Purfeerst	Wegscheid
Davis		Merriam	Ramstad	

Mr. Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

S.F. Nos. 155, 137, 59, 211, 38, 161, 123 and H.F. Nos. 66 and 34, which the committee recommends to pass.

On motion of Mr. Luther, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Jude; Wegscheid; Cohen; Peterson, R.W. and Laidig introduced—

S.F. No. 446: A bill for an act relating to civil actions; limitations on commencement of actions; providing for the limitation of actions before administrative agencies; amending Minnesota Statutes 1986, section 541.01.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.R.; Frank; Renneke; Jude and Schmitz introduced—

S.F. No. 447: A bill for an act relating to collection and dissemination of data; allowing law enforcement agencies to release the date of birth of persons involved in traffic accidents; amending Minnesota Statutes 1986, section 169.09, subdivision 13.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.R.; Peterson, R.W.; Luther; Renneke and Knutson introduced—

S.F. No. 448: A bill for an act relating to judgments; clarifying the procedure and cost for filing foreign judgments; clarifying the procedure to be used in securing a judgment and execution; amending Minnesota Statutes 1986, sections 548.27; 548.30; 549.09; and 550.04.

Referred to the Committee on Judiciary.

Messrs. Stumpf; Lessard; DeCramer; Johnson, D.E. and Merriam introduced—

S.F. No. 449: A bill for an act relating to transportation; railroads; requiring occupied caboose car on certain trains; requiring caboose car to be equipped with shortwave radio; imposing a penalty; amending Minnesota Statutes 1986, section 219.56; proposing coding for new law in Minnesota Statutes, chapter 219.

Referred to the Committee on Transportation.

Messrs. Pehler, Stumpf, Morse, Knaak and Berg introduced—

S.F. No. 450: A bill for an act relating to natural resources; changing certain provisions relating to state park motor vehicle permits; amending Minnesota Statutes 1986, section 85.05, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C.; Mr. Purfeerst, Mrs. Lantry, Messrs. Novak and Ramstad introduced—

S.F. No. 451: A bill for an act relating to traffic regulations; providing for handicapped license plate and handicapped parking certificate conferring certain parking privileges; establishing designated handicapped parking spaces; providing penalties; amending Minnesota Statutes 1986, sections 168.021, subdivisions 1, 1a, 3, and 5; 169.345; and 169.346, subdivisions 1 and 3; repealing Minnesota Statutes 1986, section 168.021, subdivision 7.

Referred to the Committee on Transportation.

Mr. DeCramer, Ms. Reichgott, Messrs. Frederickson, D.J.; Johnson, D.E. and Hughes introduced—

S.F. No. 452: A bill for an act relating to education; expanding the higher education coordinating board's career guidance program; changing membership on the career guidance advisory task force; appropriating money; amending Minnesota Statutes 1986, sections 136A.85; 136A.86, subdivision 1; and 136A.87.

Referred to the Committee on Education.

Messrs. Kroening and Solon introduced—

S.F. No. 453: A bill for an act relating to state government; providing for chiropractic positions in state government civil service; providing for the provision of chiropractic services; proposing coding for new law in Minnesota Statutes, chapters 43A and 148.

Referred to the Committee on Governmental Operations.

Messrs. Berg and Lessard introduced—

S.F. No. 454: A bill for an act relating to game and fish; requiring seizure of motor vehicles used to transport illegally snared animals; allowing the commissioner to set the number of days for the open season for otter; restricting the hours of trapping on the first day of the open season; allowing traps to be set within 30 feet of open water before the mink and muskrat season; allowing persons to use lights and small firearms while trapping bears; amending Minnesota Statutes 1986, sections 97A.225, subdivision 1; 97B.075; 97B.081; 97B.921; 97B.931; and 97B.945; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Mr. Spear introduced—

S.F. No. 455: A bill for an act relating to crimes; repealing the requirement that the department of public safety must keep a record of all first convictions for the crime of possessing a small amount of marijuana; amending Minnesota Statutes 1986, section 152.15, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Spear introduced—

S.F. No. 456: A bill for an act relating to controlled substances; prescribing "small amount" of marijuana; clarifying certain Schedule II controlled substances; amending Minnesota Statutes 1986, sections 152.01, subdivision 16; and 152.02, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Luther and Dahl introduced—

S.F. No. 457: A bill for an act relating to commerce; regulating collection agencies and those acting under the authority of a collection agency; providing cash deposits in lieu of the required bond; establishing prohibited practices; prescribing the enforcement powers of the commissioner; amending Minnesota Statutes 1986, sections 332.31, by adding a subdivision;

332.33; 332.34; 332.37; and 332.40, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 332.

Referred to the Committee on Commerce.

Messrs. Jude, Wegscheid, Luther, Ms. Peterson, D.C. and Mr. Knaak introduced—

S.F. No. 458: A bill for an act relating to crimes; defining measurement and purity requirements of controlled substances for criminal and tax law purposes; amending Minnesota Statutes 1986, sections 152.15, subdivision 1; 297D.01, subdivision 3; and 297D.07.

Referred to the Committee on Judiciary.

Messrs. Lessard, Wegscheid and Johnson, D.E. introduced—

S.F. No. 459: A bill for an act relating to the zoo board; exempting members of the board from filing statements of economic interest; amending Minnesota Statutes 1986, section 85A.01, by adding a subdivision.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Freeman, Mrs. Adkins, Messrs. Samuelson, Solon and Anderson introduced—

S.F. No. 460: A bill for an act relating to insurance; regulating funeral and burial expenses; allowing persons to select funeral or burial services and supplies of their choice; amending Minnesota Statutes 1986, section 72A.325.

Referred to the Committee on Commerce.

Mr. Willet introduced—

S.F. No. 461: A bill for an act relating to natural resources; changing certain provisions relating to the sale of state timber; eliminating laws relating to white pine blister rust control and cutting notices; amending Minnesota Statutes 1986, sections 90.101, subdivision 1; 90.121; 90.14; 90.151, subdivisions 1 and 13; 90.161, subdivision 1; 90.173; and 97A.205; repealing Minnesota Statutes 1986, sections 18.431 to 18.436 and 88.13.

Referred to the Committee on Environment and Natural Resources.

Mr. Cohen introduced—

S.F. No. 462: A bill for an act relating to marriage dissolution; providing a date for valuing marital assets; providing for partial distribution of marital assets; amending Minnesota Statutes 1986, section 518.58.

Referred to the Committee on Judiciary.

Messrs. Luther and Solon introduced—

S.F. No. 463: A bill for an act relating to commerce; regulating securities; restricting certain charges made by investment advisors and broker dealers; providing for the denial, suspension, and revocation of licenses and the censure of licensees; exempting the sale of certain stock of a closely-held corporation; exempting certain industrial revenue bond transactions; reg-

ulating real estate brokers and salespersons; prohibiting commission-splitting and rebating on timeshare and other recreational lands; providing for continuing education of brokers; regulating licensees acting as principals; regulating business corporations; providing for the indemnification of certain persons against expenses and liabilities; regulating abandoned property; establishing a presumption of abandonment for certain profits or sums held by a cooperative; regulating the preparation and retention of abstracts of title to real property; transferring the powers and duties of the commissioner for the regulation of social and charitable organizations to the attorney general; amending Minnesota Statutes 1986, sections 80A.06, subdivision 5; 80A.07, subdivision 1; 80A.14, subdivision 18; 80A.15, subdivision 2; 82.17, subdivision 4; 82.19, subdivision 3; 82.21, subdivision 1; 82.22, subdivision 6; 82.24, subdivision 2; 82.34, subdivision 19; 302A.161, subdivision 22; 345.39; 386.375; and 302A.521, by adding a subdivision; repealing Minnesota Statutes 1986, section 309.55.

Referred to the Committee on Commerce.

Mr. Wegscheid introduced—

S.F. No. 464: A bill for an act relating to natural resources; authorizing counties to retain certain fees for the issuance of cross country ski licenses; amending Minnesota Statutes 1986, section 85.41, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Vickerman, Pehler and Wegscheid introduced—

S.F. No. 465: A bill for an act relating to transportation; providing for reduced speeds in work zones; providing for payment of administrative, filing, and plate fees; restricting unauthorized use of motor vehicles on public airport property; describing prohibited acts against aircraft; defining peace officer; describing qualifications for aircraft dealers license; amending Minnesota Statutes 1986, sections 168.012, subdivision 1c; 169.14, by adding a subdivision; 360.018, subdivision 6, and by adding a subdivision; 360.075, subdivision 1; 360.0751, subdivision 1; and 360.63, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Kroening, Waldorf and Solon introduced—

S.F. No. 466: A bill for an act relating to elections; prohibiting cities of the first class from changing their voting systems without demonstrating the effectiveness of a proposed new system; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on Elections and Ethics.

Mr. Pogemiller, Mmes. Lantry, McQuaid and Mr. Bertram introduced—

S.F. No. 467: A bill for an act relating to charitable gambling; requiring the board to pay a percentage of the gross receipts tax to local units of government for enforcement purposes; amending Minnesota Statutes 1986, section 349.212, subdivision 2.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Dicklich; Moe, R.D.; Ramstad; Beckman and Ms. Reichgott introduced—

S.F. No. 468: A bill for an act relating to state government; appropriating money to fund a nonprofit institute for invention and innovation; proposing coding for new law in Minnesota Statutes, chapter 138.

Referred to the Committee on Economic Development and Housing.

Mr. DeCramer introduced—

S.F. No. 469: A bill for an act relating to public safety; motorized bicycles; establishing standards for the safe operation of motorized bicycles; amending Minnesota Statutes 1986, sections 65B.001, by adding a subdivision; 65B.43, subdivision 13; 168.011, subdivision 27; 169.01, subdivision 4a; 169.223; 171.01, subdivision 20; and 171.02, subdivision 3.

Referred to the Committee on Transportation.

Messrs. Solon and Gustafson introduced—

S.F. No. 470: A bill for an act relating to the city of Duluth; authorizing the filing of the plat of Spirit Valley.

Referred to the Committee on Local and Urban Government.

Mrs. Lantry introduced—

S.F. No. 471: A bill for an act relating to taxation; property; expanding the eligibility of disabled property owners for the 1a property classification; amending Minnesota Statutes 1986, section 273.13, subdivision 22.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Waldorf, Merriam, Lessard, Taylor and Stumpf introduced—

S.F. No. 472: A bill for an act relating to environment; repealing the authority for certain fees charged by the pollution control agency; amending Minnesota Statutes 1986, section 115B.20, subdivision 4; repealing Minnesota Statutes 1986, sections 116.07, subdivision 4d; and 116.12.

Referred to the Committee on Environment and Natural Resources.

Messrs. Brandl, Marty, Stumpf, Willet and Larson introduced—

S.F. No. 473: A bill for an act relating to health; requiring a study and report to the legislature on the effects of exposure to low-level ionizing radiation.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 474: A bill for an act relating to motor vehicles; allowing tax-exempt license plates for vehicles owned by nonprofit charities and used for educational purposes; amending Minnesota Statutes 1986, section 168.012, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Davis, DeCramer and Pehler introduced—

S.F. No. 475: A bill for an act relating to agriculture; providing for the prevention of economic waste in the marketing of certain agricultural crops produced in Minnesota by establishing minimum prices; providing for supply management and orderly marketing, administration, and enforcement; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture.

Messrs. Davis, DeCramer, Pehler and Vickerman introduced—

S.F. No. 476: A bill for an act relating to agriculture; providing funds to be added by private contributions to establish an endowed chair at the University of Minnesota for a sustainable agriculture program; appropriating money.

Referred to the Committee on Agriculture.

Mr. Chmielewski introduced—

S.F. No. 477: A bill for an act relating to education; changing the isolated school aid formula; amending Minnesota Statutes 1986, section 124A.21.

Referred to the Committee on Education.

Messrs. Luther, Solon, Ms. Peterson, D.C.; Messrs. Spear and Cohen introduced—

S.F. No. 478: A bill for an act relating to insurance; requiring notification of group life or health coverage changes; imposing certain bond or securities requirements on workers compensation self-insurers; eliminating mandatory temporary insurance agent licenses; requiring those who solicit insurance to act as agent for the insured; regulating surplus lines insurance; regulating rates and forms; regulating insurance plan administrators; regulating the renewal, nonrenewal, and cancellation of commercial liability and property insurance policies; providing continued group life coverage upon termination or layoff; requiring an assignment of reinsurance rights upon insolvency; providing for the establishment and operation of the insurance guaranty association and the life and health guaranty association; regulating accident and health insurance; providing for the extraterritorial application of coverages; prohibiting duplicate coverages; requiring the treatment of pregnancy-related conditions in the same manner as other illnesses; mandating certain coverages; clarifying coverage for handicapped dependents; providing continued group accident and health coverage upon termination or layoff; requiring coverage of current spouse and children; imposing surety bond requirements on certain health benefit plans; regulating Medicare supplement plan premium refunds; authorizing the renewal of certain long-term health policies; providing for the establishment and operation of the comprehensive health association and the joint underwriting association; providing comprehensive health insurance coverage for certain employees not eligible for Medicare; regulating fraternal benefit associations; regulating automobile insurance; limiting the cancellation of fire insurance binders and policies; providing for administration of the FAIR plan; requiring accident prevention course premium reductions; limiting the grounds for cancellation or reduction in limits during the policy period;

extending basic economic loss benefit protection; requiring coverages for former spouses; regulating collision damage waiver fees; specifying membership on the assigned claims bureau; extending no-fault benefits to pedestrians who are struck by motorcycles; regulating township mutual insurance companies; authorizing investments in certain insurers; regulating trade practices; requiring life and health insurers to substantiate the underwriting standards they use; providing assigned risk plan coverage for certain vehicles used by the handicapped; regulating motor vehicle repairs; granting immunity from liability for volunteer coaches, managers, and officials; prescribing penalties; amending Minnesota Statutes 1986, sections 45.024, subdivision 2; 60A.17, subdivisions 2c. 11. and 13; 60A.196; 60A.197; 60A.198, subdivision 3; 60A.23, subdivision 8; 60A.30; 60B.44, subdivisions 1, 4, 5, and 9; 60C.03, subdivision 8; 60C.08, subdivision 1; 60C.09; 60C.10, by adding a subdivision; 61B.05, subdivision 1; 62A.01; 62A.02, subdivision 2; 62A.03, by adding a subdivision; 62A.041; 62A.043, by adding a subdivision; 62A.141; 62A.146; 62A.17; 62A.21; 62A.43, subdivision 2; 62A.48, by adding a subdivision; 62E.10, subdivision 2; 62E.14, by adding a subdivision; 62H.04; 62I.02, by adding a subdivision; 62I.03, subdivision 5; 62I.04; 62I.16, subdivisions 3 and 4; 64B.11, subdivision 4; 64B.27; 65A.01, subdivision 3a; 65A.03, subdivision 1; 65A.10; 65A.29, by adding a subdivision; 65A.35, subdivision 5; 65B.03, subdivision 1; 65B.1311; 65B.15, subdivision 1; 65B.16; 65B.21, subdivision 2; 65B.28; 65B.46; 65B.63, subdivision 1; 67A.05, subdivision 2; 67A.06; 67A.231; 70A.04, subdivision 2; 70A.08, subdivision 3; 72A.20, subdivisions 11, 12a, and by adding a subdivision; 72A.51, subdivision 2; and 169.045, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 60A; 61A; 62A; 62E; 65B; and 604; repealing Minnesota Statutes 1986, sections 62F.04, subdivision 1a; 62I.02, subdivision 3; 67A.43, subdivision 3; and 466.07, subdivision 4; and Minnesota Rules, parts 2700.2400 to 2700.2440.

Referred to the Committee on Commerce.

Messrs. Solon and Gustafson introduced—

S.F. No. 479: A bill for an act relating to the city of Duluth; authorizing the issuance of bonds to purchase capital equipment; limiting the amount of the bonds.

Referred to the Committee on Local and Urban Government.

Messrs. Gustafson and Solon introduced—

S.F. No. 480: A bill for an act relating to the city of Duluth; authorizing the city to prepare, adopt, and amend design districts and a design framework to establish a design advisory committee, and to establish design review procedures to preserve and enhance the city's appearance and environmental quality.

Referred to the Committee on Local and Urban Government.

Mr. Stumpf introduced—

S.F. No. 481: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and waysides; abolishing Old Crossing Treaty State Wayside and Rice Lake State Wayside; amending Minnesota Statutes 1986, section 85.012, subdivision 57; repealing Min-

nesota Statutes 1986, sections 85.013, subdivisions 19 and 21a, and 138.55, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Messrs. Metzen, Solon, Frederick, Wegscheid and Luther introduced—

S.F. No. 482: A bill for an act relating to insurance; regulating terminations of certain agency contracts; requiring companies to attempt to rehabilitate agents before terminating their appointment; regulating these rehabilitation agreements; amending Minnesota Statutes 1986, section 60A.171, subdivisions 1, 3, and by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Hughes, DeCramer, Ms. Peterson, D.C.; Messrs. Pehler and Frederickson, D.J. introduced—

S.F. No. 483: A bill for an act relating to education; modifying the definitions of teachers and of supervisory and support personnel for the purpose of licensure; modifying the kinds of personnel licensed by the board of teaching and the state board of education; adding two post-secondary vocational teachers to the board of teaching; requiring the board of teaching to consider vocational education teacher licensure requirements adopted by the state board of vocational technical education; requiring that rules adopted by the board of teaching do not affect the validity of licenses of certain vocational personnel or the rights and privileges of the holders; amending Minnesota Statutes 1986, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; 125.183, subdivision 3; 125.185, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

Mr. Knaak introduced—

S.F. No. 484: A bill for an act relating to local government; providing for the use of certain city reserve funds; amending Minnesota Statutes 1986, section 471.572, subdivision 3.

Referred to the Committee on Local and Urban Government.

Mr. Knaak introduced—

S.F. No. 485: A bill for an act relating to the city of White Bear Lake; permitting the establishment of special service districts in the city and providing taxing and other authority.

Referred to the Committee on Local and Urban Government.

Messrs. Solon and Gustafson introduced—

S.F. No. 486: A bill for an act relating to improvement of the Lake Superior Zoological Gardens; appropriating funds from the state building fund for its improvement.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Luther; Moe, R.D.; Pogemiller; Hughes and Cohen introduced—

S.F. No. 487: A bill for an act relating to elections; changing certain voter registration procedures to increase voter participation; providing for a computerized central registration system, voter registration forms in state income tax forms and booklets, and a combined voter registration, driver's license, and identification card form; appropriating money; amending Minnesota Statutes 1986, sections 201.021; 201.054, subdivision 1; 201.061, subdivision 1; 201.071, subdivision 4; 201.081; 201.121, subdivision 1; 201.13; 201.15; 201.161; 201.171; 201.221, subdivision 2; 290.39, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 201.

Referred to the Committee on Elections and Ethics.

Mr. Frank introduced—

S.F. No. 488: A bill for an act relating to public utilities; energy; allowing nine months for public utilities commission to approve or deny certificate of need for large energy facility; providing for payment of fee and costs; providing for special account to pay for expenses; amending Minnesota Statutes 1986, section 216B.243, subdivisions 5 and 6.

Referred to the Committee on Public Utilities and Energy.

Messrs. Moe, D.M.; Wegscheid and Pogemiller introduced—

S.F. No. 489: A bill for an act relating to retirement; certain public retirement systems; setting age 62 as the normal retirement age; providing for actuarial reduction of benefits for early retirement; changing the retirement annuity formula; amending Minnesota Statutes 1986, sections 352.01, subdivisions 2B and 19; 352.113, subdivisions 1, 3, 4, 10, and 12; 352.115, subdivisions 2 and 3; 352.116, subdivisions 1 and 2; 352.72, subdivision 5; 352.91, subdivision 3; 352.95, subdivision 5; 353.29, subdivisions 1 and 3; 353.30, subdivision 1; 353.32, subdivision 1a; 353.33, subdivisions 1, 3, and 11; 353.34, subdivisions 3 and 3b; 353.71, subdivision 5; 354.44, subdivisions 6 and 7; 354.46, subdivision 1; 354.48, subdivisions 3 and 10; 354.49, subdivision 3; 354.55, subdivision 11; 354A.31, subdivisions 4, 5, and 6; 354A.36, subdivisions 3 and 10; 354A.37, subdivision 4; and 356.32, subdivision 1; repealing Minnesota Statutes 1986, section 353.30, subdivisions 1a, 1b, and 1c.

Referred to the Committee on Governmental Operations.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Johnson, D.E. moved that S.F. No. 114 be withdrawn from the Committee on Transportation and returned to its author. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 23, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTEENTH DAY

St. Paul, Minnesota, Monday, February 23, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Gordon Dahl.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	DeCramer	Knaak	Moe, D.M.	Renneke
Belanger	Dicklich	Knutson	Moe, R.D.	Samuelson
Benson	Diessner	Kroening	Morse	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederick	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brandl	Freeman	Luther	Peterson, R.W.	Vickerman
Brataas	Gustafson	Marty	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Larson and Schmitz were excused from the Session of today. Mr. Solon was excused from the Session of today at 3:15 p.m. Ms. Peterson, D.C. and Mr. Frederickson, D.R. were excused from the Session of today from 2:00 to 2:15 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of Animal Health is hereby respectfully submitted to the Senate for confirmation as required by law:

Jack Delaney, R.R. 1, Lake Benton, Lincoln County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in

January, 1991.

(Referred to the Committee on Agriculture.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of Animal Health is hereby respectfully submitted to the Senate for confirmation as required by law:

Herbert Halvorson, R.R. 2, Box 67, Hanska, Brown County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Agriculture.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Metropolitan Council is hereby respectfully submitted to the Senate for confirmation as required by law:

Michael W. McLaughlin, 275 Summit Ave., St. Paul, Ramsey County, has been appointed by me, effective January 20, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Local and Urban Government.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Metropolitan Council is hereby respectfully submitted to the Senate for confirmation as required by law:

Marcy Waritz, 1271 Bluff Creek Dr., Chaska, Carver County, has been appointed by me, effective January 20, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Local and Urban Government.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota Environmental Quality Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Barbara L. Hughes, 548 Rice Creek Terr., Fridley, Anoka County, has

been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Robert M. Tonra, 2601 S. Georgia Ave., St. Louis Park, Hennepin County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Environment and Natural Resources.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Higher Education Coordinating Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Celeste O'Donnell, 6320 Lookout Trl., Stillwater, Washington County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Higher Education Coordinating Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Duane C. Scribner, 49 Arthur Ave. S.E., Minneapolis, Hennepin County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Housing Finance Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Robert Worthington, 10326 Colorado Rd., Bloomington, Hennepin County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Economic Development and Housing.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board for Community Colleges is hereby respectfully submitted to the Senate for confirmation as required by law:

Clarence E. Harris, 2030 Fairview, Roseville, Ramsey County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board for Community Colleges is hereby respectfully submitted to the Senate for confirmation as required by law:

Ruth Herring, 109 - 14th Ave. S., Moorhead, Clay County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board for Community Colleges is hereby respectfully submitted to the Senate for confirmation as required by law:

Erin McCabe, 2121 - 3rd Ave. E., Hibbing, St. Louis County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board of Vocational Technical Education is hereby respectfully submitted to the Senate for confirmation as required by law:

FB. Daniel, 2056 Timmy St., Mendota Heights, Dakota County, has been

appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board of Vocational Technical Education is hereby respectfully submitted to the Senate for confirmation as required by law:

JoAnn Cardenas Enos, 149 Exeter Pl., St. Paul, Ramsey County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 92.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 19, 1987

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the Committee indicated.

H.F. No. 92: A bill for an act relating to taxation; providing for expenditure of proceeds of the taconite production tax; amending Minnesota Statutes 1986, sections 298.292; 298.293; 298.294; and 298.296, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 298; repealing Laws 1986, chapter 441, section 14.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 208: A bill for an act relating to occupations and professions; architects, engineers, land surveyors, and landscape architects; making certain technical changes related to certain licensing exceptions; amending Minnesota Statutes 1986, sections 326.03, subdivision 2; and 326.06.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 184: A bill for an act relating to utilities; trade practices; restricting use and connection of automatic dialing-announcing devices to telephone lines; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "6" and insert "5"

Page 1, lines 16 and 21, delete "*an individual*" and insert "*a person*"

Page 1, line 22, delete "*residential*"

Page 1, line 23, delete "*regulated by this state*"

Page 1, line 24, delete "*individual*" and insert "*person*"

Page 2, line 3, delete "*that delivers a prerecorded*"

Page 2, line 4, delete "*or synthesized voice message,*"

Page 2, line 7, delete "*introduces*" and insert "*obtains*" and after "*the*" insert "*subscriber's consent before the*"

Page 2, line 8, after "*message*" insert "*is delivered*" and delete "*the use of*" and insert "*a caller from using an*"

Page 2, line 9, delete "*devices*" and insert "*device*"

Page 2, line 10, delete "*or*" and insert a comma and after "*are*" insert "*required to attend school or are*"

Page 2, line 11, before the period, insert "*, or advising employees of work schedules*"

Page 2, line 19, before "*At*" insert "*Where the message is immediately preceded by a live operator, the operator must,*" and delete "*a prerecorded or synthesized*"

Page 2, line 20, delete everything before "*disclose*"

Page 2, line 24, delete "*and*"

Page 2, line 26, delete the period and insert "*; and*"

Page 2, delete lines 27 and 28 and insert:

"(4) if applicable, the fact that the message intends to solicit payment or commitment of funds."

Page 2, delete section 5

Page 2, line 33, delete "PENALTIES;"

Page 2, line 35, after "*remedies*" insert "*, including a private right of action to recover damages, as*"

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 148: A bill for an act relating to financial institutions; extending the EFT law to terminals located on the premises of a financial institution; amending Minnesota Statutes 1986, section 47.61, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, strike "an" and insert "*a customer-activated*"

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 1986, section 47.64, subdivision 1, is amended to read:

Subdivision 1. (a) Any person establishing and maintaining an electronic financial terminal *located separate and apart from a financial institution's principal office, branch, or detached facility* for use by one type of financial institution shall, upon written request, make its services available to any requesting financial institution of similar type on a fair, equitable and nondiscriminatory basis approved by the commissioner. A financial institution requesting use of an electronic financial terminal shall be permitted its use only if the financial institution conforms to reasonable technical operation standards which have been established by the electronic financial terminal provider as approved by the commissioner. For purposes of this subdivision, the types of financial institutions are: (a) commercial banks and mutual savings banks; (b) credit unions, industrial loan and thrift companies, and regulated lenders under chapter 56; and (c) savings and loan associations. The services of an electronic financial terminal may be made available to any type of financial institution. After March 1, 1979, or earlier if determined by the commissioner to be technically feasible, an electronic financial terminal which is used by or made available to one type of financial institution shall be made available, upon request, to other types of financial institutions on a fair, equitable and nondiscriminatory basis as approved by the commissioner. The charges required to be paid to any person establishing and maintaining an electronic financial terminal shall be related to an equitable proportion of the direct costs of establishing, operating, and maintaining the terminal plus a reasonable return on those costs to the owner of the terminal. The charges may provide for amortization of development costs and capital expenditures over a reasonable period of time.

(b) *Any person establishing and maintaining an electronic financial terminal located on and as a part of a financial institution's principal office, branch, or detached facility may, at the financial institution's option, (1) maintain the electronic financial terminal for the exclusive use of the financial institution's customers; (2) maintain the electronic financial terminal for the use of the financial institution's customers and make the electronic financial terminal available for other financial transactions selected by the financial institution to customers of any other requesting financial institution of similar type on a fair, equitable and nondiscriminatory basis approved by the commissioner; or (3) make all of the electronic financial terminal's services available to any requesting financial institution as provided in subdivision 1.*

Sec. 3. Minnesota Statutes 1986, section 47.64, subdivision 3, is amended to read:

Subd. 3. Any agreement or charge between a person establishing an electronic financial terminal and the person at whose location the terminal is established shall be upon such commercially reasonable terms and conditions as are agreed to by the parties. A person at whose location an electronic financial terminal is established and maintained may limit the kind of financial transaction functions which the terminal may perform; ~~but~~. *If the electronic financial terminal is not located on the premises of a financial institution's principal office, branch, or detached facility, the person shall make available upon request every financial transaction function which the terminal does perform to all financial institutions, their affiliates, or agents on a nondiscriminatory basis. A function involving either a bank credit card authorized pursuant to section 48.185 or other credit card authorized under any other similar open end consumer credit sales plan need not be made so available."*

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing options for a financial institution relating to the availability of an electronic fund terminal for other financial institutions;"

Page 1, line 5, delete "section" and insert "sections"

Page 1, line 5, after "3" insert "; 47.64, subdivisions 1 and 3"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 15: A bill for an act relating to human services; allowing recovery of medical assistance payments upon death of recipient; amending Minnesota Statutes 1986, Section 256B.15.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 314: A bill for an act relating to state investments; requiring the state board of investments to adopt an investment policy statement; authorizing state funds to be invested in certain securities; providing conditions of investment; amending Minnesota Statutes 1986, sections 11A.04; 11A.24, subdivisions 2, 3, 4, 5, and 6; and 11A.25.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 51: A bill for an act relating to health; requiring licensure of home care agencies; providing a home care bill of rights; providing a complaint procedure for home care clients; appropriating money; amending Minnesota Statutes 1986, sections 144.335, subdivision 1; 144.699, subdivision 2; 144A.51, subdivision 6, and by adding a subdivision; 144A.52, subdivision 3; 144A.53, subdivisions 1, 2, 3, and 4; 144A.54, subdivision

1; 256B.04, by adding a subdivision; 364.09; and 626.557, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 144.335, subdivision 1, is amended to read:

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

(a) “Patient” means a natural person who has received health care services from a provider for treatment of a medical, psychiatric or mental condition, or a person the patient designates in writing as a representative. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, “patient” includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) “Provider” means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapters 147, 148, 150A, 151 or 153; (2) a home care provider licensed under section 6; and (2) (3) a health care facility licensed pursuant to this chapter or chapter 144A.

Sec. 2. Minnesota Statutes 1986, section 144.699, subdivision 2, is amended to read:

Subd. 2. [FOSTERING PRICE COMPETITION.] The commissioner of health shall:

(a) Encourage hospitals, outpatient surgical centers, *home care providers*, and professionals regulated by the health related licensing boards as defined in section 214.01, subdivision 2, and by the commissioner of health under section 214.13, to publish prices for procedures and services that are representative of the diagnoses and conditions for which citizens of this state seek treatment.

(b) Analyze and disseminate available price information and analyses so as to foster the development of price competition among hospitals, outpatient surgical centers, *home care providers*, and health professionals.

Sec. 3. [144A.43] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *The definitions in this section apply to sections 3 to 8.*

Subd. 2. [COMMISSIONER.] “*Commissioner*” means the commissioner of health.

Subd. 3. [HOME CARE SERVICE.] “*Home care service*” means any of the following services when delivered in a place of residence to a person whose illness, disability, or physical condition creates a need for the service:

(1) *nursing services, including the services of a home health aide;*

(2) *personal care services not included under sections 148.171 to 148.299;*

(3) *physical therapy;*

(4) *speech therapy;*

- (5) *respiratory therapy;*
- (6) *occupational therapy;*
- (7) *nutritional services;*
- (8) *homemaker services, meal preparation, and similar services when provided to a person whose illness, disability, or physical condition creates a need for the service;*
- (9) *medical social services;*
- (10) *the provision of medical supplies and equipment when accompanied by the provision of a home care service;*
- (11) *the provision of hospice services as specified in section 8; and*
- (12) *other similar medical services and health-related support services identified by the commissioner in rule.*

Subd. 4. [HOME CARE PROVIDER.] "Home care provider" means an individual, organization, association, corporation, unit of government, or other entity that is regularly engaged in the delivery, directly or by contractual arrangement, of home care services for a fee. "Home care provider" does not include:

(1) any home care or nursing services conducted by and for the adherents of any recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing;

(2) an individual who only provides services to a relative;

(3) an individual not connected with a home care provider who provides homemaking or personal care services to not more than one person or family, if the services are provided primarily as a contribution and not as a business, as employment, or for substantial compensation; and compensation received for providing services is not the individual's primary source of income;

(4) an individual not connected with a home care provider who shares housing with and provides primarily housekeeping or homemaking services to an elderly or disabled person in return for free or reduced-cost housing;

(5) an individual or agency providing home-delivered meal services;

(6) an agency providing senior companion services and other older American volunteer programs established under the domestic volunteer service act of 1973, Public Law Number 98-288;

(7) an individual or agency that only provides chore or housekeeping services which do not involve the provision of home care services;

(8) a member of a professional corporation organized under sections 319A.01 to 319A.22 that does not regularly offer or provide home care services as defined in subdivision 3;

(9) the following organizations established to provide medical or surgical services that do not regularly offer or provide home care services as defined in subdivision 3: a business trust organized under sections 318.01 to 318.04, a nonprofit corporation organized under chapter 317, a partnership organized under chapter 323, or any other entity determined by the commissioner; or

(10) an individual licensed under chapter 147.

Sec. 4. [144A.44] [HOME CARE BILL OF RIGHTS.]

Subdivision 1. [STATEMENT OF RIGHTS.] A person who receives home care services has these rights:

(1) the right to receive written information about rights, including what to do if rights are violated;

(2) the right to receive care and services according to a suitable and up-to-date plan, and subject to accepted medical or nursing standards, to take an active part in creating and changing the plan and evaluating care and services;

(3) the right to be told about the services that are being provided or suggested, about other choices that are available, and about the consequences of these choices including the consequences of refusing these services;

(4) the right to refuse services or treatment;

(5) the right to know, in advance, any limits to the services available from a provider, whether the services are covered by health insurance, medical assistance, or other health programs, and the provider's grounds for a termination of services;

(6) the right to know what the charges are for services, no matter who will be paying the bill;

(7) the right to know that there may be other services available in the community, including other home care services and providers, and to know where to go for information about these services;

(8) the right to choose freely among available providers and to change providers after services have begun, within the limits of health insurance, medical assistance, or other health programs;

(9) the right to have personal, financial, and medical information kept private;

(10) the right to be allowed access to records and written information from records in accordance with section 144.335;

(11) the right to be served by people who are properly trained and competent to perform their duties;

(12) the right to be treated with courtesy and respect;

(13) the right to be free from physical and verbal abuse;

(14) the right to reasonable notice of changes in services or charges;

(15) the right to a coordinated transfer when there will be a change in the provider of services;

(16) the right to know how to contact an individual associated with the provider who is responsible for handling problems and the name and address of the state or county agency to contact for additional information or assistance; and

(17) the right to assert these rights without retaliation.

Subd. 2. [INTERPRETATION AND ENFORCEMENT OF RIGHTS.] These rights are established for the benefit of persons who receive home

care services. "Home care services" means home care services as defined in section 3, subdivision 3. A home care provider may not require a person to surrender these rights as a condition of receiving services. A guardian or conservator or, when there is no guardian or conservator, a designated person, may seek to enforce these rights. This statement of rights does not replace or diminish other rights and liberties that may exist relative to persons receiving home care services, persons providing home care services, or providers licensed under this act. A copy of these rights must be provided to an individual at the time home care services are initiated. The copy shall also contain the address and telephone number of the office of health facility complaints and a brief statement describing how to file a complaint with that office.

Sec. 5. [144A.45] [REGULATION OF HOME CARE SERVICES.]

Subdivision 1. [RULES.] The commissioner shall adopt rules for the regulation of home care providers pursuant to sections 3 to 8 and 14. The rules shall include the following:

(a) provisions to assure, to the extent possible, the health, safety and well-being, and appropriate treatment of persons who receive home care services;

(b) requirements that home care providers furnish the commissioner with specified information necessary to implement sections 3 to 8 and 14;

(c) standards of training of home care provider personnel, which may vary according to the nature of the services provided or the health status of the consumer;

(d) standards of supervision by a registered nurse of personnel providing home care services, which may vary according to the nature of the services provided or the health status of the consumer;

(e) requirements for the involvement of a consumer's physician, the documentation of physicians' orders and the consumer's treatment plan, and the maintenance of accurate, current clinical records;

(f) the establishment of different classes of licenses for different types of providers and different standards and requirements for different kinds of home care services; and

(g) operating procedures required to implement the home care bill of rights.

Subd. 2. [REGULATORY FUNCTIONS.] (a) The commissioner shall:

(1) evaluate, monitor, and license home care providers in accordance with sections 5 to 8 and 14;

(2) inspect the office and records of a provider during regular business hours, provided that when conducting routine office visits or inspections, the commissioner shall provide at least 48 hours' advance notice to the home care provider;

(3) with the consent of the consumer, visit the home where services are being provided;

(4) issue correction orders and assess civil penalties in accordance with section 144.653, subdivisions 5 to 8; and

(5) take other action reasonably required to accomplish the purposes of

sections 3 to 8 and 14.

(b) In the exercise of the authority granted in sections 3 to 8 and 14, the commissioner shall comply with the applicable requirements of section 144.122, the government data practices act, and the administrative procedure act.

Subd. 3. [ADVISORY TASK FORCE.] The commissioner of health shall establish and appoint a home care advisory task force consisting of 15 members representing the various kinds of home care providers, including hospice programs, health care professionals, community health services agencies, and consumers. The appointment, removal, and compensation of members is as provided in section 15.059, subdivision 6. The task force shall provide advice and recommendations to the commissioner regarding the development of rules required by subdivision 2.

Sec. 6. [144A.46] [LICENSURE.]

Subdivision 1. [LICENSE REQUIRED.] (a) A home care provider may not operate in the state without a current license issued by the commissioner of health.

(b) Within ten days after receiving an application for a license, the commissioner shall acknowledge receipt of the application in writing. The acknowledgement must indicate whether the application appears to be complete or whether additional information is required before the application will be considered complete. Within 60 days after receiving a complete application, the commissioner shall either grant or deny the license. If an applicant is not granted or denied a license within 60 days after submitting a complete application, the license must be deemed granted. An applicant whose license has been deemed granted must provide written notice to the commissioner before providing a home care service.

Subd. 2. [EXEMPTIONS.] The following individuals are exempt from the requirement to obtain a home care provider license:

(1) a person who is licensed under sections 148.171 to 148.285 and who independently provides nursing services in the home without any contractual or employment relationship to a home care provider or other organization;

(2) a personal care assistant who provides services under the medical assistance program as authorized under section 256B.02, subdivision 8, paragraph (17), and section 15;

(3) a person who is registered under sections 148.65 to 148.78 and who independently provides physical therapy services in the home without any contractual or employment relationship to a home care provider or other organization;

(4) a person who provides services to a person with mental retardation under a program of semi-independent living services regulated by Minnesota Rules, parts 9525.0500 to 9525.0660; or

(5) a person who provides services to a person with mental retardation under contract with a county to provide home and community based services that are reimbursed under the medical assistance program, chapter 256B, and regulated by Minnesota Rules, parts 9525.1800 to 9525.1930.

An exemption under this subdivision does not excuse the individual from complying with applicable provisions of the home care bill of rights.

Subd. 3. [ENFORCEMENT.] The commissioner may refuse to grant or renew a license, or may suspend or revoke a license, for violation of statutes or rules relating to home care services or for conduct detrimental to the welfare of the consumer. In addition to any other remedy provided by law, the commissioner may, without a prior contested case hearing, temporarily suspend a license or prohibit delivery of services by a provider for not more than 60 days if the commissioner determines that the health or safety of a consumer is in imminent danger, provided (1) advance notice is given to the provider; (2) after notice, the provider fails to correct the problem; (3) the commissioner has reason to believe that other administrative remedies are not likely to be effective; and (4) there is a subsequent opportunity for a contested case hearing. The process of suspending or revoking a license must include a plan for transferring affected clients to other providers.

Subd. 4. [RELATION TO OTHER REGULATORY PROGRAMS.] In the exercise of the authority granted under sections 3 to 8 and 14, the commissioner shall not duplicate or replace standards and requirements imposed under another state regulatory program. The commissioner shall not impose additional training or education requirements upon members of a licensed or registered occupation or profession, except as necessary to address or prevent problems that are unique to the delivery of services in the home or to enforce and protect the rights of consumers listed in section 4. For home care providers certified under the medicare program, the state standards must not be inconsistent with the medicare standards for medicare services.

Subd. 5. [PRIOR CRIMINAL CONVICTIONS.] An applicant for a home care provider license shall disclose to the commissioner all criminal convictions of persons involved in the management, operation, or control of the provider. A home care provider shall require employees of the provider and applicants for employment to disclose all criminal convictions. No person may be employed by a home care provider or involved in the management, operation, or control of a provider, if the person has been convicted of a crime that relates to the provision of home care services or to the position, duties, or responsibilities undertaken by that person in the operation of the home care provider, unless the person can provide sufficient evidence of rehabilitation. The commissioner shall adopt rules for determining whether a crime relates to home care services and what constitutes sufficient evidence of rehabilitation. The rules must require consideration of the nature and seriousness of the crime; the relationship of the crime to the purposes of home care licensure and regulation; the relationship of the crime to the ability, capacity, and fitness required to perform the duties and discharge the responsibilities of the person's position; mitigating circumstances or social conditions surrounding the commission of the crime; the length of time elapsed since the crime was committed; the seriousness of the risk to the home care client's person or property; and other factors the commissioner considers appropriate.

Sec. 7. [144A.47] [INFORMATION AND REFERRAL SERVICES.]

The commissioner shall ensure that information and referral services relating to home care are available in all regions of the state. The commissioner shall collect and make available information about available home care services, sources of payment, providers, and the rights of consumers. The commissioner may require home care providers to provide information requested for the purposes of this section, including price information, as a condition of registration or licensure. Specific price

information furnished by providers under this section is not public data and must not be released without the written permission of the agency. The commissioner may publish and make available:

- (1) general information and a summary of the range of prices of home care services in the state;
- (2) limitations on hours, availability of services, and eligibility for third-party payments, applicable to individual providers; and
- (3) other information the commissioner determines to be appropriate.

Sec. 8. [144A.48] [HOSPICE PROGRAMS.]

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

(a) "Core services" means physician services, registered nursing services, medical social services, pastoral care or other counseling services, and volunteer services, that are provided either directly by a hospice program or through a service contract or other arrangement.

(b) "Hospice patient" means an individual who has been diagnosed as terminally ill with a probable life expectancy of under one year, as documented by the individual's attending physician, and who alone or, when unable, through the hospice patient's family has voluntarily consented to and received admission to a hospice program.

(c) "Hospice patient's family" means relatives of the hospice patient, the hospice patient's guardian, primary caregivers, or persons identified by the hospice patient as having significant personal ties.

(d) "Hospice program" means palliative and supportive care and other services provided by an interdisciplinary team under the direction of an identifiable hospice administration to terminally ill hospice patients and their families to meet the physical, emotional, social, spiritual, and special needs experienced during the final stages of illness, dying, and bereavement, through a centrally coordinated program that ensures continuity and consistency of home and inpatient care provided directly or through an agreement.

(e) "Interdisciplinary team" means a group of qualified individuals with expertise in meeting the special needs of hospice patients and their families, including, at a minimum, those individuals who are providers of the core services.

(f) "Palliative care" means care directed at managing the symptoms experienced by the hospice patient and intended to enhance the quality of life for the hospice patient and the patient's family, but not directed at curing the illness.

(g) "Volunteer services" means services by volunteers who provide a personal presence that augments a variety of professional and nonprofessional services available to the hospice patient, the patient's family, and the hospice program.

Subd. 2. [LICENSE REQUIREMENTS.] In addition to the requirements contained in sections 3 to 7 and 14, a hospice program must also provide:

- (1) centrally coordinated hospice core services in the home and inpatient settings;

(2) that the medical components of the hospice program are under the direction of a licensed physician who serves as medical director;

(3) that the palliative medical care provided to a hospice patient is under the direction of the attending physician;

(4) an interdisciplinary team that meets regularly to develop, implement, and evaluate the hospice program's plan of care for each hospice patient and the patient's family;

(5) accessible hospice care, 24 hours a day, seven days a week;

(6) an ongoing system of quality assurance;

(7) a planned program of supportive services available to patients' families during the bereavement period;

(8) that volunteer services are provided by individuals who have completed a hospice training program and are qualified to provide the services; and

(9) that inpatient services are provided directly or by arrangement with a licensed hospital or nursing home.

Subd. 3. [REQUIRED INSPECTIONS.] The commissioner shall inspect the hospice program, the home care and inpatient care provided by the hospice program, and the hospital or nursing home used by the hospice program to determine if the requirements of sections 3 to 8 are met.

Subd. 4. [LICENSE DESIGNATION.] A license issued to a home care provider meeting the requirements contained in this section must indicate that the provider is qualified to offer hospice care.

Sec. 9. Minnesota Statutes 1986, section 144A.51, subdivision 6, is amended to read:

Subd. 6. "Resident" means any resident or patient of a health facility or a consumer of services provided by a home care provider, or the guardian or conservator of a the resident or, patient of a health facility, or consumer, if one has been appointed.

Sec. 10. Minnesota Statutes 1986, section 144A.51, is amended by adding a subdivision to read:

Subd. 7. "Home care provider" means a home care provider as defined in section 3, subdivision 4.

Sec. 11. Minnesota Statutes 1986, section 144A.52, subdivision 3, is amended to read:

Subd. 3. The director may delegate to members of the staff any of the authority or duties of the director except the duty of formally making recommendations to the legislature, administrative agencies, health facilities, health care providers, home care providers, and the state commissioner of health.

Sec. 12. Minnesota Statutes 1986, section 144A.53, is amended to read:

144A.53 [DIRECTOR; POWERS AND DUTIES.]

Subdivision 1. [POWERS.] The director may:

(a) Promulgate by rule, pursuant to chapter 14, and within the limits set forth in subdivision 2, the methods by which complaints against health

facilities, health care providers, *home care providers*, or administrative agencies are to be made, reviewed, investigated, and acted upon; provided, however, that a fee may not be charged for filing a complaint;

(b) Recommend legislation and changes in rules to the state commissioner of health, legislature, governor, administrative agencies or the federal government;

(c) Investigate, upon a complaint or upon initiative of the director, any action or failure to act by a health care provider, *home care provider*, or a health facility;

(d) Request and receive access to relevant information, records, or documents in the possession of an administrative agency, a health care provider, *a home care provider*, or a health facility which the director deems necessary for the discharge of responsibilities;

(e) Enter and inspect, at any time, a health facility; provided that the director shall not unduly interfere with or disturb the activities of a resident unless the resident consents;

(f) Issue a correction order pursuant to section 144.653 or any other law which provides for the issuance of correction orders to health care facilities *or home care providers, or under section 5*;

(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or Title XIX of the United States Social Security Act;

(h) Assist residents of health facilities in the enforcement of their rights under Minnesota law; and

(i) Work with administrative agencies, health facilities, *home care providers, and health care providers and organizations representing consumers on programs designed to provide information about health facilities to the public and to health facility residents.*

Subd. 2. [COMPLAINTS.] The director may receive a complaint from any source concerning an action of an administrative agency, a health care provider, *a home care provider*, or a health facility. The director may require a complainant to pursue other remedies or channels of complaint open to the complainant before accepting or investigating the complaint.

The director shall keep written records of all complaints and any action upon them. After completing an investigation of a complaint, the director shall inform the complainant, the administrative agency having jurisdiction over the subject matter, the health care provider, *the home care provider*, and the health facility of the action taken.

Subd. 3. [RECOMMENDATIONS.] If, after duly considering a complaint and whatever material the director deems pertinent, the director determines that the complaint is valid, the director may recommend that an administrative agency, a health care provider, *a home care provider*, or a health facility should:

- (a) Modify or cancel the actions which gave rise to the complaint;
- (b) Alter the practice, rule or decision which gave rise to the complaint;
- (c) Provide more information about the action under investigation; or
- (d) Take any other step which the director considers appropriate.

If the director requests, the administrative agency, a health care provider, a *home care provider*, or health facility shall, within the time specified, inform the director about the action taken on a recommendation.

Subd. 4. [REFERRAL OF COMPLAINTS.] If a complaint received by the director relates to a matter more properly within the jurisdiction of an occupational licensing board or other governmental agency, the director shall forward the complaint to that agency and shall inform the complaining party of the forwarding. The agency shall promptly act in respect to the complaint, and shall inform the complaining party and the director of its disposition. If a governmental agency receives a complaint which is more properly within the jurisdiction of the director, it shall promptly forward the complaint to the director, and shall inform the complaining party of the forwarding. If the director has reason to believe that an official or employee of an administrative agency, a *home care provider*, or health facility has acted in a manner warranting criminal or disciplinary proceedings, the director shall refer the matter to the state commissioner of health, the commissioner of human services, an appropriate prosecuting authority, or other appropriate agency.

Sec. 13. Minnesota Statutes 1986, section 144A.54, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided by this section, the director may determine the form, frequency, and distribution of the conclusions and recommendations. The director shall transmit the conclusions and recommendations to the state commissioner of health and the legislature. Before announcing a conclusion or recommendation that expressly or by implication criticizes an administrative agency, a health care provider, a *home care provider*, or a health facility, the director shall consult with that agency, health care provider, *home care provider*, or facility. When publishing an opinion adverse to an administrative agency, a health care provider, a *home care provider*, or a health facility, the director shall include in the publication any statement of reasonable length made to the director by that agency, health care provider, *home care provider*, or health facility in defense or explanation of the action.

Sec. 14. [TEMPORARY PROCEDURES.]

Home care providers are exempt from the licensure requirement in section 6, subdivision 1, until 90 days after licensure rules are adopted by the commissioner. Beginning July 1, 1987, no home care provider, as defined in section 3, subdivision 4, except a provider exempt from licensure under section 6, subdivision 2, may provide home care services in this state without registering with the commissioner. A home care provider is registered with the commissioner when the commissioner has received in writing the provider's name; the name of its parent corporation or sponsoring organization, if any; the street address and telephone number of its principal place of business; the street address and telephone number of its principal place of business in Minnesota; the counties in Minnesota in which it may render services; the street address and telephone number of all other offices in Minnesota; and the name, educational background, and ten-year employment history of the person responsible for the management of the agency. A registration fee must be submitted with the application for registration. The fee must be established pursuant to section 144.122 and must be based on a consideration of the following factors: the number of clients served by the home care provider, the number of employees, the

number of services offered, and annual revenues of the provider. The registration is effective until 90 days after licensure rules are adopted by the commissioner. In order to maintain its registration and provide services in Minnesota, a home care provider must comply with section 4 and comply with requests for information under section 7. A registered home care provider is subject to sections 144A.51 to 144A.54. Registration under this section does not exempt a home care provider from the licensure and other requirements later adopted by the commissioner.

Sec. 15. Minnesota Statutes 1986, section 256B.04, is amended by adding a subdivision to read:

Subd. 16. [PERSONAL CARE ASSISTANTS.] The commissioner shall adopt permanent rules to implement, administer, and operate the personal care assistant services program. The rules must incorporate the standards and requirements for personal care assistants adopted by the commissioner of health under section 5. Limits on the extent of personal care assistant services that may be provided to an individual must be based on the cost-effectiveness of the services in relation to the costs of inpatient hospital care, nursing home care, and other available types of care. The rules must provide, at a minimum:

(1) that agencies be selected to employ and train staff to provide and supervise the provision of personal care services;

(2) that agencies employ or contract with a qualified applicant that a qualified recipient proposes to the agency as his or her choice of assistant;

(3) that agencies bill the medical assistance program for a personal care service by a personal care assistant and visits by the registered nurse supervising the personal care assistant;

(4) that agencies establish a grievance mechanism; and

(5) that agencies have a quality assurance program.

Sec. 16. Minnesota Statutes 1986, section 364.09, is amended to read:
364.09 [~~LAW ENFORCEMENT; EXCEPTION~~ EXCEPTIONS.]

This chapter shall not apply to the practice of law enforcement, to eligibility for a family day care license or, a family foster care license, a home care provider license, or to eligibility for school bus driver endorsements. Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement.

Sec. 17. Minnesota Statutes 1986, section 626.557, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific context indicates otherwise.

(a) "Facility" means a hospital or other entity required to be licensed pursuant to sections 144.50 to 144.58; a nursing home required to be licensed to serve adults pursuant to section 144A.02; an agency, day care facility, or residential facility required to be licensed to serve adults pursuant to sections 245.781 to 245.812; or a home health agency certified for participation in titles XVIII or XIX of the Social Security Act, United States Code, title 42, sections 1395 et seq care provider licensed under

section 6.

(b) "Vulnerable adult" means any person 18 years of age or older:

(1) who is a resident or inpatient of a facility;

(2) who receives services at or from a facility required to be licensed to serve adults pursuant to sections 245.781 to 245.812, except a person receiving outpatient services for treatment of chemical dependency or mental illness;

(3) who receives services from a home health agency certified for participation under titles XVIII or XIX of the Social Security Act, United States Code, title 42, sections 1395 et seq and 1396 et seq care provider licensed under section 6; or

(4) who, regardless of residence or type of service received, is unable or unlikely to report abuse or neglect without assistance because of impairment of mental or physical function or emotional status.

(c) "Caretaker" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, by contract, or by agreement.

(d) "Abuse" means:

(1) any act which constitutes a violation under sections 609.221 to 609.223, 609.23 to 609.235, 609.322, 609.342, 609.343, 609.344, or 609.345;

(2) nontherapeutic conduct which produces or could reasonably be expected to produce pain or injury and is not accidental, or any repeated conduct which produces or could reasonably be expected to produce mental or emotional distress;

(3) any sexual contact between a facility staff person and a resident or client of that facility; or

(4) the illegal use of a vulnerable adult's person or property for another person's profit or advantage, or the breach of a fiduciary relationship through the use of a person or a person's property for any purpose not in the proper and lawful execution of a trust, including but not limited to situations where a person obtains money, property, or services from a vulnerable adult through the use of undue influence, harassment, duress, deception, or fraud.

(e) "Neglect" means:

(1) failure by a caretaker to supply a vulnerable adult with necessary food, clothing, shelter, health care or supervision;

(2) the absence or likelihood of absence of necessary food, clothing, shelter, health care, or supervision for a vulnerable adult; or

(3) the absence or likelihood of absence of necessary financial management to protect a vulnerable adult against abuse as defined in paragraph (d), clause (4). Nothing in this section shall be construed to require a health care facility to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

(f) "Report" means any report received by a local welfare agency, police department, county sheriff, or licensing agency pursuant to this section.

(g) "Licensing agency" means:

(1) the commissioner of health, for facilities as defined in clause (a) which are required to be licensed or certified by the department of health;

(2) the commissioner of human services, for facilities required by sections 245.781 to 245.813 to be licensed;

(3) any licensing board which regulates persons pursuant to section 214.01, subdivision 2; and

(4) any agency responsible for credentialing human services occupations.

Sec. 18. [APPROPRIATION.]

\$131,700 is appropriated from the general fund to the commissioner of health for the regulation of home care services to be available until June 30, 1989.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; requiring licensure of home care agencies; providing a home care bill of rights; providing a complaint procedure for home care clients; regulating hospice programs; appropriating money; amending Minnesota Statutes 1986, sections 144.335, subdivision 1; 144.699, subdivision 2; 144A.51, subdivision 6, and by adding a subdivision; 144A.52, subdivision 3; 144A.53; 144A.54, subdivision 1; 256B.04, by adding a subdivision; 364.09; and 626.557, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144A."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 122: A bill for an act relating to taxation; providing for expenditure of proceeds of the taconite production tax; amending Minnesota Statutes 1986, section 298.293; repealing Laws 1986, chapter 441, section 14.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 298.22, is amended by adding a subdivision to read:

Subd. 6. [INVESTMENTS.] When the commissioner has made the determinations required by subdivision 1, the commissioner may use money appropriated to the iron range resources and rehabilitation board under section 298.28 to acquire or invest in securities of, or to take an equity position in, public or private corporations or other entities that are engaging in, or that will engage in, projects or programs described in section 298.292, subdivision 1. The board may exercise any rights with respect to the corporation or other entity which accrue to the board as a result of the acquisition, investment, or other transaction. Earnings received on acquisitions or investments made under this subdivision are appropriated to the commissioner for the purposes of this section.

Sec. 2. Minnesota Statutes 1986, section 298.223, is amended to read:
298.223 [TACONITE AREA ENVIRONMENTAL PROTECTION FUND.]

Subdivision 1. [CREATION; PURPOSES.] A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota located within a tax relief area defined in section 273.134 that are adversely affected by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

(a) to initiate investigations into matters the iron range resources and rehabilitation board determines are in need of study and which will determine the environmental problems requiring remedial action;

(b) reclamation, restoration or reforestation of minelands not otherwise provided for by state law;

(c) local economic development projects including construction of sewer and water systems, and other public works located within a tax relief area defined in section 273.134;

(d) monitoring of mineral industry related health problems among mining employees.

Subd. 2. [ADMINISTRATION; PROJECTS.] The taconite environmental protection fund shall be administered by the commissioner of the iron range resources and rehabilitation board. The commissioner shall by September 1 of each year prepare a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon recommendation of the iron range resources and rehabilitation board, this list shall be submitted to the legislative advisory commission for its review. This list with the recommendation of the legislative advisory commission shall then be transmitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each individual project. Funds for a project may be expended only upon approval of the project by the governor.

Subd. 3. [APPROPRIATION.] There is hereby annually appropriated to the commissioner of iron range resources and rehabilitation such funds as are necessary to carry out the projects approved and such funds as are necessary for administration of this section. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section 298.28, subdivision 11 relating to the taconite environmental protection fund.

Sec. 3. Minnesota Statutes 1986, section 298.292, is amended to read:
298.292 [POLICY.]

Subdivision 1. [PURPOSES.] The legislature is cognizant of the severe economic dislocations and widespread unemployment that result when a single industry on which an area is largely dependent, experiences a drastic reduction in activity. The northeast Minnesota economic protection trust fund is hereby created to be devoted to economic rehabilitation and diver-

sification of industrial enterprises where these conditions ensue as the result of the decline of such a single industry. Priority shall be given to using the northeast Minnesota economic protection trust fund for the following purposes:

(a) (1) projects and programs that are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses;

(b) (2) projects and programs to encourage diversification of the economy and to promote the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism; and

(c) (3) projects and programs for which technological and economic feasibility have been demonstrated;

(d) *Subd. 2. [USE OF FUNDS.] Money in the northeast Minnesota economic protection trust fund may be used for the following purposes:*

(1) *to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan shall be no less than eight percent;*

(e) ~~funding~~ (2) *to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211; and*

(f) (3) *to pay in periodic payments or in a lump sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources; and*

(4) *to acquire or invest in securities of, or take an equity position in, public or private corporations or other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1, provided that the board may exercise any rights with respect to the corporation or entity which accrue to the board as a result of the acquisition, investment, or other transaction.*

Money from the trust fund shall be expended only in or for the benefit of the tax relief area defined in section 273.134."

Page 1, line 19, delete the new language and insert ", \$24,000,000"

Page 2, after line 2, insert:

"Sec. 5. Minnesota Statutes 1986, section 298.294, is amended to read: 298.294 [INVESTMENT OF FUND.]

The trust fund established by section 298.292 shall be invested pursuant to law by the state board of investment and the net interest, dividends, and other earnings arising from the investments shall be transferred on the first day of each month to the trust and shall be included and become part of the trust fund. The amounts transferred, including the interest, dividends, and other earnings earned prior to July 13, 1982, together with the additional amount of ~~\$10,000,000~~ \$24,000,000 for fiscal year ~~1983~~ 1987, which is appropriated April 21, 1983, are appropriated from the trust fund to the commissioner of iron range resources and rehabilitation for deposit in a separate account for expenditure for the purposes set forth in section 298.292.

Amounts appropriated pursuant to this section shall not cancel but shall remain available unless expended, *except that any part of the \$24,000,000 appropriated pursuant to this act that has not been expended before June 30, 1989, shall be transferred to the trust fund on that date.*

Sec. 6. Minnesota Statutes 1986, section 298.296, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURE OF FUNDS.] Before January 1, 2002, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus ~~\$10,000,000~~ \$24,000,000 made available for use in fiscal year ~~1983~~ 1987 and until June 30, 1989, as provided in section 298.294, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust. On and after January 1, 2002, funds may be expended on projects and for administration from any assets of the trust. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

Principal and interest received in repayment of loans made pursuant to this section, and payments of royalties and other earnings on investments made pursuant to sections 298.291 to 298.298 with the money appropriated pursuant to this act, shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

Sec. 7. Minnesota Statutes 1986, section 298.297, is amended to read:
298.297 [ADVISORY COMMITTEES.]

Before submission of a project to the board, the commissioner of iron range resources and rehabilitation shall appoint a technical advisory committee consisting of ~~one or more~~ seven persons who are knowledgeable in areas related to the objectives of the proposal. *If the project involves investment in a scientific research proposal, at least four of the committee members must be knowledgeable in the specific scientific research area relating to the project.* Members of the committees shall be compensated as provided in section 15.059, subdivision 3. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee or until ~~45~~ 30 days have elapsed since the proposal was transmitted to the advisory committee, whichever occurs first."

Page 2, line 6, delete "and 2" and insert "to 8" and delete everything after "effective" and insert "October 1, 1987."

Page 2, delete line 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money:"

Page 1, line 4, delete "section" and insert "sections 298.22, by adding

a subdivision; 298.223; 298.292;" and after "298.293;" insert "298.294; 298.296, subdivision 2; and 298.297;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 41: A bill for an act relating to adoption; providing that proposed adoptive parents may obtain certain reports or records; providing that a child's parent need not join as co-petitioner in a stepparent adoption; changing the manner of executing certain consents; amending Minnesota Statutes 1986, sections 259.21, subdivision 7; 259.24, subdivision 5; and 259.27, subdivision 3, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, strike "; CONFIDENTIAL" and before "All" insert "(a) *The contents of*"

Page 2, line 17, strike "be confidential, and the contents thereof shall"

Page 2, line 21, delete "*otherwise*" and delete "*this subdivision*" and insert "*paragraph (b)*" and before "A" insert:

"(b)"

Page 2, line 24, strike "such" and insert "a"

Page 2, line 26, delete "*which*" and insert "*that*"

Page 2, line 27, after the period, insert "*In this disclosure,*"

Page 2, line 29, delete "*any such*" and insert "*the*"

Page 2, line 30, delete "*or not*"

Page 2, line 33, delete "*such*"

Page 3, line 8, delete "*Such*" and insert "*The*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

H.F. No. 1: A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 3, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"FARM OPERATING LOAN INTEREST RATE BUY-DOWN

Section 1. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 7.

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

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 4. [COMMISSIONER'S INTEREST INDEX.] "Commissioner's interest index" means an interest rate that is three percent above the current lending rate of the Federal Intermediate Credit Bank to production credit associations as certified each month by the commissioner.

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer who applies to a lender for a farm operating loan between the dates January 1, 1987, and December 31, 1988, and who meets all qualifications established in section 2 and any further qualifications that may be established in the program guidelines adopted by the commissioner under section 4, subdivision 1.

Subd. 6. [FARM OPERATING LOAN.] "Farm operating loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender to finance the operations of a farm for one operating season. A farm operating loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm operating loan eligible for interest rate buy-down must have a maturity date of June 30, 1989, or earlier.

Subd. 7. [FARMER.] "Farmer" means a state resident or a domestic family farm corporation as defined in section 500.24, subdivision 2, operating a farm within the state.

Subd. 8. [FEDERAL OPERATING LOAN PROGRAM.] "Federal Operating Loan Program" means the Guaranteed Operating Loan Program together with the Interest Rate Buy-down Program administered by the FmHA as described in Code of Federal Regulations, title 7, section 1980, subpart B.

Subd. 9. [FmHA.] "FmHA" means the Farmers Home Administration of the United States Department of Agriculture.

Subd. 10. [FmHA BUY-DOWN AGREEMENT.] "FmHA Buy-down Agreement" means Form FmHA 1980-58 or a replacement of that form, which is an agreement between a lending institution, a farmer, and the FmHA under which the FmHA agrees to give the lending institution an interest buy-down grant in partial reimbursement of a write-down by the lending institution of the interest rate on the farmer's operating loan pursuant to the federal operating loan program.

Subd. 11. [INTEREST RATE BUY-DOWN.] "Interest rate buy-down" means a reduction in the effective interest rate on a farm operating loan to an eligible borrower due to partial payment of interest costs by the commissioner and partial reduction of interest costs by the participating lender.

Subd. 12. [LENDER.] "Lender" means a bank, a credit union, or a savings and loan association chartered by the state or federal government, a unit of the farm credit system, the Federal Deposit Insurance Corporation, and other financial institutions approved by the commissioner.

Subd. 13. [OPERATING LOAN.] "Operating loan" means operating loans or lines of credit for one operating season to which the federal operating loan program applies, other than an operating loan that is currently guaranteed or funded by the FmHA as of the date of application to this program.

Subd. 14. [PARTICIPATING LENDER.] "Participating lender" means a lender who has been granted participating lender status by the commissioner.

Subd. 15. [PROGRAM 1.] "Program 1" means the state-lender-FmHA interest buy-down program under sections 2 to 5 and section 7.

Subd. 16. [PROGRAM 2.] "Program 2" means the state-lender interest buy-down program under sections 2 to 5 and section 7.

Sec. 2. [FARMER ELIGIBILITY.]

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

Subd. 2. [ASSESSMENT OF CONTINUED VIABILITY.] Only a farmer determined by the lender to have a reasonable opportunity for long-term financial viability in the farmer's current farm operation is an eligible borrower. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Subd. 3. [ENROLLMENT IN ADULT FARM MANAGEMENT PROGRAM.] To be an eligible borrower, a farmer must agree to enroll in an approved adult farm management program if enrollment is required by the lender and an approved program is offered not more than 50 miles from the farmer's residence. The approved adult farm management program must bill the lender for one-half of the course tuition.

Sec. 3. [LENDER ELIGIBILITY.]

Subdivision 1. [ELIGIBLE PARTICIPATING LENDER STATUS.] A lender who meets the requirements established by the commissioner must be certified as a participating lender.

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

(b) If a participating lender determines that enrollment in an adult farm management program would not benefit the borrower, the lender must explain the reasons why to the borrower in writing and indicate the determination on the application for Program 1 or Program 2.

Subd. 3. [FARMER APPLICATION FOR INTEREST RATE BUY-DOWN.]

(a) A participating lender must receive and evaluate loan applications from a farmer:

(1) who has transacted farm-related borrowing with a lender within the prior three years;

(2) who has not previously established farm-related borrowing; or

(3) whose previous lender is no longer in the business of making farm-related loans.

(b) In determining whether to make a farm operating loan to a farmer, the participating lender may use criteria in addition to those in section 2.

Subd. 4. [MAXIMUM INTEREST RATE.] To qualify for interest rate buy-down payments, a participating lender must offer to make a farm operating loan to an eligible borrower at a rate of interest equivalent to that offered to other farmers having similar security and financial status but the interest rate may not exceed the current commissioner's interest index. The commissioner may use appropriate means to verify that the operating loan interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Subd. 5. [APPLICATION BY PARTICIPATING LENDERS.] To receive interest rate buy-down payments from the state, a participating lender must submit a properly completed application form for each farm operating loan eligible for interest rate buy-down payments to the commissioner.

Sec. 4. [RESPONSIBILITIES OF THE COMMISSIONER.]

Subdivision 1. [ADOPTION OF PROGRAM GUIDELINES.] Within 30 days after the effective date of sections 2 to 7, the commissioner shall adopt and make available to the public guidelines for Program 1 and Program 2. The commissioner shall adopt guidelines for Program 1, coordinate Program 1 with the Federal Operating Loan Program, and make benefits of Program 1 additive to the Federal Operating Loan Program. Adoption of the program guidelines are not subject to chapter 14.

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] The commissioner shall prepare and distribute forms and instructions for Program 1 and Program 2 to all lenders in the state.

Subd. 3. [PREPARATION AND DISTRIBUTION OF LOAN APPLICATION FORMS.] The commissioner shall prepare and distribute to all participating lenders forms and instructions to be used in applying for Program 1 and Program 2.

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

Subd. 5. [REVIEW OF APPLICATIONS FOR BUY-DOWN PAYMENT.] (a) The commissioner must review an application for participation in Program 1 or Program 2 within five business days after submission by a participating lender. If a qualified lender does not receive written notice that the commissioner has denied the application, the application is approved by the commissioner.

(b) For an application for Program 1, the commissioner must send the lender a preliminary commitment for the interest payment within ten days after receiving the Program 1 application. The preliminary commitment may be used by the lender to qualify for the Federal Operating Loan Program. A preliminary commitment shall be made for the 1987 and 1988 crop years with the commitment for the 1988 crop year being dependent on approval of the lender's and borrower's application to the Federal Operating Loan Program for at least crop years 1987 and 1988.

Subd. 6. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.]

(a) Subject to section 5, the commissioner shall make interest rate buy-down payments to participating lenders as provided in this subdivision. An amount equal to one-half of the expected interest rate buy-down amount may be paid to the participating lender 60 days after the loan is reviewed by the commissioner. If the participating lender elects to receive the first-half payment at a date later than 60 days after the loan is reviewed by the commissioner, the commissioner shall make the payment on the date requested. The balance of the interest rate buy-down payment must be paid to the participating lender not more than 30 days after the request for final payment is received.

(b) If a participating lender obtains a conditional commitment for guarantee or contract for guarantee from the FmHA, the commissioner shall make the state Program 1 interest buy-down payment as necessary to accommodate the FmHA commitment or contract.

Sec. 5. [PRIORITY AND AMOUNTS FOR INTEREST BUY-DOWN PAYMENTS.]

Subdivision 1. [PAYMENTS LIMITED TO AVAILABLE FUNDS.] The acceptance, approval, or commitment by the commissioner under this act is subject to funds being available for Program 1 or Program 2, or both. The commissioner may not make payments exceeding the amounts available under this section. Applications shall be approved in the order they are received.

Subd. 2. [CALENDAR YEAR 1987.] (a) \$_____ is available for Program 1 for applications made under Program 1 in calendar year 1987.

(b) \$_____ is available for Program 2 for applications made under Program 2 in calendar year 1987.

(c) If the amount under paragraph (a) or (b) has been completely allocated for approved applications on 120 days after the date of enactment of this act, on that date the commissioner shall combine the amounts available for Program 1 and Program 2 and under paragraphs (a) and (b) and make payments on approved applications according to the date they were received.

(d) Any unexpended amounts under this subdivision shall be added equally to the amounts available for Program 1 and Program 2 under subdivision 3.

Subd. 3. [CALENDAR YEAR 1988.] (a) \$_____ is available for Program 1 for applications made under Program 1 in calendar year 1988.

(b) \$_____ is available for Program 2 for applications made under Program 2 in calendar year 1988.

(c) If the amount under paragraph (a) or (b) has been completely allocated for approved applications on July 1, 1988, the commissioner shall combine the amounts available for Program 1 and Program 2 and under paragraphs (a) and (b) and make payments on approved applications according to the date they were received.

PROGRAM 1 STATE-LENDER-FmHA INTEREST RATE BUY-DOWN

Sec. 6. [PROGRAM 1 STATE-LENDER-FmHA INTEREST RATE BUY-DOWN.]

Subdivision 1. [APPLICATION.] To be eligible for Program 1, a participating lender must submit application for Program 1 to the commissioner and an application to FmHA under subdivision 2. The lender may indicate on the application for Program 1 that the lender and borrower will apply to the FmHA Federal Operating Loan Program for more than one year and would desire a commitment for Program 1 for more than one crop year ending December 31, 1988.

Subd. 2. [APPLICATION TO FmHA.] (a) The lender and an eligible borrower must apply to FmHA for a guarantee of the proposed operating loan under the Federal Operating Loan Program.

(b) The lender must submit documentation to the commissioner whether the application to FmHA was approved or denied. If the application is approved, the lender must submit a copy of the FmHA buy-down agreement to the commissioner. Upon receipt of the FmHA buy-down agreement, the commissioner shall pay the lender \$50 for processing costs.

Subd. 3. [STATE CONTRIBUTION TO PROGRAM 1 INTEREST BUY-DOWN.] Under Program 1, the commissioner shall pay to a participating lender an interest rate two percent per year for the first \$100,000 of an operating loan made to an eligible borrower during the term of the operating loan. The payment to a participating lender may not exceed \$2,000 per eligible borrower per calendar year.

Subd. 4. [LENDER CONTRIBUTION TO PROGRAM 1 INTEREST BUY-DOWN.] A participating lender must provide the difference in interest reduction from that reduced by the FmHA for a total reduction in interest rate of at least three percent per year for the first \$100,000 of an operating loan made to an eligible borrower.

PROGRAM 2 STATE-LENDER INTEREST RATE BUY-DOWN

Sec. 7. [PROGRAM 2 STATE-LENDER INTEREST RATE BUY-DOWN.]

Subdivision 1. [APPLICATION.] To be eligible for Program 2, a participating lender must submit an application for Program 2 to the commissioner. For Program 2, an application is not made to FmHA.

Subd. 2. [STATE CONTRIBUTION TO PROGRAM 2 INTEREST RATE BUY-DOWN.] Under Program 2, the commissioner shall pay to a participating lender an interest rate two percent per year for the first \$100,000 of a farm operating loan made to an eligible borrower during the term of the farm operating loan. The payment to a participating lender may not exceed \$2,000 per eligible borrower per calendar year.

Subd. 3. [LENDER CONTRIBUTION TO PROGRAM 2 INTEREST RATE BUY-DOWN.] A participating lender must provide a reduction in interest rate of three percent per year for the first \$100,000 of a farm operating loan made to an eligible borrower.

Sec. 8. [APPROPRIATION.]

(a) \$_____ is appropriated from the general fund to the commissioner of commerce to make interest rate buy-down payments under Program 1 or Program 2 under sections 6 and 7.

(b) Of this appropriation, \$_____ is available to the commissioner of commerce to make payments to lenders under section 6, subdivision 2, for processing costs attributable to completing applications that have been approved by FmHA under Program 1 and \$_____ is available to the commissioner of commerce for administrative expenses.

(c) Any unexpended amount available from the interest buy-down program in 1986 does not cancel but shall be added to the appropriation in paragraph (a).

Sec. 9. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 208, 184, 148 and 314 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 41 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Bertram moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 131. The motion prevailed.

Mr. Merriam moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Marty be added as chief author to S.F. No. 281. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 337. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Novak be added as a co-author to S.F. No. 420. The motion prevailed.

Mr. Berg moved that the name of Mr. Moe, R.D. be added as a co-author to S.F. No. 454. The motion prevailed.

Mr. Davis moved that the name of Mr. Morse be added as a co-author to S.F. No. 476. The motion prevailed.

Mr. Frederick introduced—

Senate Resolution No. 30: A Senate resolution extending congratulations to Kristin Flannery for being selected Minnesota's Junior Miss in 1987.

Referred to the Committee on Rules and Administration.

CALENDAR

H.F. No. 66: A resolution memorializing the Congress of the United States to enact an extension of the federal highway program at the earliest possible date.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Jude	Merriam	Ramstad
Anderson	Dahl	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Belanger	Diessner	Kroening	Moe, R.D.	Solon
Benson	Frank	Laidig	Morse	Spear
Berg	Frederick	Langseth	Novak	Storm
Berglin	Frederickson, D.J.	Lantry	Olson	Stumpf
Bernhagen	Freeman	Lessard	Pehler	Taylor
Bertram	Gustafson	Luther	Peterson, R.W.	Vickerman
Brandl	Hughes	Marty	Piper	Waldorf
Brataas	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.J.	Mehrkens	Purfeerst	Willet

So the resolution passed and its title was agreed to.

S.F. No. 161: A bill for an act relating to veterans; requiring the commissioner to establish a certification process for veterans service officers; amending Minnesota Statutes 1986, section 197.605, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.J.	Merriam	Renneke
Anderson	Dahl	Jude	Metzen	Samuelson
Beckman	Davis	Knaak	Moe, D.M.	Solon
Belanger	DeCramer	Knutson	Moe, R.D.	Spear
Benson	Diessner	Kroening	Olson	Storm
Berg	Frank	Laidig	Pehler	Stumpf
Berglin	Frederick	Langseth	Peterson, R.W.	Taylor
Bernhagen	Frederickson, D.J.	Lantry	Piper	Vickerman
Bertram	Freeman	Lessard	Pogemiller	Waldorf
Brandl	Gustafson	Marty	Purfeerst	Wegscheid
Brataas	Hughes	McQuaid	Ramstad	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 155: A resolution memorializing that the governments of the United States and the Socialist Republic of Vietnam take all possible action to determine the fate of persons missing in action and/or held as prisoners of war in Asian nations.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Benson	Bertram	Cohen	Dicklich
Anderson	Berg	Brandl	Dahl	Diessner
Beckman	Berglin	Brataas	Davis	Frank
Belanger	Bernhagen	Chmielewski	DeCramer	Frederick

Frederickson, D.J.	Kroening	Merriam	Peterson, R.W.	Spear
Freeman	Laidig	Metzen	Piper	Storm
Gustafson	Langseth	Moe, D.M.	Pogemiller	Stumpf
Hughes	Lantry	Moe, R.D.	Purfeerst	Taylor
Johnson, D.E.	Lessard	Morse	Ramstad	Vickerman
Johnson, D.J.	Luther	Novak	Reichgott	Waldorf
Jude	Marty	Olson	Renneke	Wegscheid
Knaak	McQuaid	Pehler	Samuelson	Willet
Knutson	Mehrkens	Peterson, D.C.	Solon	

So the resolution passed and its title was agreed to.

S.F. No. 137: A bill for an act relating to agriculture; clarifying the exceptions to prohibition against manufacture of food from adulterated milk or cream; amending Minnesota Statutes 1986, section 32.21, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Jude	Metzen	Reichgott
Anderson	Dahl	Knaak	Moe, D.M.	Renneke
Beckman	Davis	Knutson	Moe, R.D.	Samuelson
Belanger	DeCramer	Kroening	Morse	Solon
Benson	Dicklich	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Taylor
Bertram	Freeman	Luther	Peterson, R.W.	Vickerman
Brandl	Gustafson	Marty	Piper	Waldorf
Brataas	Hughes	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Willet
	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 59: A bill for an act relating to highway traffic regulations; prescribing who shall prosecute persons who operate motorboats while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, section 361.12, subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.J.	Merriam	Ramstad
Anderson	Dahl	Jude	Metzen	Reichgott
Beckman	Davis	Knaak	Moe, D.M.	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Solon
Berg	Diessner	Laidig	Novak	Spear
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederick	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Taylor
Brandl	Freeman	Luther	Peterson, R.W.	Vickerman
Brataas	Gustafson	Marty	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	Wegscheid
	Johnson, D.E.	Mehrkens	Purfeerst	Willet

So the bill passed and its title was agreed to.

S.F. No. 211: A bill for an act relating to alcoholic beverages; premises

which may be issued on-sale licenses; amending Minnesota Statutes 1986, sections 340A.404, subdivisions 1 and 6; 340A.411, subdivision 1; and 340A.504, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Reichgott
Anderson	Davis	Knaak	Moe, D.M.	Renneke
Beckman	DeCramer	Knutson	Moe, R.D.	Samuelson
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Taylor
Bertram	Freeman	Luther	Peterson, R.W.	Vickerman
Brandl	Gustafson	Marty	Piper	Waldorf
Brataas	Hughes	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Willt
Cohen	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 38: A bill for an act relating to alcoholic beverages; permitting certain transactions by brewers and wholesalers; authorizing cities to issue temporary off-sale licenses for the sale of vintage wine at auctions; amending Minnesota Statutes 1986, sections 340A.308; and 340A.405, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Renneke
Anderson	DeCramer	Knutson	Moe, R.D.	Samuelson
Beckman	Diessner	Kroening	Morse	Solon
Belanger	Frank	Laidig	Novak	Spear
Benson	Frederick	Langseth	Olson	Storm
Berglin	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Bertram	Freeman	Luther	Peterson, R.W.	Vickerman
Brandl	Gustafson	Marty	Piper	Waldorf
Brataas	Hughes	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Willt
Cohen	Johnson, D.J.	Merriam	Ramstad	
Dahl	Jude	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 123: A bill for an act relating to local government; broadening the joint self-insurance pool regulation exemption; amending Minnesota Statutes 1986, section 471.982, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	DeCramer	Knaak	Moe, D.M.	Renneke
Belanger	Dicklich	Knutson	Moe, R.D.	Samuelson
Benson	Diessner	Kroening	Morse	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederick	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brandl	Freeman	Luther	Peterson, R.W.	Vickerman
Brataas	Gustafson	Marty	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	Willet

So the bill passed and its title was agreed to.

H.F. No. 34: A bill for an act relating to corporations; providing for modification of liability of directors; amending Minnesota Statutes 1986, sections 302A.111, subdivision 4; and 302A.251, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, R.D.	Samuelson
Anderson	DeCramer	Kroening	Morse	Solon
Beckman	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Lessard	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Marty	Piper	Waldorf
Brandl	Freeman	McQuaid	Pogemiller	Wegscheid
Brataas	Gustafson	Mehrkens	Purfeerst	Willet
Chmielewski	Hughes	Merriam	Ramstad	
Cohen	Johnson, D.E.	Metzen	Reichgott	
Dahl	Johnson, D.J.	Moe, D.M.	Renneke	

Messrs. Belanger, Jude and Knaak voted in the negative.

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 21.

The question was taken on the recommendation to pass S.F. No. 21.

The roll was called, and there were yeas 15 and nays 47, as follows:

Those who voted in the affirmative were:

Berglin	Johnson, D.J.	Marty	Moe, R.D.	Piper
Chmielewski	Laidig	Merriam	Peterson, D.C.	Pogemiller
Freeman	Luther	Moe, D.M.	Peterson, R.W.	Spear

Those who voted in the negative were:

Adkins	Cohen	Hughes	Mehrkens	Samuelson
Anderson	Dahl	Johnson, D.E.	Metzen	Storm
Beckman	Davis	Jude	Morse	Stumpf
Belanger	DeCramer	Knaak	Novak	Taylor
Benson	Diessner	Knutson	Olson	Vickerman
Berg	Frank	Kroening	Pehler	Waldorf
Bernhagen	Frederick	Langseth	Purfeerst	Willet
Bertram	Frederickson, D.J.	Lantry	Ramstad	
Brandl	Frederickson, D.R.	Lessard	Reichgott	
Brataas	Gustafson	McQuaid	Renneke	

The motion did not prevail.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Diessner and Laidig introduced—

S.F. No. 490: A bill for an act relating to Washington county; authorizing the issuance of county bonds for capital improvements.

Referred to the Committee on Local and Urban Government.

Messrs. Spear, Cohen, Chmielewski, Ms. Berglin and Mr. Storm introduced—

S.F. No. 491: A bill for an act relating to human rights; changing certain requirements relating to disabled persons; amending Minnesota Statutes 1986, sections 363.02, subdivisions 1 and 5; 363.03, subdivision 1; and 363.116.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 492: A bill for an act relating to human services; authorizing earned income savings accounts for general assistance recipients in residential chemical dependency treatment programs; amending Minnesota Statutes 1986, section 256D.06, subdivision 1b.

Referred to the Committee on Health and Human Services.

Messrs. Waldorf, Benson, Pehler, Laidig and Ms. Reichgott introduced—

S.F. No. 493: A bill for an act relating to taxation; sales and use; exempting manufacturing equipment; amending Minnesota Statutes 1986, sections 297A.01, subdivision 16; 297A.02, subdivision 2; 297A.14; 297A.15, subdivision 5; 297A.25, subdivision 9, and by adding a subdivision; repealing Minnesota Statutes 1986, sections 297A.01, subdivision 17; and 297A.257, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Gustafson and Solon introduced—

S.F. No. 494: A bill for an act relating to the Duluth airport authority; providing that authority employees hired after a certain date are not covered by any civil service system.

Referred to the Committee on Governmental Operations.

Mr. Kroening, Mrs. Adkins and Mr. Waldorf introduced—

S.F. No. 495: A bill for an act relating to commerce; modifying the maximum finance charge on certain open end credit sales; authorizing additional charges; amending Minnesota Statutes 1986, section 334.16, subdivision 1, and by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Solon introduced—

S.F. No. 496: A bill for an act relating to insurance; regulating joint self-insurance employee health plans; requiring portions of certain plans of nonresident employers to comply with state law; modifying the requirements for excess stop-loss coverage of employee health plans; amending Minnesota Statutes 1986, sections 62H.01; and 62H.02.

Referred to the Committee on Commerce.

Ms. Berglin, Mr. Vickerman and Mrs. Lantry introduced—

S.F. No. 497: A bill for an act relating to human services; requiring vendor payments of general assistance for recipients without an address; amending Minnesota Statutes 1986, section 256D.09, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Schmitz, Mehrkens and Lessard introduced—

S.F. No. 498: A bill for an act relating to the military; authorizing the adjutant general to delegate certain duties to subordinates; amending Minnesota Statutes 1986, section 190.16, by adding a subdivision.

Referred to the Committee on Veterans.

Mr. Jude introduced—

S.F. No. 499: A bill for an act relating to real property; providing for prima facie effect of certain statements in an acknowledgment; authorizing owners to create tenancies in common by direct conveyances to themselves and others; permitting the severance of joint tenancies by direct conveyances between spouses; providing for time limits upon actions relating to certain estates in real property; providing for validation of certain conveyances executed by religious corporations; amending Minnesota Statutes 1986, sections 500.19, subdivision 4; 519.06; 519.09; and 519.101; Laws 1971, chapter 26; proposing coding for new law in Minnesota Statutes, chapter 358.

Referred to the Committee on Judiciary.

Messrs. Diessner, Chmielewski and Frank introduced—

S.F. No. 500: A bill for an act relating to health; allowing parents access to medical records of certain minors who have consented to health care for drug or alcohol abuse; amending Minnesota Statutes 1986, section 144.335, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich; Peterson, R.W.; Stumpf; Moe, R.D. and Knaak introduced—

S.F. No. 501: A bill for an act relating to school districts; permitting school district employees to participate in the state insurance plan; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Pehler, DeCramer, Beckman and Knaak introduced—

S.F. No. 502: A bill for an act relating to education; establishing a pilot program to reduce class sizes in kindergarten through third grade; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Peterson, R.W.; Wegscheid; Cohen; Marty and Laidig introduced—

S.F. No. 503: A bill for an act relating to government data practices; providing an exception to the nondisclosure of welfare data to law enforcement or probation officers in certain cases; amending Minnesota Statutes 1986, section 13.46, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Lessard introduced—

S.F. No. 504: A bill for an act relating to local government; authorizing annexation proceedings for certain land between the city of Nashwauk and the town of Nashwauk.

Referred to the Committee on Local and Urban Government.

Mr. Purfeerst introduced—

S.F. No. 505: A bill for an act relating to state government; rejecting salary adjustments for legislators recommended by the compensation council.

Referred to the Committee on Governmental Operations.

Mr. Morse, Ms. Peterson, D.C.; Messrs. Pogemiller, Bernhagen and Ms. Reichgott introduced—

S.F. No. 506: A bill for an act relating to housing; providing for administration of the state's low-income housing credit; authorizing the Minnesota housing finance agency to participate in certain housing construction projects and in certain nonprofit corporations; authorizing the sale or rental of certain housing property; providing definitions; providing for the issuance of certain bonds and notes; amending Minnesota Statutes 1986, sections 462A.03, subdivision 14; 462A.05, subdivisions 14, 21, and by adding subdivisions; 462A.06, subdivisions 7 and 12; 462A.08, subdivisions 1 and 3; and 462A.18, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Messrs. Novak, Waldorf, Bertram and Pehler introduced—

S.F. No. 507: A bill for an act relating to taxation; income; providing a credit for gifts to certain post-secondary educational institutions; amending Minnesota Statutes 1986, sections 216B.16, subdivision 9; 237.075, subdivision 8; 290.06, by adding a subdivision; 290.089, subdivision 2; 290.09, subdivision 2; and 290.21, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Novak, Marty, Merriam, Frederick and Purfeerst introduced—

S.F. No. 508: A bill for an act relating to hazardous waste; requiring a license for the transportation of hazardous waste; providing for license administration, suspension, and revocation; requiring rulemaking; providing penalties; amending Minnesota Statutes 1986, sections 221.011, subdivision 31; 221.033, by adding a subdivision; 221.291, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 221.

Referred to the Committee on Transportation.

Messrs. Ramstad, Knaak, Jude and Ms. Olson introduced—

S.F. No. 509: A bill for an act relating to highway traffic regulations; requiring mandatory jail sentences and surrender of license plates for persons convicted of aggravated DWI while driving after revocation; requiring successful completion of chemical dependency for repeat DWI offenders; requiring mandatory alcohol problem assessments for persons under the age of 18 convicted of DWI; amending Minnesota Statutes 1986, sections 168.041, subdivisions 1 and 6; 169.121, subdivision 4; 169.126, by adding a subdivision; and 169.129.

Referred to the Committee on Judiciary.

Mrs. Lantry, Messrs. Cohen, Marty and Moe, D.M. introduced—

S.F. No. 510: A bill for an act relating to the city of St. Paul; setting the maximum amounts and other conditions for the issuance of capital improvement bonds; amending Laws 1971, chapter 773, section 1, subdivision 2, as amended; and section 2, as amended.

Referred to the Committee on Local and Urban Government.

Messrs. Storm and Anderson introduced—

S.F. No. 511: A bill for an act relating to retirement; authorizing certain members of the public employees retirement association to elect a benefit conversion.

Referred to the Committee on Governmental Operations.

Messrs. Storm, Anderson and Mehrkens introduced—

S.F. No. 512: A bill for an act relating to traffic regulations; providing for mandatory term of imprisonment for certain aggravated violations; amending Minnesota Statutes 1986, section 169.129.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.R.; Purfeerst; Mehrkens; Beckman and Schmitz introduced—

S.F. No. 513: A bill for an act relating to taxation; sales; changing the requirements for designation of a distressed county for purposes of the capital equipment exemption; amending Minnesota Statutes 1986, section 297A.257, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Ms. Berglin, Messrs. Knutson, Samuelson, Merriam and Pogemiller introduced—

S.F. No. 514: A bill for an act relating to human services; creating the office of ombudsman for mental health; defining terms; establishing the office of ombudsman; providing for the powers and duties of the ombudsman; creating the ombudsman committee; creating the mental health board; requiring reporting of abuse and neglect to the ombudsman for mental health; amending Minnesota Statutes 1986, sections 13.66; 626.556, subdivision 10, and by adding a subdivision; and 626.557, subdivision 11, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Purfeerst introduced—

S.F. No. 515: A bill for an act relating to education; creating a revolving fund for receipts and expenditures for services, seminars, and conferences at the academies for the blind and deaf; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 128A.

Referred to the Committee on Education.

Messrs. Bernhagen, Ramstad, Mrs. McQuaid, Mr. Renneke and Mrs. Adkins introduced—

S.F. No. 516: A bill for an act relating to obscenity; prohibiting the distribution and exhibition of obscene materials and performances; prescribing penalties; amending Minnesota Statutes 1986, section 617.241.

Referred to the Committee on Judiciary.

Messrs. Stumpf; Johnson, D.J.; Lessard and Chmielewski introduced—

S.F. No. 517: A bill for an act relating to agriculture; providing for selection, sale, and development of state land to produce wild rice; amending Minnesota Statutes 1986, section 92.501, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 30.

Referred to the Committee on Agriculture.

Messrs. Wegscheid and Knutson introduced—

S.F. No. 518: A bill for an act relating to health care; regulating prepayment demonstration projects; requiring demonstration providers to follow certain claims settlement practices when contracting with other health care and social service practitioners to provide services to enrollees; amending

Minnesota Statutes 1986, section 256B.69, subdivision 6.

Referred to the Committee on Health and Human Services.

Mr. Brandl introduced—

S.F. No. 519: A bill for an act relating to publicly funded farm programs; limiting eligibility by establishing minimum qualifications; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture.

Messrs. Purfeerst and Taylor introduced—

S.F. No. 520: A bill for an act relating to appropriations; removing requirements for the payment of certain costs.

Referred to the Committee on Finance.

Ms. Berglin, Messrs. Kroening, Moe, R. D.; Johnson, D.J. and Mrs. Lantry introduced—

S.F. No. 521: A bill for an act relating to neighborhood revitalization; providing for the creation of urban revitalization action programs for the cities of Minneapolis and Saint Paul; providing a low income housing credit; providing for changes in certain special assessment payment procedures; appropriating money; amending Minnesota Statutes 1986, sections 290.06, by adding a subdivision; and 429.061, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Mr. Cohen, Mses. Peterson, D.C.; Reichgott and Mr. Storm introduced—

S.F. No. 522: A bill for an act relating to probate; requiring the court administrator to mail notice of certain claims to personal representatives; amending Minnesota Statutes 1986, section 524.3-804.

Referred to the Committee on Judiciary.

Mr. Knaak, Ms. Peterson, D.C.; Mr. Stumpf, Ms. Reichgott and Mr. Mehrkens introduced—

S.F. No. 523: A bill for an act relating to education; providing an incentive to encourage school districts to reduce certain class sizes in kindergarten through third grade; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Knaak and Ms. Olson introduced—

S.F. No. 524: A bill for an act relating to education; changing the second tier foundation aid by removing the reduction for excess fund balances; repealing Minnesota Statutes 1986, sections 124A.08, subdivision 5; and 124A.16, subdivision 4.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Spear, Kroening and Pogemiller introduced—

S.F. No. 525: A bill for an act relating to municipal electric power; defining city within the meaning of the act; extending the power of eminent domain of municipal power agencies to include existing hydroelectric generating facilities to protect the natural, historical, ecological or aesthetic value of other waterways; amending Minnesota Statutes 1986, sections 453.52, subdivision 3; and 453.56.

Referred to the Committee on Public Utilities and Energy.

Ms. Peterson, D.C.; Messrs. Kroening, Spear and Pogemiller introduced—

S.F. No. 526: A resolution memorializing the Federal Energy Regulatory Commission; expressing the Legislature's opposition to Northern States Power Company's application to install additional hydropower generating facilities at the Falls of St. Anthony in Minneapolis, Minnesota.

Referred to the Committee on Public Utilities and Energy.

Ms. Piper, Mrs. Lantry, Messrs. Solon, Marty and Mehrkens introduced—

S.F. No. 527: A bill for an act relating to human services; changing the limitation on residential services; amending Minnesota Statutes 1986, section 252.291, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Diessner introduced—

S.F. No. 528: A bill for an act relating to employment; limiting the employment hours of certain minors during the school year; amending Minnesota Statutes 1986, sections 181A.04, by adding a subdivision; and 181A.12, subdivision 1.

Referred to the Committee on Employment.

Mr. Diessner and Ms. Piper introduced—

S.F. No. 529: A bill for an act relating to human services; regulating work activities of handicapped persons in state facilities; amending Minnesota Statutes 1986, section 246.56, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Jude, Benson and Vickerman introduced—

S.F. No. 530: A bill for an act relating to courts; repealing the provision that allows the supreme court to determine whether a vacant judicial office is necessary or can be abolished; repealing Minnesota Statutes 1986, section 2.722, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Beckman, Jude, Benson and Vickerman introduced—

S.F. No. 531: A bill for an act relating to courts; suspending operation for three years of the provision that allows the supreme court to determine whether a vacant judicial office is necessary or can be abolished; amending Minnesota Statutes 1986, section 2.722, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Vickerman introduced—

S.F. No. 532: A bill for an act relating to human services; clarifying methods of determining cost of care at regional treatment centers; clarifying responsibility for setting rates and collecting payment for cost of care at state nursing homes; allowing commissioner of human services to collect insurance settlements; amending Minnesota Statutes 1986, sections 246.50, subdivisions 3, 4a, 5, 7, and by adding a subdivision; 246.51; 246.511; and 251.011, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 246.

Referred to the Committee on Health and Human Services.

Messrs. Gustafson and Solon introduced—

S.F. No. 533: A bill for an act relating to the city of Hermantown; extending the period that land held by the city for economic development is exempt from tax.

Referred to the Committee on Economic Development and Housing.

Messrs. Gustafson and Solon introduced—

S.F. No. 534: A bill for an act relating to taxation; motor vehicle excise; exempting homemade motor vehicles if sales tax was paid on the materials and components used to construct the motor vehicle; amending Minnesota Statutes 1986, sections 297B.01, subdivision 8; and 297B.03.

Referred to the Committee on Transportation.

Mr. Stumpf introduced—

S.F. No. 535: A bill for an act relating to natural resources; establishing a board of regents for the department of natural resources; amending Minnesota Statutes 1986, section 84.01, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Novak, Merriam and Wegscheid introduced—

S.F. No. 536: A bill for an act relating to environment; establishing a petroleum tank release cleanup program; authorizing state action to prevent or correct health and environmental damage resulting from releases from petroleum storage tanks; establishing a petroleum tank release cleanup fund; establishing a petroleum tank release compensation board; authorizing reimbursement from the fund; requiring rulemaking; providing for administration by the pollution control agency and the department of commerce; requiring certification of tank installers; appropriating money; amending Minnesota Statutes 1986, sections 116.48, subdivision 4; and 296.13; proposing coding for new law as Minnesota Statutes, chapter 115C.

Referred to the Committee on Environment and Natural Resources.

Messrs. Jude, Ramstad, Cohen, Spear and Ms. Peterson, D.C. introduced—

S.F. No. 537: A bill for an act relating to public safety; imposing mandatory minimum penalties on habitual DWI offenders; amending Minnesota Statutes 1986, section 169.121, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Peterson, R.W. and Merriam introduced—

S.F. No. 538: A bill for an act relating to trusts; regulating investment of trust assets; prescribing the standard of care for trustees; allowing trustees to delegate duties and employ agents; amending Minnesota Statutes 1986, sections 501.125, subdivision 1; and 501.66, subdivision 28; repealing Minnesota Statutes 1986, sections 501.125, subdivision 1a; and 501.66, subdivision 6a.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Spear, Cohen, Ramstad and Pogemiller introduced—

S.F. No. 539: A bill for an act relating to domestic abuse; prohibiting modification or vacation of certain orders for protection in a marriage dissolution proceeding; providing that certain actions are not violations of an order for protection; requiring written notice to respondents of penalties for violation of an order; requiring notice to peace officers; amending Minnesota Statutes 1986, sections 518.131, subdivision 2; and 518B.01, subdivisions 4, 6, 14, and by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Stumpf and Moe, R.D. introduced—

S.F. No. 540: A bill for an act relating to health; creating an exception to the nursing home moratorium for a facility operated on the Red Lake Indian Reservation; amending Minnesota Statutes 1986, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Brandl, Pehler and Ms. Piper introduced—

S.F. No. 541: A bill for an act relating to human services; providing reimbursement for costs of semi-independent living services for persons with mental retardation or related conditions; amending Minnesota Statutes 1986, section 252.275, subdivisions 1, 2, 4, and 7.

Referred to the Committee on Health and Human Services.

Ms. Reichgott, Messrs. Pehler, Marty, Dahl and Belanger introduced—

S.F. No. 542: A bill for an act relating to commerce; regulating the advertisement of interest rates of investment products; prescribing the powers and duties of the commissioner; providing for uniformity in the en-

forcement powers of the commissioner; prescribing penalties; providing remedies; amending Minnesota Statutes 1986, section 60A.17, subdivision 6c; proposing coding for new law in Minnesota Statutes, chapter 45; repealing Minnesota Statutes 1986, sections 72A.23; 72A.24; 72A.28; 80A.20; 80A.21; 80C.15; 80C.16, subdivision 1; 82.25; 82.26; 83.34; and 83.35, subdivision 3.

Referred to the Committee on Commerce.

Mr. Berg introduced—

S.F. No. 543: A bill for an act relating to game and fish; designating pheasant stamp revenue for a certain time for pheasant stocking and pheasant predator control; authorizing a bounty on pheasant predators; amending Minnesota Statutes 1986, sections 97A.075, by adding a subdivision; and 348.12.

Referred to the Committee on Environment and Natural Resources.

Mr. Pehler, Ms. Peterson, D.C.; Messrs. Mehrkens and Beckman introduced—

S.F. No. 544: A bill for an act relating to education; providing for area learning centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 545: A bill for an act relating to human services; providing for the recovery of medical assistance overpayments; amending Minnesota Statutes 1986, section 256B.0641, by adding a subdivision.

Referred to the Committee on Health and Human Services.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 26, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTEENTH DAY

St. Paul, Minnesota, Thursday, February 26, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Terry Danger.

The roll was called, and the following Senators answered to their names:

Adkins	Cohen	Johnson, D.E.	McQuaid	Ramstad
Anderson	Dahl	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Davis	Jude	Merriam	Renneke
Belanger	DeCramer	Knaak	Metzen	Schmitz
Benson	Dicklich	Knutson	Moe, D.M.	Solon
Berg	Diessner	Kroening	Morse	Spear
Berglin	Frank	Laidig	Olson	Storm
Bernhagen	Frederick	Langseth	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Lantry	Peterson, R.W.	Vickerman
Brandl	Frederickson, D.R.	Larson	Piper	Waldorf
Brataas	Freeman	Lessard	Pogemiller	Wegscheid
Chmielewski	Gustafson	Marty	Purfeerst	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Hughes; Luther; Moe, R.D.; Novak; Pehler; Samuelson and Taylor were excused from the Session of today. Ms. Piper was excused from the Session of today at 2:15 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

May 20, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota Rural Finance Administration Board are hereby respectfully submitted to the Senate for confir-

mation as required by law:

Andrew L. Waiters, R.R. 2, Balaton, Lyon County, has been appointed by me, effective May 21, 1986, for a term expiring the first Monday in January, 1989.

David G. Smith, P.O. Box 105, Jasper, Pipestone County, has been appointed by me, effective May 21, 1986, for a term expiring the first Monday in January, 1988.

David G. Velde, Rt. 2, Box 49, Carlos, Douglas County, has been appointed by me, effective May 21, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Agriculture.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Board on Judicial Standards are hereby respectfully submitted to the Senate for confirmation as required by law:

Raul Salazar, 3605 Tuxedo Rd., Mound, Hennepin County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Janna Merrick, 230 York Ave., Elk River, Sherburne County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Judiciary.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Hazardous Substance Injury Compensation Board is hereby respectfully submitted to the Senate for confirmation as required by law:

David R. Miller, 1309 Jonquil Ln., White Bear Lake, Ramsey County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Judiciary.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Metropolitan Council is hereby respectfully submitted to the Senate for confirmation as required by law:

John Robert Evans, 7531 Angeline Dr., New Hope, Hennepin County, has been appointed by me, effective January 20, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Local and Urban Government.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Metropolitan Council is hereby respectfully submitted to the Senate for confirmation as required by law:

Carol Flynn, 4741 Elliot Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 20, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Local and Urban Government.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Metropolitan Council is hereby respectfully submitted to the Senate for confirmation as required by law:

Donald Stein, 11721 Evergreen Cir. N.W., Coon Rapids, Anoka County, has been appointed by me, effective January 20, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Local and Urban Government.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Metropolitan Council is hereby respectfully submitted to the Senate for confirmation as required by law:

Gertrude Ulrich, 7601 Aldrich Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 20, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Local and Urban Government.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Higher Education Coordinating Board is hereby respectfully submitted to the Senate for confir-

mation as required by law:

Robert E. Ferguson, 855 Cliff Rd., Eagan, Dakota County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota Water Resources Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Peggy Lynch, 1621 Beechwood Ave., St. Paul, Ramsey County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Georgia Holmes, 1705 Linda Ln., North Mankato, Nicollet County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Environment and Natural Resources.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board of Vocational Technical Education is hereby respectfully submitted to the Senate for confirmation as required by law:

Donald C. Ingram, 1003 - 9th St. N.W., Austin, Mower County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Ethical Practices Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Judith Gilbert Schotzko, R.R. 1, Box 42, Blue Earth, Faribault County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Elections and Ethics.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Transportation Regulation Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Eldon Keehr, 201 - 22nd Ave. S., South St. Paul, Dakota County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Transportation.)

February 6, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Racing Commission is hereby respectfully submitted to the Senate for confirmation as required by law:

Richard M. Kirkes, P.O. Box 439, Bovey, Itasca County, has been appointed by me, effective February 6, 1987, for a term expiring June 30, 1991.

(Referred to the Committee on General Legislation and Public Gaming.)

February 6, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board of Education is hereby respectfully submitted to the Senate for confirmation as required by law:

Alan T. Zdon, 3825 - 3rd Ave. E., Hibbing, St. Louis County, has been appointed by me, effective February 6, 1987, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Education.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 3: A House concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 23, 1987

Mr. Merriam moved that House Concurrent Resolution No. 3 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 19 and 191.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 23, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 19: A bill for an act relating to probate; including certain agencies as successors who may collect personal property by affidavit; amending Minnesota Statutes 1986, section 524.3-1201.

Referred to the Committee on Judiciary.

H.F. No. 191: A bill for an act relating to the city of St. Stephen; authorizing the issuance of bonds for the construction of a city civic building.

Referred to the Committee on Local and Urban Government.

REPORTS OF COMMITTEES

Mr. Merriam moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 19: A bill for an act relating to economic development; authorizing the energy and economic development authority to make grants for the creation of seed capital funds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116M.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [116P01] [DEFINITIONS.]

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

Subd. 2. [BOARD.] “Board” means the board of directors of the greater Minnesota corporation.

Subd. 3. [CORPORATION.] “Corporation” means the greater Minnesota corporation.

Sec. 2. [116P02] [CORPORATION CREATED; BOARD OF DIRECTORS; POWERS.]

Subdivision 1. [CREATION; NAME.] The greater Minnesota corporation is chartered as a public corporation of the state and is not a state agency. All business of the corporation must be conducted under the name "greater Minnesota corporation."

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors appointed by the governor. Terms are for six years. Four of the initial appointees must be appointed for six-year terms; four for four-year terms; and three for two-year terms. The governor shall make the initial appointments. As the terms of the initial appointees expire, appointments must be made by the board. Directors may be compensated as determined by the board.

Subd. 3. [ARTICLES AND BYLAWS.] The board of directors shall adopt articles of incorporation and bylaws necessary for the conduct of the business of the corporation, consistent with the provisions of this chapter. The articles and bylaws must be filed with the secretary of state.

Subd. 4. [PLACES OF BUSINESS.] The board shall locate and maintain the corporation's places of business within the state.

Subd. 5. [MEETINGS AND ACTIONS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving notice as provided in the bylaws of the corporation. Board meetings are not subject to section 471.705.

Sec. 3. [116P:03] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] (a) The board shall appoint and set the compensation for a president, who serves as chief executive officer of the corporation, and who may appoint subordinate officers. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees and agents the president considers necessary.

(b) The board shall define the duties and designate the titles of the employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans for employees in the unclassified service.

Sec. 4. [116P:04] [POWERS OF THE CORPORATION.]

In addition to other powers granted by this chapter, the corporation may:

- (1) sue, and be sued;*
- (2) have a seal and alter it at will;*
- (3) acquire and dispose of personal property, including inchoate and intellectual property, royalties, stock, and stock warrants;*
- (4) enter into contracts or agreements with a federal or state agency, person, business, or other organization;*
- (5) acquire and dispose of real property or an interest in real property;*
- (6) purchase insurance;*

(7) consent to the modification of a contract or agreement to which the corporation is a party; and

(8) accept gifts, grants, and bequests and use or dispose of them for its purposes.

Sec. 5. [116P05] [RURAL CAPITAL SEED FUND PROGRAM.]

Subdivision 1. [ORGANIZATION.] The corporation shall establish a rural capital seed fund program to promote economic development, encourage private investment, and create jobs in rural Minnesota by acquiring equity interests in small businesses located within the rural areas of the state. For purposes of this section, "small business" means a small business as defined in section 14.115, but does not include retail or services-related businesses, except for international export-related services, international export-related retail ventures, and advanced technology or computer-related ventures that will increase the state's share of domestic or international markets.

Subd. 2. [PROGRAM APPLICATIONS.] Organizations experienced in raising venture capital may submit applications to the corporation for the capital seed fund program. The application shall:

(1) demonstrate the experience of the applicant in raising venture capital;

(2) describe the purposes of the proposed seed capital funds, including the types of businesses to receive investments and the type of investments to be made;

(3) present a plan for establishing the proposed seed capital funds, including the amount of private investment sought, the strategy for obtaining the investments, and the persons or organizations who may manage the funds;

(4) list private investment commitments obtained as of the date of the application; and

(5) provide other and further information as the corporation may require.

Subd. 3. [PROGRAM AWARD.] The corporation may award the program to the venture capital organization applicant it determines to have the best qualifications to meet the program objectives and criteria provided for in this section. The corporation shall enter an agreement with the selected venture capital organization to establish capital seed funds. The agreement must include performance evaluation standards which the organization must meet in the administration and management of program funds. If the organization does not meet performance evaluation standards included in the agreement, the corporation may require that the organization use available funds to return the state's investment, together with interest accrued from the date of investment at the highest rate allowable by law. If sufficient funds are not available, the corporation may require the organization to liquidate sufficient investments to repay the state's investment with interest accrued. The corporation may use the returned funds to reinvest in another organization as provided in this section. For purposes of this section, "organization" means the venture capital organization selected by the corporation to establish and administer the capital seed funds.

Subd. 4. [PROGRAM ADMINISTRATION.] The corporation shall divide the area of the state located outside of the metropolitan area defined in section 473F02, subdivision 2, into six regions. The organization shall

establish and administer a capital seed fund in each of the six regions. The corporation shall provide an equal amount of state money for each fund. The organization shall use the state money provided for each fund to acquire equity interests in small businesses located within the fund's designated region.

Subd. 5. [PROGRAM CRITERIA.] The corporation must certify a capital seed fund before any money may be expended from the fund. Before a fund may be certified, the organization must demonstrate that at least \$5 of private investment has been committed to the proposed seed capital fund for every \$1 of state money appropriated to the fund and at least \$3,000,000 of total investment, including the state appropriation, has been committed to the fund.

Subd. 6. [INVESTMENT APPROVAL; LIABILITY.] The board shall establish an investment committee which consists of three members of the board who are knowledgeable in economic development and finance. The organization may not act on an investment proposal until it has received the evaluation and recommendations of the investment committee or until 45 days have elapsed since the proposal was submitted to the committee, whichever occurs first. An equity interest which the organization acquires with rural capital seed program funds may not include a general partnership interest or other interest involving general liability.

Subd. 7. [REPORT.] The organization shall submit an annual report to the corporation by December 1 of each year. The report shall include the policies and procedures of each seed capital fund; the amount of private investment in each fund; the number, type, and amounts of investments in small businesses; and the number of new jobs created as a result of the investment. The corporation shall include the organization's report in the annual report which the corporation is required to submit to the legislature under section 7.

Subd. 8. [FUND LIQUIDATIONS.] The organization shall liquidate the capital seed funds by January 1, 2002, and the state's investments, including the capital appreciation of the state's interest in each fund, shall be deposited in the general fund.

Sec. 6. [116P06] [AUDITS.]

The board shall contract with a certified public accounting firm to audit the corporation and any subsidiary annually in accordance with generally accepted accounting standards.

Sec. 7. [116P07] [REPORTS.]

The corporation shall report to the legislature and the governor on its activities by January 1 of each year.

Sec. 8. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the greater Minnesota corporation, for the purposes of sections 1 to 7, to be available until expended."

Amend the title as follows:

Page 1, line 2, delete "authorizing the" and insert "establishing the greater Minnesota corporation;"

Page 1, delete lines 3 and 4

Page 1, line 5, delete "in" and insert "as"

Page 1, line 6, delete "116M" and insert "116P"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 141: A bill for an act relating to education; state universities; establishing a composites science and engineering program at Winona State University; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [COMPOSITES SCIENCE AND ENGINEERING PROGRAM AT WINONA STATE UNIVERSITY.]

\$873,500 is appropriated from the general fund to the state university board for an undergraduate baccalaureate degree program in composites science and engineering at Winona State University. Of this sum, \$83,500 is to plan and develop the program in fiscal year 1988. \$790,000 is to implement the program in fiscal year 1989."

Amend the title as follows:

Page 1, line 2, delete everything after the first semicolon

Page 1, line 3, delete "establishing" and insert "appropriating money for"

Page 1, line 4, delete "; appropriating"

Page 1, delete line 5

Page 1, line 6, delete everything before the period

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 182: A bill for an act relating to employment; requiring an employer to notify employees and job applicants of bankruptcy proceedings; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 11 and 15, delete "if" and insert "that"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 53: A bill for an act relating to municipal liability; providing for indemnification of employees for punitive damages; amending Minnesota Statutes 1986, section 466.07, by adding a subdivision; repealing Minnesota Statutes 1986, section 466.07, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 466.06, is amended to read:

466.06 [LIABILITY INSURANCE.]

The governing body of any municipality may procure insurance against liability of the municipality and its officers, employees, and agents for damages, *including punitive damages*, resulting from its torts and those of its officers, employees, and agents, including torts specified in section 466.03 for which the municipality is immune from liability. The insurance may provide protection in excess of the limit of liability imposed by section 466.04. If the municipality has the authority to levy taxes, the premium costs for such insurance may be levied in excess of any per capita or millage tax limitation imposed by statute or charter. However, a school district may not levy pursuant to this section for premium costs for motor vehicle insurance protecting against injuries or damages arising out of the operation of district owned, operated, leased, or controlled vehicles for the transportation of pupils for purposes for which state aid is authorized under section 124.223, or for purposes for which the district is authorized to levy under section 275.125, subdivision 5d. Any independent board or commission in the municipality having authority to disburse funds for a particular municipal function without approval of the governing body may similarly procure liability insurance with respect to the field of its operation. The procurement of such insurance constitutes a waiver of the defense of governmental immunity to the extent of the liability stated in the policy but has no effect on the liability of the municipality beyond the coverage so provided.

Sec. 2. Minnesota Statutes 1986, section 466.07, subdivision 1, is amended to read:

Subdivision 1. [~~AUTHORITY TO INDEMNIFY INDEMNIFICATION REQUIRED.~~] ~~The governing body of any Subject to the limitations in section 466.04, a municipality may or an instrumentality of a municipality shall defend, save harmless, and indemnify any of its officers and employees, whether elective or appointive, against any tort claim or demand, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of duty. Any independent board or commission of the municipality having authority to disburse funds for a particular function without approval of the governing body may similarly defend, save harmless, and indemnify its officers and employees against such tort claims or demands for damages, including punitive damages, claimed or levied against the officer or employee, provided that the officer or employee:~~

- (1) was acting in the performance of the duties of the position; and
- (2) was not guilty of malfeasance in office, willful neglect of duty, or bad faith.

Sec. 3. [REPEALER.]

(a) Minnesota Statutes 1986, section 466.07, subdivisions 1a and 2, are repealed.

(b) Minnesota Statutes 1986, section 466.07, subdivision 4, is repealed.

Sec. 4. [EFFECTIVE DATE.]

Notwithstanding section 645.21, section 3, paragraph (b), is effective retroactive to July 1, 1986."

Delete the title and insert:

"A bill for an act relating to municipal liability; providing for indemnification of employees for punitive damages; amending Minnesota Statutes 1986, sections 466.06; and 466.07, subdivision 1; repealing Minnesota Statutes 1986, section 466.07, subdivisions 1a, 2, and 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 302: A bill for an act relating to crimes; repealing the crime of criminal syndicalism; repealing Minnesota Statutes 1986, section 609.405.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 157: A bill for an act relating to property interests; enacting the uniform statutory rule against perpetuities; amending Minnesota Statutes 1986, section 500.17, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 501A; repealing Minnesota Statutes 1986, section 500.13.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 257: A bill for an act relating to lawful gambling; requiring the governor to appoint charitable gambling control board members from certain fraternal, veteran's, and religious organizations; amending Minnesota Statutes 1986, section 349.151, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Governmental Operations. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 245: A bill for an act relating to intoxicating liquor; authorizing the city of Moorhead to issue an on-sale intoxicating liquor license to the Red River Valley Center-Hjemkomst Heritage Interpretive Center.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 170: A bill for an act relating to economic development; recodifying provisions governing housing and redevelopment authorities, port authorities, economic development authorities, area redevelopment, municipal development districts, mined underground space development, rural development finance authorities, public development debt, enterprise zones, tax increment financing, and other local economic development tools; extending duration of bond allocation act; amending Minnesota Statutes 1986, sections 16B.61, subdivision 3; 41A.05, subdivision 2; 41A.06, subdivision 5; 115A.69, subdivision 9; 116J.27, subdivision 4; 116M.03, subdivisions 11, 19, and 28; 116M.06, subdivision 3; 116M.07, subdivision 11; 124.214, subdivision 3; 216B.49, subdivision 7; 268.38, subdivision 3; 272.02, subdivision 5; 272.026; 272.68, subdivision 4; 273.13, subdivisions 9 and 24; 273.1393; 282.01, subdivision 1; 290.61; 298.2211, subdivisions 1 and 3; 353.01, subdivision 6; 355.11, subdivision 5; 355.16; 412.251; 462C.02, subdivisions 6 and 9; 462C.05, subdivision 7; 462C.06; 465.54; 465.74, subdivision 7; 465.77; 471A.03, subdivision 9; 473.195, subdivision 1; 473.201, subdivision 1; 473.504, subdivision 11; 473.556, subdivision 6; 473.638, subdivision 2; 473.811, subdivision 8; 473.852, subdivision 6; 473F02, subdivision 3; 473F05; 473F08, subdivisions 2, 4, and 6; 475.525, subdivision 3; 477A.011, subdivision 7; 504.24, subdivision 2; and 609.321, subdivision 12; and Laws 1986, chapter 465, article 1, section 32; repealing Minnesota Statutes 1986, sections 273.1312; 273.1313; 273.1314; 273.71; 273.72; 273.73; 273.74; 273.75; 273.76; 273.77; 273.78; 273.86; 362A.01; 362A.02; 362A.03; 362A.04; 362A.041; 362A.05; 362A.06; 373.31; 426.055; 458.09; 458.091; 458.10; 458.11; 458.12; 458.14; 458.15; 458.16; 458.17; 458.18; 458.19; 458.191; 458.192; 458.193; 458.194; 458.1941; 458.195; 458.196; 458.197; 458.198; 458.199; 458.1991; 458.70; 458.701; 458.702; 458.703; 458.711; 458.712; 458.713; 458.72; 458.74; 458.741; 458.75; 458.76; 458.77; 458.771; 458.772; 458.773; 458.774; 458.775; 458.776; 458.777; 458.778; 458.79; 458.80; 458.801; 458.81; 458C.01; 458C.03; 458C.04; 458C.05; 458C.06; 458C.07; 458C.08; 458C.09; 458C.10; 458C.11; 458C.12; 458C.13; 458C.14; 458C.15; 458C.16; 458C.17; 458C.18; 458C.19; 458C.20; 458C.22; 458C.23; 459.01; 459.02; 459.03; 459.04; 459.05; 459.31; 459.32; 459.33; 459.34; 462.411; 462.415; 462.421; 462.425; 462.426; 462.427; 462.428; 462.429; 462.4291; 462.432; 462.435; 462.441; 462.445; 462.451; 462.455; 462.461; 462.465; 462.466; 462.471; 462.475; 462.481; 462.485; 462.491; 462.495; 462.501; 462.505; 462.511; 462.515; 462.521; 462.525; 462.531; 462.535; 462.541; 462.545; 462.551; 462.555; 462.556; 462.561; 462.565; 462.571; 462.575; 462.581; 462.585; 462.591; 462.595; 462.601; 462.605; 462.611; 462.615; 462.621; 462.625; 462.631; 462.635; 462.641; 462.645; 462.651; 462.655; 462.661; 462.665; 462.671; 462.675; 462.681; 462.685; 462.691; 462.695; 462.701; 462.705; 462.712; 462.713; 462.714; 462.715; 462.716; 465.026; 465.53; 465.55; 465.56; 472.01; 472.02; 472.03; 472.04; 472.05; 472.06; 472.07; 472.08; 472.09; 472.10; 472.11; 472.12; 472.125; 472.13; 472.14; 472.15; 472.16; 472A.01; 472A.02; 472A.03; 472A.04; 472A.05; 472A.06; 472A.07; 472A.09; 472A.10; 472A.11; 472A.12; 472A.13; 472B.01; 472B.02; 472B.03; 472B.04; 472B.05; 472B.06; 472B.07; 472B.08; 474.01; 474.02; 474.03; 474.04; 474.05; 474.06; 474.07; 474.08; 474.09; 474.10; 474.11; 474.13; 474.15; 477A.018; and 477A.019; and Laws 1985, chapters 173; 177; 188; 189; 199; 205; 206, sections 2 and 3; and 301, sections 3 and 4; proposing coding for new law as Minnesota Statutes, chapter 469.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 31, after "body" insert a comma

Page 9, line 35, after "body" insert a comma

Page 37, line 16, after "paid" insert "or incurred for which the family is liable"

Page 53, line 28, after "by" insert "(1)"

Page 53, line 30, after the first "or" insert "(2)" and delete the second comma

Page 53, line 32, after the first "or" insert "(3)"

Page 57, line 33, delete "That amount" and insert "The service charge"

Page 58, lines 6 and 8, delete "amount" and insert "service charge"

Page 63, line 20, after the period, insert "The contract shall provide that:

(a) after providing for all expenses, taxes, or payments in lieu of taxes, and assessments, there shall be paid annually out of the earnings of the developer from any project for interest paid to the developer or to any of its stockholders, amortization, and dividends a sum equal to but not exceeding eight percent of the total actual final cost of that project, defined as an amount equal to the actual cost plus an allowance for working capital that does not exceed an amount equal to five percent of the estimated cost, or of the total actual final cost of the project if that is greater than the estimated cost; that the obligation in respect of the payments shall be cumulative, and any deficiency in interest, amortization, and dividends in respect of that project in any year shall be paid from the first available earnings in subsequent years; and that any cash surplus derived from earnings from that project remaining in the treasury of the developer in excess of the amount necessary to provide such cumulative annual sums shall, upon a conveyance of the project or upon a dissolution of the company, be paid into the general fund of the city or town in which that project is located; and

(b) a provision that, so long as this section remains applicable to a project, the real property of the project shall not be sold, transferred, or assigned except as permitted by the terms of the contract or as subsequently approved by the governing body."

Page 65, line 35, delete "him" and insert "that party"

Page 72, line 25, after "4" insert "only"

Page 76, line 11, delete "ONE BANK ACCOUNT" and insert "REVENUE POOLING"

Page 82, line 17, delete "it" and insert "those lands"

Page 86, line 32, delete "RELATION TO OTHER" and insert "EXTENSION OF OTHER AUTHORITIES"

Page 87, line 5, delete the language after "[469.060]"

Page 87, delete line 6 and insert "[GENERAL OBLIGATION BONDS.]"

Pages 112 and 113, delete subdivision 9

Renumber the subdivisions in sequence

Page 117, line 9, delete "REALTY" and insert "REAL PROPERTY"

Page 149, line 29, after "project" insert "or"

Page 152, line 9, after "property" insert "in a redevelopment area"

Page 154, line 24, delete "energy and economic"

Page 154, line 25, delete "development"

Page 155, line 21, after "a" insert "local development corporation or a"

Page 155, line 35, delete "energy and"

Page 155, line 36, delete "economic development"

Page 157, line 2, after "type" insert ", classes."

Page 158, line 16, delete "energy and economic development"

Page 158, line 34, after "LOANS" insert "; REVOLVING ACCOUNT"

Page 160, line 16, after the period, insert "*The legislature declares that the actions required to assist the implementation of these development programs are a public purpose and that the execution and financing of these programs are a public purpose.*"

Page 160, line 21, delete "MUNICIPALITY" and insert "CITY" and delete "municipality" and insert "city"

Page 161, lines 4, 19, 23, 28 and 34, delete "municipality" and insert "city"

Page 161, line 7, after the period, insert "*The use of a public street or public right-of-way for pedestrian skyway travel only constitutes a public use and shall not require a vacation of the street or right-of-way.*"

Page 161, after line 7, insert:

"Subd. 5. [SPECIAL LIGHTING SYSTEMS.] "*Special lighting systems*" means lights or light displays of any type located within or without the public right-of-way."

Renumber the subdivisions in sequence

Page 161, lines 25 and 30, delete "municipality" and insert "city" in both places

Page 162, lines 1, 21 and 24, delete "municipality" and insert "city"

Page 163, line 5, after the comma, insert "*the people mover system.*"

Page 163, lines 13 and 28, delete "municipality" and insert "city"

Page 163, line 16, after "concourses," insert "*people mover systems,*"

Page 163, line 32, delete "municipality's" and insert "city's"

Page 163, line 35, delete "municipality" and insert "city"

Page 164, lines 5, 9, 26, 29 and 34, delete "municipality" and insert "city"

Page 164, line 12, after the period, insert "*Tax increments may be applied in any manner permitted by section 177, subdivisions 2 and 4.*"

Page 164, line 36, delete "municipal" and insert "city"

Page 165, lines 7 and 19, delete "municipality" and insert "city"

Page 166, line 31, delete "municipality" and insert "city"

Page 243, line 25, after "of" insert a colon

Page 244, line 12, after "either" insert "(1)"

Page 244, line 13, after "or" insert "(2)"

Page 244, line 14, delete "if the" and insert a period

Page 244, delete lines 15 and 16

Page 246, line 8, after "any" insert "home rule charter or statutory"

Page 294, line 10, after "477A.019;" insert "Laws 1961, chapter 545; Laws 1963, chapters 254; and 827; Laws 1967, chapter 541; Laws 1969, chapter 98; Laws 1973, chapter 114; Laws 1974, chapter 218; Laws 1975, chapter 326; Laws 1976, chapter 234, section 3; Laws 1979, chapter 269, section 1; Laws 1980, chapters 453; and 595, sections 5 and 8; Laws 1982, chapter 523, article 24, section 2; Laws 1983, chapters 110; and 257, section 1; Laws 1984, chapters 397; 498; and 548, section 9;" and after "189;" insert "192;"

Page 294, delete line 36

Page 295, delete line 1 and insert:

"Sec. 3. [EXISTING ENTITIES.]

Public and private bodies created by laws repealed in article 1 shall remain in existence despite the repeal in article 1 of the laws that created them."

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "removing certain veterans' and servicepersons' preference provisions from the housing and redevelopment authority law; modifying requirements for developers' tax abatements under the housing and redevelopment authority law; removing a sunset on certain St. Paul port authority provisions;"

Page 2, line 23, after "477A.019;" insert "Laws 1961, chapter 545; Laws 1963, chapters 254; and 827; Laws 1967, chapter 541; Laws 1969, chapter 98; Laws 1973, chapter 114; Laws 1974, chapter 218; Laws 1975, chapter 326; Laws 1976, chapter 234, section 3; Laws 1979, chapter 269, section 1; Laws 1980, chapters 453; and 595, sections 5 and 8; Laws 1982, chapter 523, article 24, section 2; Laws 1983, chapters 110; and 257, section 1; Laws 1984, chapters 397; 498; and 548, section 9;"

Page 2, line 24, after "189;" insert "192;"

And when so amended the bill do pass and be re-referred to the Committee on Veterans. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 258: A bill for an act relating to utilities; regulating certain intrastate gas pipelines; amending Minnesota Statutes 1986, section 216B.08.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [216B.045] [REGULATION OF INTRASTATE NATURAL GAS PIPELINES.]

Subdivision 1. [DEFINITION.] For the purposes of this section "intrastate pipeline" means a pipeline wholly within the state of Minnesota which transports or delivers natural gas received from another person at a point inside or at the border of the state, which is delivered at a point within the state to another, provided that all the natural gas is consumed within the state. An intrastate pipeline does not include a pipeline owned or operated by a public utility.

Subd. 2. [REASONABLE RATE.] Every rate and contract relating to the sale or transportation of natural gas through an intrastate pipeline shall be just and reasonable. No owner or operator of an intrastate pipeline shall provide intrastate pipeline services in a manner which unreasonably discriminates among customers receiving like or contemporaneous services.

Subd. 3. [TRANSPORTATION RATES; DISCRIMINATION.] Every owner or operator of an intrastate pipeline shall offer intrastate pipeline transportation services by contract on an open access, non-discriminatory basis. To the extent the intrastate pipeline has available capacity, the owner or operator of the intrastate pipeline must provide firm and interruptible transportation on behalf of any customer. If physical facilities are needed to establish service to a customer, the customer may provide those facilities or the owner or operator of the intrastate pipeline may provide the facilities for a reasonable and compensatory charge.

Subd. 4. [CONTRACTS; COMMISSION APPROVAL.] No contract establishing the rates, terms, and conditions of service and facilities to be provided by intrastate pipelines is effective until it is filed with and approved by the commission. The commission has the authority to approve the contracts and to regulate the types and quality of services to be provided through intrastate pipelines. The approval of a contract for an intrastate pipeline to provide service to a public utility does not constitute a determination by the commission that the prices actually paid by the public utility under that contract are reasonable or prudent, nor does approval constitute a determination that purchases of gas made or deliveries of gas taken by the public utility under that contract are reasonable or prudent.

Subd. 5. [COMPLAINTS.] Any customer of an intrastate pipeline, any person seeking to become a customer of an intrastate pipeline, the department, or the commission on its own motion, may bring a complaint regarding the rates, contracts, terms, conditions, and types of service provided or proposed to be provided through an intrastate pipeline, including a complaint that a service which can reasonably be demanded is not offered by the owner or operator of the intrastate pipeline. If a complaint involves the question of whether or not an intrastate pipeline has capacity available, the commission shall after hearing make a determination of the available capacity but shall not impair the owner or operator of the intrastate pipeline contractual obligation to provide firm transportation service. If a complaint concerns the use of available capacity by one or more customers of an intrastate pipeline, the commission shall after hearing determine the reasonable use of the available capacity by the

customers. The commission shall not require an owner or operator of an intrastate pipeline to expand its available capacity, but may require the owner or operator to maintain a reasonable quality of service. The commission may dismiss any complaint without a hearing if in its opinion a hearing is not in the public interest. Complaints brought under this subdivision shall be governed by section 216B.17, subdivisions 2 to 7.

Subd. 6. [RECORDS.] Sections 216B.10, subdivisions 1 and 4, 216B.12, and 216B.13 shall apply to owners and operators of intrastate pipelines.

Subd. 7. [NATURAL GAS EMERGENCY.] The commission may declare a natural gas supply emergency if it finds that a severe natural gas shortage endangering the health or safety of the citizens of the state exists or is imminent in the state. If the commission declares that a natural gas supply emergency exists, it may for the duration of the emergency order the suspension of any contract providing for the sale and transportation of natural gas through an intrastate pipeline, and may for the duration of the emergency order an owner or operator of the intrastate pipeline to furnish such transportation services as are required by the public interest. The owner or operator of the intrastate pipeline shall be compensated for its services furnished under an emergency order issued under this section, and the commission shall determine the just and reasonable compensation for the services required to be provided during the emergency.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon and insert "proposing coding for new law in Minnesota Statutes, chapter 216B."

Page 1, delete line 4

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 378: A bill for an act relating to utilities; providing that owners of electric power lines are strictly liable for damages resulting from contact with lines; requiring owners to trim vegetation around lines; providing that failure to trim vegetation is a nuisance; proposing coding for new law in Minnesota Statutes, chapter 561.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete "to 3" and insert "and 2"

Page 1, line 20, after "line" insert "for which the owner of an electric power line has an easement which is"

Page 1, after line 22, insert:

"Subd. 6. [MUNICIPAL UTILITY.] "Municipal utility" means an electric utility operated by a municipality under chapter 452."

Renumber the subdivisions in sequence

Pages 1 and 2, delete section 2

Page 2, line 7, delete "or" and after "agency" insert ", or municipal utility"

Page 2, line 11, delete "or" and after "agency" insert ", or municipal utility"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "providing that owners of"

Page 1, delete line 3

Page 1, line 4, delete everything before "requiring" and after "owners" insert "of electric power lines"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 365: A bill for an act relating to search and seizure; requiring enforcement officers to have probable cause before entering certain buildings to determine whether wild animals are stored in compliance with the game and fish laws; amending Minnesota Statutes 1986, section 97A.215, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 2

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 368: A bill for an act relating to eminent domain; increasing appraisal fees awarded by commissioners; amending Minnesota Statutes 1986, section 117.085.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 402: A bill for an act relating to courts; setting uniform fees in probate proceedings; amending Minnesota Statutes 1986, section 525.033.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 152: A bill for an act relating to crime victims; creating a fund to be used by local law enforcement agencies for the purpose of meeting certain emergency needs of crime victims; providing for administration of the fund by the crime victims reparations board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 611A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 13 to 24 and insert:

"Subdivision 1. [GRANTS AUTHORIZED.] The crime victims reparations board may distribute funds to local law enforcement agencies or to crime victims crisis centers for the purpose of providing emergency assistance grants to victims. An emergency assistance grant to an individual victim may not exceed \$200. Local law enforcement agencies and crime victims crisis centers may make emergency assistance grants to victims only to:

(1) replace property that was lost, damaged, or stolen, as a result of the crime, when immediate replacement is necessary to maintain the security of the victim's residence or to supply the victim with basic necessities such as food and medicine; and

(2) install locks or other security devices to maintain the security of the victim's residence; or

(3) transport the victim to medical facilities, criminal justice facilities, or other facilities where victim assistance is provided.

Subd. 2. [SUBROGATION.] When a local law enforcement agency or a crime victims crisis center has made an emergency assistance grant from funds distributed by the board under this section, the state is subrogated, to the extent of the grant made, and the grant is considered reparations for purposes of section 611A.61."

Renumber the subdivisions in sequence

Page 1, line 25, delete "GRANTS" and insert "FUND DISTRIBUTION"

Page 1, line 27, delete "grant" and insert "distribution of funds"

Page 2, line 1, delete everything after "I"

Page 2, line 2, delete everything before the period

Page 2, line 7, delete "LOCAL AGENCIES" and insert "RECIPIENTS OF FUNDS" and after "A" insert "crime victims crisis center."

Page 2, line 9, delete "grant" and insert "distribution of funds"

Page 2, line 10, delete "sheriff" and insert "recipient of funds"

Page 2, line 11, delete "or chief administrative officer"

Page 2, line 12, before "expenditures" insert "grant"

Page 2, line 16, delete "On or before" and insert "By"

Page 2, line 18, delete "administration" and insert "effectiveness" and delete "grant" and insert "emergency assistance"

Amend the title as follows:

Page 1, line 3, after "by" insert "crime victims crisis centers or"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 264: A bill for an act relating to human rights; changing certain requirements related to disabled persons; amending Minnesota Statutes 1986, sections 363.01, subdivisions 25 and 25a; 363.02, subdivisions 3 and 5; and 363.03, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 2

Page 2, line 23, delete "a criterion" and insert "criteria"

Page 3, delete section 4

Page 3, line 30, after the period, insert "*This paragraph does not require an educational institution to provide attendants, individually prescribed devices, readers for personal use or study, or other devices or services of a personal nature.*"

Re-number the sections in sequence

Amend the title as follows:

Page 1, lines 4 and 5, delete "subdivisions" and insert "subdivision"

Page 1, line 5, delete "and 25a" and delete "and 5"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 287: A bill for an act relating to probate; changing the size of estates subject to collection by affidavit; amending Minnesota Statutes 1986, section 524.3-1201.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1986, section 524.3-805, is amended to read:

524.3-805 [CLASSIFICATION OF CLAIMS.]

(a) If the applicable assets of the estate are insufficient to pay all claims in full, the personal representative shall make payment in the following order:

(1) costs and expenses of administration;

(2) reasonable funeral expenses;

(3) debts and taxes with preference under federal law;

(4) reasonable and necessary medical and hospital and nursing home expenses of the last illness of the decedent, including compensation of persons attending the decedent and including a claim filed pursuant to section 256B.15;

(5) debts with preference under other laws of this state, and state taxes;

(6) all other claims.

(b) No preference shall be given in the payment of any claim over any other claim of the same class, and a claim due and payable shall not be entitled to a preference over claims not due, except that if claims for expenses of the last illness involve only claims filed under section 246.53 for costs of state hospital care and claims filed under section 256B.15, claims filed under section 246.53 have preference over claims filed under section 256B.15."

Page 2, after line 7, insert:

"Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1987, and applies to estates of decedents dying on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for the priority of nursing home costs in claims against an estate;"

Page 1, line 4, delete "section" and insert "sections 524.3-805; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 92: A bill for an act relating to taxation; providing for expenditure of proceeds of the taconite production tax; amending Minnesota Statutes 1986, sections 298.292; 298.293; 298.294; and 298.296, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 298; repealing Laws 1986, chapter 441, section 14.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 298.22, is amended by adding a subdivision to read:

Subd. 6. [INVESTMENTS.] When the commissioner has made the determinations required by subdivision 1, the commissioner may use money appropriated to the iron range resources and rehabilitation board under section 298.28 to acquire or invest in securities of, or to take an equity position in, public or private corporations or other entities that are engaging in, or that will engage in, projects or programs described in section 298.292, subdivision 1. The board may exercise any rights with respect to the corporation or other entity which accrue to the board as a result of the acquisition, investment, or other transaction. Earnings received on acquisitions or investments made under this subdivision are appropriated to the commissioner for the purposes of this section.

Sec. 2. Minnesota Statutes 1986, section 298.223, is amended to read:

298.223 [TACONITE AREA ENVIRONMENTAL PROTECTION FUND.]

Subdivision 1. [CREATION; PURPOSES.] A fund called the taconite environmental protection fund is created for the purpose of reclaiming,

restoring and enhancing those areas of northeast Minnesota located within a tax relief area defined in section 273.134 that are adversely affected by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

(a) to initiate investigations into matters the iron range resources and rehabilitation board determines are in need of study and which will determine the environmental problems requiring remedial action;

(b) reclamation, restoration or reforestation of minelands not otherwise provided for by state law;

(c) local economic development projects including construction of sewer and water systems, and other public works located within a tax relief area defined in section 273.134;

(d) monitoring of mineral industry related health problems among mining employees.

Subd. 2. [ADMINISTRATION; PROJECTS.] The taconite environmental protection fund shall be administered by the commissioner of the iron range resources and rehabilitation board. The commissioner shall by September 1 of each year prepare a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon recommendation of the iron range resources and rehabilitation board, this list shall be submitted to the legislative advisory commission for its review. This list with the recommendation of the legislative advisory commission shall then be transmitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each individual project. Funds for a project may be expended only upon approval of the project by the governor.

Subd. 3. [APPROPRIATION.] There is hereby annually appropriated to the commissioner of iron range resources and rehabilitation such funds as are necessary to carry out the projects approved and such funds as are necessary for administration of this section. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section 298.28, subdivision 11 relating to the taconite environmental protection fund."

Page 2, line 30, delete "*The*"

Page 2, delete lines 31 to 34

Page 3, line 11, reinstate the stricken language and delete "*1987*"

Page 3, line 12, delete "*until June 30, 1988, as provided in section 298.294*" and after the comma, insert "*for fiscal year 1988,*"

Page 3, line 32, reinstate the stricken language and delete the new language

Page 3, line 33, reinstate the stricken language and delete the new language

Page 3, line 34, before "*are*" insert "*and an additional amount of \$24,000,000 for fiscal year 1988,*"

Page 4, line 4, delete "1988" and insert "1989"

Page 4, delete section 4

Page 5, line 1, reinstate the stricken language and delete the new language

Page 5, line 2, reinstate the stricken language and delete "1987" and insert "and \$24,000,000 made available for use in fiscal year 1988" and delete "1988" and insert "1989"

Page 5, line 8, after the period, insert "Prior to receiving any state contribution of money appropriated under this act, a private entity must provide the commissioner of finance with either (1) a letter of credit from a bank with a credit rating of A or better or (2) a bond from a licensed insurance company with a credit rating of A or better equal to the amount of the state contribution conveyed to the private entity under this act. The letter of credit or bond shall be forfeited to the state if the plant fails to begin operation by December 31, 1990, or the company declares bankruptcy prior to beginning plant operation. Should forfeiture occur, the amount guaranteed by the letter of credit or the bond shall be transferred by the commissioner of finance to the northeast Minnesota economic protection trust fund."

Page 5, line 16, after "section" insert ", and payments of royalties and other earnings on investments made pursuant to sections 298.291 to 298.298 with the money appropriated pursuant to this act."

Page 5, lines 17 to 21, delete the new language

Page 5, after line 22, insert:

"Sec. 7. Minnesota Statutes 1986, section 298.297, is amended to read: 298.297 [ADVISORY COMMITTEES.]

Before submission of a project to the board, the commissioner of iron range resources and rehabilitation shall appoint a technical advisory committee consisting of ~~one or more~~ at least seven persons who are knowledgeable in areas related to the objectives of the proposal. *If the project involves investment in a scientific research proposal, at least four of the committee members must be knowledgeable in the specific scientific research area relating to the project.* Members of the committees shall be compensated as provided in section 15.059, subdivision 3. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee ~~or until 15 days have elapsed since the proposal was transmitted to the advisory committee, whichever occurs first.~~

Page 5, line 26, delete "1" and insert "4" and after "effective" insert "October 1, 1987. The remainder of this act is effective" and delete "after" and insert "following"

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money:"

Page 1, line 4, after "sections" insert "298.22, by adding a subdivision; 298.223;"

Page 1, line 5, delete "and" and delete "proposing coding" and insert "and 298.297;"

Page 1, delete line 6

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 182, 53, 302, 157, 245, 258, 378, 365, 368, 402, 264 and 287 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 92 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the name of Mr. Renneke be added as a co-author to S.F. No. 13. The motion prevailed.

Mr. Berg moved that the name of Mr. Freeman be added as a co-author to S.F. No. 69. The motion prevailed.

Mr. Pehler moved that the name of Mr. Taylor be added as a co-author to S.F. No. 350. The motion prevailed.

Mr. Dicklich moved that his name be stricken as chief author, shown as a co-author, and the name of Ms. Reichgott be added as chief author to S.F. No. 468. The motion prevailed.

Mr. Kroening moved that the names of Messrs. Dahl and Stumpf be added as co-authors to S.F. No. 495. The motion prevailed.

Mr. Purfeerst moved that the names of Messrs. Wegscheid and Bertram be added as co-authors to S.F. No. 505. The motion prevailed.

Mr. Novak moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 507. The motion prevailed.

Mr. Ramstad moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 509. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Novak be added as a co-author to S.F. No. 517. The motion prevailed.

Mr. Cohen moved that the name of Mr. Knaak be added as a co-author to S.F. No. 522. The motion prevailed.

Mr. Beckman moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 530. The motion prevailed.

Mr. Beckman moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 531. The motion prevailed.

Mr. Novak moved that the names of Messrs. Benson and Morse be added as co-authors to S.F. No. 536. The motion prevailed.

Mr. Pehler moved that the name of Ms. Berglin be added as a co-author to S.F. No. 544. The motion prevailed.

Ms. Berglin moved that the names of Ms. Piper and Mr. Brandl be added as co-authors to S.F. No. 545. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr.

Merriam moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

S.F. No. 208: A bill for an act relating to occupations and professions; architects, engineers, land surveyors, and landscape architects; making certain technical changes related to certain licensing exceptions; amending Minnesota Statutes 1986, sections 326.03, subdivision 2; and 326.06.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.J.	Metzen	Renneke
Anderson	Dahl	Knaak	Moe, D.M.	Schmitz
Beckman	Davis	Knutson	Morse	Solon
Belanger	DeCramer	Kröening	Olson	Spear
Benson	Diessner	Laidig	Peterson, D.C.	Storm
Berg	Frank	Lantry	Peterson, R.W.	Stumpf
Berglin	Frederickson, D.J.	Lessard	Piper	Vickerman
Bernhagen	Frederickson, D.R.	Marty	Pogemiller	Waldorf
Bertram	Freeman	McQuaid	Purfeerst	Wegscheid
Brandl	Gustafson	Mehrkens	Ramstad	Willet
Chmielewski	Johnson, D.E.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

S.F. Nos. 139, 117 and H.F. No. 41, which the committee recommends to pass.

S.F. No. 94, which the committee recommends to pass with the following amendment offered by Mr. Davis:

Page 1, line 11, delete "*an itemized*" and insert "*a*" and after "*billing*" insert "*which specifically itemizes all parts and labor charges*"

The motion prevailed. So the amendment was adopted.

S.F. No. 25, which the committee recommends to pass with the following amendment offered by Mr. Peterson, R.W.:

Page 2, line 19, delete "*only*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Merriam, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Johnson, D.J. introduced—

S.F. No. 546: A bill for an act relating to taxation; increasing the minimum in lieu tax on aircraft; providing for the assessment and establishing the rate of tax on airline flight property; providing for a reduced assessment for quiet aircraft; providing for inspection and establishing specifications for petroleum products; imposing excise tax on railroad fuels; changing aviation fuel tax rates; changing the rate and limiting deed tax deductions and exemptions; abolishing mortgage registry tax; providing for the administration of deed tax and pull-tab tax; changing definitions relating to petroleum, cigarette, tobacco, and gross earnings taxes and unfair cigarette sales act; changing filing, refund, recordkeeping, liability, reporting, security, appeal, and payment requirements and dates for various taxes; granting powers to the commissioner of revenue; authorizing sales of pull-tabs to Indian tribes; delaying telephone gross earnings tax phase out; phasing out telegraph gross earnings tax; taxing long distance earnings; restricting use of rebates for cigarette sales; authorizing revocation of licenses; increasing age limit for importing liquor; authorizing county lodging taxes; authorizing method of shipment of cigarette stamps; taxing tobacco products sold to correctional institutions; increasing cigarette and tobacco tax rates; imposing interest; imposing penalties; appropriating money; amending Minnesota Statutes 1986, sections 40A.152, subdivision 1; 239.10; 270.074, subdivision 3; 270.075, subdivision 1; 270.10, subdivision 4; 287.21, subdivision 1; 287.22; 287.23; 287.25; 287.29, subdivision 1; 295.01, subdivision 10; 295.32; 295.34, subdivision 1; 295.39; 295.40; 295.41; 295.43; 296.02, subdivision 2, and by adding a subdivision; 296.025, by adding a subdivision; 296.17, subdivisions 3, 7, and 11; 297.01, subdivisions 2, 4, 7, and 10; 297.02, subdivisions 1 and 6; 297.03, subdivisions 1, 5, and 6; 297.04, subdivisions 4, 6, and 9; 297.07, subdivisions 1, 3, 4, and 5; 297.23, subdivision 1; 297.31, subdivisions 2, 3, and 7; 297.32, subdivisions 1, 2, and 8; 297.33, subdivisions 4 and 5; 297.35, subdivisions 1, 3, 5, and 8; 297.36; 297C.03, subdivision 1, and by adding a subdivision; 297C.04; 297C.05, subdivision 2; 297C.06; 297C.09; 325D.30; 325D.32, subdivisions 4, 10, 11, and 12; 325D.33, subdivisions 1, 2, and by adding subdivisions; 325D.38, subdivision 1; 325D.40, subdivision 1; 349.212, subdivision 4; 349.2121, subdivisions 4, 6, 7, and by adding subdivisions; 360.531, subdivision 2; 477A.018, subdivisions 1, 2, 3, 6, and by adding a subdivision; Laws 1985, First Special Session chapter 14, article 3, section 18; proposing coding for new law in Minnesota Statutes, chapters 239; 270; 294; 297; 297C; 349; repealing Minnesota Statutes 1986, sections 287.01; 287.02; 287.03; 287.04; 287.05; 287.06; 287.07; 287.08; 287.09; 287.10; 287.11; 287.12; 295.32; 295.33; 295.34; 295.36; 295.365; 295.366; 296.04, subdivisions 1, 2, 3, and 4; 296.05; 296.07; 296.13; 296.17, subdivision 12; 296.18, subdivisions 4, 5, 6, and 7; 296.22; 296.28; 297.07, subdivision 6; 297.23, subdivision 5; 297.35, subdivisions 4, 6, and 7; 297C.03, subdivisions 2 and 3; 297C.05, subdivision 4; 325D.41; and Laws 1985, First Special Session chapter 14, article 14.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.J. introduced—

S.F. No. 547: A bill for an act relating to taxation; changing sales and use tax definitions; changing and eliminating sales tax exemptions; exempting sales of products purchased with food stamps from sales tax;

providing that motor vehicle excise tax proceeds are credited to the general fund; requiring proof of sales tax payment before license of watercraft; amending Minnesota Statutes 1986, sections 297A.01, subdivisions 3, 4, 8, 10, and 15; 297A.18; 297A.211, subdivision 2; 297A.25, subdivisions 7, 11, 12, and by adding a subdivision; 297A.256; 297B.01, subdivision 8; 297B.03; 297B.031; 297B.09, subdivision 1; 361.03, by adding a subdivision; repealing Minnesota Statutes 1986, sections 270.89; 297A.25, subdivisions 13, 16, and 19; and 360.654.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dicklich introduced—

S.F. No. 548: A bill for an act relating to real estate; regulating storage of abstracts of title; amending Minnesota Statutes 1986, section 386.375, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Dicklich introduced—

S.F. No. 549: A bill for an act relating to retirement; increasing survivor benefits payable by the Hibbing police and firefighters relief associations and service pensions for certain retired firefighters; amending Laws 1967, chapter 678, section 2, as amended; Laws 1977, chapter 169, section 1, subdivision 1a, as amended; and Laws 1971, chapter 614, section 1, subdivision 2, as amended.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 550: A bill for an act relating to elections; requiring election judges to inform voters of certain laws; providing for selection of a party in certain primary elections; requiring parties to have different colored ballot book pages; amending Minnesota Statutes 1986, sections 204C.13, subdivision 2; 206.80; and 206.84, subdivision 3.

Referred to the Committee on Elections and Ethics.

Messrs. Davis, DeCramer, Mrs. Adkins and Mr. Johnson, D.E. introduced—

S.F. No. 551: A bill for an act relating to transportation; providing an alternative procedure to record town roads; proposing coding for new law in Minnesota Statutes, chapter 164.

Referred to the Committee on Transportation.

Mr. Bertram introduced—

S.F. No. 552: A bill for an act relating to agriculture; investigating and promoting use of state agricultural commodities by establishments selling prepared food in the state; amending Minnesota Statutes 1986, section 17.03, by adding a subdivision.

Referred to the Committee on Agriculture.

Mr. Merriam introduced—

S.F. No. 553: A bill for an act relating to taxation; sales and use; limiting the exemption for advertising materials subsequently shipped out of Minnesota and providing for adjustment of the rate of tax imposed on sales of advertising materials under certain circumstances; amending Minnesota Statutes 1986, section 297A.25, subdivision 22.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 554: A bill for an act relating to railroads; requiring stop signs at railroad crossings; amending Minnesota Statutes 1986, sections 219.17; and 219.20.

Referred to the Committee on Transportation.

Messrs. Brandl, Luther, Spear, Ms. Berglin and Mr. Knutson introduced—

S.F. No. 555: A bill for an act relating to human services; prohibiting the use of faradic shock in certain facilities; including certain aversive and deprivation procedures as abuse; amending Minnesota Statutes 1986, sections 245.825, subdivision 1; 626.556, subdivision 2; and 626.557, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Stumpf, Langseth, Mehrkens, DeCramer and Dicklich introduced—

S.F. No. 556: A bill for an act relating to education; providing for partnerships in education grants; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Mrs. Lantry, Messrs. Hughes, Waldorf, Cohen and Novak introduced—

S.F. No. 557: A bill for an act relating to Ramsey county; providing for a charter commission to recommend a form of county government and providing for its adoption.

Referred to the Committee on Local and Urban Government.

Mr. Dahl introduced—

S.F. No. 558: A bill for an act relating to public safety; authorizing volunteer emergency assistance patrol program for taxicab operators; appropriating money; amending Minnesota Statutes 1986, section 604.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Transportation.

Mr. Dahl introduced—

S.F. No. 559: A bill for an act relating to transportation; highways; regulating use of highway right-of-way; amending Minnesota Statutes 1986, section 160.27, subdivision 5.

Referred to the Committee on Transportation.

Mr. Dahl introduced—

S.F. No. 560: A bill for an act relating to taxation; eliminating requirement that assessments be paid before conveyances or plats are recorded; amending Minnesota Statutes 1986, section 272.12.

Referred to the Committee on Taxes and Tax Laws.

Mr. DeCramer introduced—

S.F. No. 561: A bill for an act relating to soil and water conservation; simplifying and clarifying the law governing soil and water conservation districts; amending Minnesota Statutes 1986, sections 40.01; 40.02; 40.03; 40.035; 40.036; 40.038; 40.04; 40.05; 40.06; 40.07; 40.071; 40.072; 40.073; 40.12; 40.13; 40.14; and 40.15.

Referred to the Committee on Agriculture.

Mr. DeCramer introduced—

S.F. No. 562: A bill for an act relating to human services; appropriating money to reimburse counties for the costs of administration and direct client services for the work readiness program.

Referred to the Committee on Finance.

Messrs. Brandl, Samuelson, Mses. Piper, Berglin and Mr. Knutson introduced—

S.F. No. 563: A bill for an act relating to human services; extending subsidized adoption program; amending Minnesota Statutes 1986, section 259.40, subdivisions 1, 2, and 3.

Referred to the Committee on Health and Human Services.

Mr. Dahl introduced—

S.F. No. 564: A bill for an act relating to game and fish; requiring game and fur farms to comply with local zoning ordinances; amending Minnesota Statutes 1986, section 97A.105, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl introduced—

S.F. No. 565: A bill for an act relating to metropolitan government; setting the maximum tax for the mosquito control district; amending Minnesota Statutes 1986, section 473.711, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mrs. Lantry, Messrs. Brandl, Renneke and Ms. Berglin introduced—

S.F. No. 566: A bill for an act relating to human services; authorizing Minnesota supplemental aid for a licensed boarding care facility; amending Minnesota Statutes 1986, section 256D.37, subdivision 1.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C. and Mr. Bertram introduced—

S.F. No. 567: A bill for an act relating to state lands; transferring jurisdiction and responsibility for maintaining soldiers home bridge from department of veterans affairs to department of transportation.

Referred to the Committee on Transportation.

Messrs. Knutson, Frederick, Knaak, Ramstad and Mrs. Brataas introduced—

S.F. No. 568: A bill for an act relating to health; changing eligibility requirements for catastrophic health expense protection program; appropriating money; amending Minnesota Statutes 1986, sections 62E.52, subdivisions 2, 3, 7, and by adding a subdivision; 62E.53, subdivisions 1, 2, 3, and 4; and 62E.531, subdivisions 1 and 3.

Referred to the Committee on Health and Human Services.

Mr. Knaak, Ms. Olson and Mrs. Brataas introduced—

S.F. No. 569: A bill for an act relating to corrections; requiring supervision of inmates by correctional officers of same sex; proposing coding for new law in Minnesota Statutes, chapter 243.

Referred to the Committee on Health and Human Services.

Messrs. Knaak, Knutson, Ms. Olson and Mr. Laidig introduced—

S.F. No. 570: A bill for an act relating to education; changing the second tier foundation aid component; revising the reduction to second tier revenue; amending Minnesota Statutes 1986, section 124A.08, subdivision 5.

Referred to the Committee on Education.

Mr. Knaak introduced—

S.F. No. 571: A bill for an act relating to education; altering the responsibility for textbook and material costs under the post-secondary enrollment options act; amending Minnesota Statutes 1986, section 123.3514, subdivision 6.

Referred to the Committee on Education.

Mr. Jude, Ms. Reichgott, Messrs. Belanger, Laidig and Marty introduced—

S.F. No. 572: A bill for an act relating to crimes; prohibiting giving peace officers false names; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 573: A bill for an act relating to administrative procedure; clarifying provisions relating to emergency rules; amending Minnesota Statutes 1986, section 14.29, subdivisions 1 and 2.

Referred to the Committee on Governmental Operations.

Mr. Merriam introduced—

S.F. No. 574: A bill for an act relating to taxation; motor vehicle excise; changing the definition of purchase price for purposes of a transfer by gift; amending Minnesota Statutes 1986, section 297B.01, subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

S.F. No. 575: A bill for an act relating to organ donation; appropriating money to print driver's license renewal notice communications about organ donation.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 576: A bill for an act relating to liquor; removing a restriction on issuance of off-sale licenses in Kanabec county; amending Minnesota Statutes 1986, section 340A.405, subdivision 2.

Referred to the Committee on Commerce.

Ms. Reichgott, Messrs. Cohen, Knaak and Luther introduced—

S.F. No. 577: A bill for an act relating to business corporations; regulating mergers and exchanges; amending Minnesota Statutes 1986, sections 302A.471, subdivisions 1 and 3; 302A.601, subdivision 2; 302A.611; 302A.613; 302A.615; 302A.631; and 302A.641, subdivision 1.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Merriam, Spear, Cohen and Knaak introduced—

S.F. No. 578: A bill for an act relating to business corporations; regulating the organization and operation of business corporations; providing for indemnification; providing voting rights; providing for the value, issuance, pledging, and acquisition of shares; and providing for payment on the return of shares; amending Minnesota Statutes 1986, sections 302A.011, subdivision 40; 302A.111, subdivisions 2 and 3; 302A.137; 302A.161, subdivision 22; 302A.201, subdivision 2; 302A.255, subdivision 1; 302A.405, subdivisions 1 and 2; 302A.409, subdivision 3; 302A.413, subdivision 5; 302A.433, subdivision 3; 302A.435, subdivision 2; 302A.437, subdivision 2; 302A.447, subdivision 7; 302A.455; 302A.457, subdivisions 1 and 2; 302A.473, subdivisions 1, 5, 6, and 7; 302A.501, subdivision 1; 302A.521, subdivisions 1, 8, and by adding a subdivision; and 302A.553, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Luther introduced—

S.F. No. 579: A bill for an act relating to insurance; accident and health; increasing the maximum lifetime benefit for major medical coverage; amending Minnesota Statutes 1986, sections 62E.04, subdivision 4; and 62E.06, subdivision 1.

Referred to the Committee on Commerce.

Mr. Wegscheid, Mrs. Adkins, Messrs. Samuelson and Belanger introduced—

S.F. No. 580: A bill for an act relating to civil actions; providing for the reduction of awards because of payments from certain collateral sources; requiring a separate hearing on the issue; requiring the court to inform the jury of collateral sources; authorizing the periodic payment of judgments; removing the dollar limitation on recovery for intangible loss; amending Minnesota Statutes 1986, sections 548.36, subdivisions 1, 2, 3, and 5; proposing coding for new law in Minnesota Statutes, chapter 548; repealing Minnesota Statutes 1986, section 549.23.

Referred to the Committee on Judiciary.

Mr. Brandl, Mrs. Lantry, Mr. Knutson, Mrs. Brataas and Mr. Solon introduced—

S.F. No. 581: A bill for an act relating to human services; allowing facilities providing shelter services to women and children to appeal the denial of general assistance payments; amending Minnesota Statutes 1986, section 256.045, subdivisions 3, 4, and 5.

Referred to the Committee on Health and Human Services.

Mr. Brandl, Mrs. Lantry, Mr. Freeman, Mrs. Adkins and Mr. Anderson introduced—

S.F. No. 582: A bill for an act relating to health; allowing health maintenance organizations to adjust premiums paid based on actual health services utilization; amending Minnesota Statutes 1986, section 62D.04, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Peterson, R.W.; Pehler; DeCramer; Ms. Peterson, D.C. and Mr. Mehrkens introduced—

S.F. No. 583: A bill for an act relating to education; removing references to repealed statutes; removing obsolete language; amending Minnesota Statutes 1986, sections 122.541, subdivision 2; 125.611, subdivisions 10, 11, 12, and 13; 136D.27; 136D.74, subdivision 2; and 136D.87; repealing Minnesota Statutes 1986, section 125.611, subdivisions 8 and 9.

Referred to the Committee on Education.

Ms. Berglin, Mr. Pogemiller, Ms. Peterson, D.C. and Mr. Bernhagen introduced—

S.F. No. 584: A bill for an act relating to taxation; property; increasing the market value of commercial industrial property qualifying for a reduced

assessment ratio; amending Minnesota Statutes 1986, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Lantry, Messrs. Waldorf, Marty and Cohen introduced—

S.F. No. 585: A bill for an act relating to the city of Saint Paul; permitting the city to adopt certain regulations for smoke detection devices; amending Minnesota Statutes 1986, section 299F362, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mr. Marty and Ms. Peterson, D.C. introduced—

S.F. No. 586: A bill for an act relating to corrections; clarifying the commissioner of corrections authority in licensing and supervising institutions and facilities; providing for restitution by inmates for destruction of state property; clarifying terminology; authorizing the commissioner to adopt rules relating to payment of restitution by inmates; authorizing the forfeiture of contraband money or property; clarifying provisions relating to county probation reimbursement; providing a penalty for assaults on correctional employees; amending Minnesota Statutes 1986, sections 241.021, subdivision 1; 241.08, subdivision 1; 241.26, subdivision 5; 241.69, subdivision 2; 243.23, subdivision 3; 243.24, subdivision 1, and by adding a subdivision; 260.311, subdivision 4; and 609.2231, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Luther introduced—

S.F. No. 587: A bill for an act relating to state government; adding certain emergency personnel to the list of people eligible for benefits from the peace officers benefit fund; amending Minnesota Statutes 1986, section 176B.01, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Pehler, Knutson, Ms. Peterson, D.C.; Messrs. Pogemiller and Hughes introduced—

S.F. No. 588: A bill for an act relating to education; creating the Minnesota education trust; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 589: A bill for an act relating to game and fish; discharge of weapons on or over highways; amending Minnesota Statutes 1986, section 97B.055, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 590: A bill for an act relating to taxation; property; clarifying certain requirements on the homestead application; amending Minnesota

Statutes 1986, section 273.124, subdivision 13.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, R.W.: Merriam and Cohen introduced—

S.F. No. 591: A bill for an act relating to government data; providing for access to data by protection and advocacy systems; amending Minnesota Statutes 1986, section 13.89.

Referred to the Committee on Judiciary.

Mr. DeCramer introduced—

S.F. No. 592: A bill for an act relating to natural resources; providing for state administration of the federal permit program for discharging dredged and fill material into navigable water; consolidating authority to issue permits for work in public waters; providing procedures and requirements for drainage authorities and watershed districts to obtain required permits for initiating projects; providing penalties for violating permits; amending Minnesota Statutes 1986, sections 105.42, subdivisions 1 and 2, and by adding a subdivision; 106A.245, subdivision 4; 106A.251; 106A.341, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 105; 106A; and 112; repealing Minnesota Statutes 1986, section 105.42, subdivision 1a.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin introduced—

S.F. No. 593: A bill for an act relating to human services; clarifying statutes relating to the preadmission screening program; adjusting state and county shares of costs; amending Minnesota Statutes 1986, section 256B.091, subdivisions 2, 3, 4, 6, and 8.

Referred to the Committee on Health and Human Services.

Messrs. Johnson, D.J.; Kroening and Dicklich introduced—

S.F. No. 594: A bill for an act relating to commerce; modifying the maximum periodic rate of finance charge on open-end loan account arrangements and consumer credit sales; amending Minnesota Statutes 1986, sections 48.185, subdivisions 3 and 4; 52.04, subdivision 1; and 334.16, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Johnson, D.J. and Dicklich introduced—

S.F. No. 595: A bill for an act relating to utilities; providing that utilities provide location for customers to pay utility bills; amending Minnesota Statutes 1986, section 325E.025, by adding a subdivision.

Referred to the Committee on Public Utilities and Energy.

Messrs. Johnson, D.J. and Dicklich introduced—

S.F. No. 596: A bill for an act relating to taxation; providing for allocation among governmental units of increases in the assessed valuation of com-

mercial-industrial property within the taconite tax relief area; providing a formula for the distribution of additional revenues to municipalities within the taconite tax relief area; proposing coding for new law as Minnesota Statutes, chapter 276A.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Johnson, D.J. and Dicklich introduced—

S.F. No. 597: A bill for an act relating to employment; requiring employers offering certain benefit plans to maintain bonds sufficient to guarantee those benefits; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Ms. Berglin introduced—

S.F. No. 598: A bill for an act relating to health; extending the moratorium on hospital capacity expansion; amending Laws 1984, chapter 654, article 5, section 57, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson; Chmielewski; Johnson, D.E.; Purfeerst and Brandl introduced—

S.F. No. 599: A bill for an act relating to human services; authorizing the department of human services to enter into shared service agreements; amending Minnesota Statutes 1986, section 246.57, subdivisions 1, 2, and by adding a subdivision; repealing Minnesota Statutes 1986, sections 246.57, subdivision 3; 246.61; 246.62; and 246.63.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 600: A bill for an act relating to human services; requiring that property and general liability insurance for nursing homes be a pass-through cost up to a certain limit; requiring that workers' compensation and professional liability insurance for nursing homes be allocated according to cost in each category of employment; amending Minnesota Statutes 1986, sections 256B.421, subdivisions 5 and 14; and 256B.431, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Frederickson, D.J.; Willet; Vickerman; Davis and Beckman introduced—

S.F. No. 601: A bill for an act relating to retirement; establishing a voluntary retirement plan for certain qualified employees of public and private ambulance services; proposing coding for new law as Minnesota Statutes, chapter 353A.

Referred to the Committee on Governmental Operations.

Messrs. Samuelson, Willet, Ms. Peterson, D.C. and Mr. Solon introduced—

S.F. No. 602: A bill for an act relating to liquor; allowing the sale of intoxicating liquor at off-sale on Independence Day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

Referred to the Committee on Commerce.

Messrs. Stumpf, Langseth, Lessard and Moe, R.D. introduced—

S.F. No. 603: A bill for an act relating to workers' compensation; providing for an efficient hearing process; amending Minnesota Statutes 1986, sections 176.102, subdivisions 6 and 6a; 176.103, subdivisions 2 and 3; 176.155, subdivision 1; 176.242, by adding a subdivision; 176.306, by adding subdivisions; and 176.341.

Referred to the Committee on Employment.

Messrs. Berg, Merriam, Renneke, Brandl and Larson introduced—

S.F. No. 604: A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; amending Minnesota Statutes 1986, section 10A.01, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Elections and Ethics.

Mr. Bertram introduced—

S.F. No. 605: A bill for an act relating to crimes; defining the crime of using police radios while committing a criminal act; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 606: A bill for an act relating to watercraft safety; limiting the towing of water skiers and other devices by watercraft to certain daylight hours; amending Minnesota Statutes 1986, section 361.09, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Bertram introduced—

S.F. No. 607: A bill for an act relating to traffic regulations; peace officers; authorizing peace officers to inspect for regulated tires; amending Minnesota Statutes 1986, section 169.725.

Referred to the Committee on Transportation.

Mr. Bertram introduced—

S.F. No. 608: A bill for an act relating to retirement; refunds of contributions or deferred annuities to employees of the Albany community hospital.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 609: A bill for an act relating to human services; establishing residency requirements for general assistance and AFDC; proposing coding for new law in Minnesota Statutes, chapters 256 and 256D.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 610: A bill for an act relating to game and fish; authorizing transportation of loaded firearms by certain hunters under specified conditions; amending Minnesota Statutes 1986, section 97B.045.

Referred to the Committee on Environment and Natural Resources.

Mr. Renneke introduced—

S.F. No. 611: A bill for an act relating to public safety; allowing bureau of criminal apprehension to permit amateur radio operators to use radio equipment capable of receiving police emergency radio frequency; amending Minnesota Statutes 1986, section 299C.37, subdivision 3.

Referred to the Committee on Judiciary.

Ms. Berglin, Messrs. Stumpf, Samuelson and Mrs. Lantry introduced—

S.F. No. 612: A bill for an act relating to health; creating exceptions to the nursing home moratorium; establishing a review process for approval of additional exceptions to the moratorium; prohibiting renewal of licenses for nursing home and boarding care home beds in rooms with more than four beds; appropriating money; amending Minnesota Statutes 1986, sections 144.55, subdivision 6; 144A.05; and 144A.071, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144A.

Referred to the Committee on Health and Human Services.

Messrs. Jude, Pogemiller; Laidig, Ms. Reichgott and Peterson, D.C. introduced—

S.F. No. 613: A bill for an act relating to crimes; prescribing higher penalties for major theft; providing that orders of restitution may be entered in favor of corporate victims; allowing the court to amend or issue orders of restitution when the defendant is on probation or supervised release; extending the statute of limitations for most crimes to five years; amending Minnesota Statutes 1986, sections 90.301, subdivision 6; 256.98; 256B.35, subdivision 5; 393.07, subdivision 10; 609.52, subdivision 3; 611A.01; 611A.04, subdivision 1; and 628.26.

Referred to the Committee on Judiciary.

Messrs. Dahl, Pehler, Purfeerst and Wegscheid introduced—

S.F. No. 614: A bill for an act relating to natural resources; authorizing the commissioner to set the date for "Take a Kid Fishing Weekend"; amending Minnesota Statutes 1986, section 97A.445, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 615: A resolution memorializing the President and the Congress of the United States to repeal the Federal Reserve Act.

Referred to the Committee on Commerce.

Mrs. Lantry and Ms. Berglin introduced—

S.F. No. 616: A bill for an act relating to human services; establishing difficulty of care payments for children in foster care; amending Minnesota Statutes 1986, section 256.82, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Wegscheid, Schmitz, Knutson, Purfeerst and Metzen introduced—

S.F. No. 617: A bill for an act relating to Dakota county; providing for the creation, organization, powers, and duties of a personnel system; proposing coding for new law as Minnesota Statutes, chapter 383D.

Referred to the Committee on Local and Urban Government.

Mr. Chmielewski introduced—

S.F. No. 618: A bill for an act relating to unemployment compensation; regulating benefits and contribution rates; amending Minnesota Statutes 1986, sections 268.04, subdivisions 2, 4, 24, and by adding subdivisions; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.08, subdivision 1; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121; 268.16, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1986, section 268.04, subdivisions 29 and 30.

Referred to the Committee on Employment.

ADJOURNMENT

Mr. Merriam moved that the Senate do now adjourn until 2:00 p.m., Monday, March 2, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTEENTH DAY

St. Paul, Minnesota, Monday, March 2, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. John Vawter.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Jude	Metzen	Reichgott
Anderson	Davis	Knaak	Moe, D.M.	Renneke
Beckman	DeCramer	Knutson	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Freeman	Marty	Piper	Vickerman
Brataas	Hughes	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Merriam	Ramstad	Willett

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Gustafson and Kroening were excused from the Session of today. Ms. Berglin was excused from the Session of today at 3:00 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

February 20, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

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

1987 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
	45	1	February 20	February 20
	34	2	February 25	February 25

Sincerely,

Joan Anderson Growe
Secretary of State

February 27, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

On February 12, 1987, The Subcommittee on Committees met and by appropriate action made the following appointments:

Pursuant to Minnesota Statutes 1986

Section 116C.839: Advisory Committee on Low-Level Radio Active Waste

Messrs. Diessner; Frederickson, D.R. and Pehler

Section 1.34: Advisory Committee to Minnesota-Wisconsin Boundary Area

Messrs. Diessner, Laidig, Mehrkens, Metzen and Morse

Section 299A.23: Advisory Council on Child Abuse Prevention

Messrs. Cohen and Ramstad

Section 84B.11: Citizens Council on Voyageurs National Park

Messrs. Frederick and Kroening

Section 3.9226: Council on Asian-Pacific Minnesotans

Messrs. Marty and Spear

Section 121.82: Education Commission of the States

Mr. Brandl

Section 16B.27: Governor's Residence Council

Mr. Cohen

Sections 1.21-1.22: Great Lakes Commission

Messrs. Novak and Samuelson

Section 3.922: Indian Affairs Council

Messrs. Chmielewski, DeCramer and Larson

Section 298.22: Iron Range Resources and Rehabilitation Board

Messrs. Chmielewski; Dicklich; Johnson, D.J.; Lessard and Solon

Laws 1985, Chapter 256: Joint Legislative Committee on Agricultural Land Preservation and Soil and Water Conservation

Mrs. Adkins, Messrs. Berg, Davis; Frederickson, D.R.; Langseth; Larson; Morse and Vickerman

Pursuant to Minnesota Statutes 1986

Section 3.875: Legislative Commission on Economic Development Strategy

Messrs. Beckman, Bernhagen, Brandl, Freeman and Luther

Section 3.9222: Legislative Commission on Economic Status of Women

Mrs. Brataas, Meses. Berglin, Piper, Reichgott and Mr. DeCramer

Section 86.07: Legislative Commission on Minnesota Resources

Messrs. Knutson; Luther; Merriam; Moe, R.D.; Purfeerst; Renneke and Willet

Section 3.85: Legislative Commission on Pensions and Retirement

Messrs. Moe, D.M.; Pogemiller; Renneke; Waldorf and Wegscheid

Section 3.865: Legislative Commission on Public Education

Messrs. Langseth; Frederickson, D.J.; Meses. Olson and Peterson, D.C.

Section 115A.14: Legislative Commission on Waste Management

Messrs. Dahl, Davis, Merriam, Pehler and Mrs. McQuaid

Section 256B.504: Legislative Commission on Long Term Health Care

Mrs. Adkins, Ms. Berglin, Messrs. Bertram, Diessner, Larson, Storm and Vickerman

Section 14.39: Legislative Commission to Review Administrative Rules

Messrs. Belanger, Knaak, Kroening, Schmitz and Waldorf

Sections 121.843-121.845: Midwestern Education Board

Mr. Dahl

Section 121.83: Minnesota Education Council

Ms. Olson, Messrs. Dahl, Knaak and Stumpf

Section 161.1419: Mississippi River Parkway Commission

Messrs. Bernhagen, Metzen and Waldorf

Section 290.173: Multistate Tax Compact Advisory Committee

Messrs. Jude and Stumpf

Pursuant to Senate Rule 75: Senate Special Committee on Ethical Conduct

Messrs. Belanger; Hughes; Johnson, D.E. and Schmitz

Pursuant to Minnesota Statutes 1986

Section 3.9225: State Council on Black Minnesotans

Messrs. Kroening and Moe, D.M.

Section 44A.01: World Trade Center Board

Mrs. Lantry and Mr. Luther

Respectfully,

Roger D. Moe, Chair
Subcommittee on Committees

February 16, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

Pursuant to the provisions of Minnesota Statutes 1986, I have made the following appointment:

Section 121.612: Minnesota Academic Excellence Foundation Board of Directors

Mr. Mehrkens

Respectfully,

Duane Benson
Senate Minority Leader

February 16, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

Pursuant to the provisions of Minnesota Statutes 1986, I have made the following appointments:

Section 3.97: Legislative Audit Commission

Messrs. Bernhagen, Gustafson and Benson

Respectfully,

Duane Benson
Senate Minority Leader

February 16, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

Pursuant to the provisions of Minnesota Statutes 1986, I have made the following appointment:

Section 3.855: Legislative Commission on Employee Relations

Mr. Anderson

Respectfully,

Duane Benson
Senate Minority Leader

February 16, 1987

The Honorable Jerome M. Hughes

President of the Senate

Dear Sir:

Pursuant to the provisions of Minnesota Statutes 1986, I have made the following appointment:

Section 3.303: Legislative Coordinating Commission

Mr. Taylor

Respectfully,

Duane Benson
Senate Minority Leader

February 18, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

Pursuant to the provisions of Minnesota Statutes 1986, I have made the following appointments:

Section 3.303: Legislative Coordinating Commission

Messrs. Luther and Moe, D.M.

Respectfully,

Roger D. Moe
Senate Majority Leader

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Metropolitan Council is hereby respectfully submitted to the Senate for confirmation as required by law:

Patrick J. Scully, 1617 Ashland St., Hastings, Dakota County, has been appointed by me, effective January 20, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Local and Urban Government.)

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Housing Finance Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Demetrius G. Jelatis, 1161 Oak St., Red Wing, Goodhue County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Economic Development and Housing.)

February 2, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the State Board of Education are hereby respectfully submitted to the Senate for confirmation as required by law:

Patricia A. Allen, 306 E. Woodley, Northfield, Rice County, has been appointed by me, effective February 2, 1987, for a term expiring the first Monday in January, 1991.

Ruth A. Myers, 1326 N. 19th Ave. E., Duluth, St. Louis County, has been appointed by me, effective February 2, 1987, for a term expiring the first Monday in January, 1991.

John C. Plocker, Rt. 3, Blue Earth, Faribault County, has been appointed by me, effective February 2, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

February 25, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

Pursuant to M.S. 15.06, subd. 5, this letter is to inform you that Jayne Khalifa, 2657 Florida Ave. S., St. Louis Park, Hennepin County, has been designated by me to serve as Acting Commissioner of the Department of Human Rights.

(Referred to the Committee on Judiciary.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 81.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 26, 1987

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 81: A bill for an act relating to local government; providing for the use of certain city reserve funds; amending Minnesota Statutes 1986,

section 471.572, subdivision 3.

Referred to the Committee on Local and Urban Government.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 102: A bill for an act relating to traffic regulations; extending prohibition against wearing headphones while operating motor vehicle to include bicycles; amending Minnesota Statutes 1986, section 169.471, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 407: A bill for an act relating to food licenses; regulating certain vending machine inspection fees; amending Minnesota Statutes 1986, section 28A.09, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Local and Urban Government. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 279: A bill for an act relating to the city of Brook Park; raising the city debt limit.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete "*January 1, 1987,*" and insert "*the day following final enactment*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 306: A bill for an act relating to local government; permitting compensation for members of statutory city park boards; amending Minnesota Statutes 1986, section 412.501.

Reports the same back with the recommendation that the bill be amended as follows:

Amend the title as follows:

Page 1, line 2, delete "permitting" and insert "removing the"

Page 1, line 2, after "compensation" insert "limitation"

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 185: A bill for an act relating to health; appropriating money for the WIC program.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [FOOD ACCESSIBILITY PROJECTS.]

The commissioner of jobs and training, with the advice and assistance of the commissioners of human services and health, shall establish food accessibility projects to demonstrate methods of maximizing participation in food assistance programs and providing a single-site access point for food assistance programs including food stamps, surplus commodities, the special supplemental food program for women, infants, and children (WIC), and other public and private food assistance programs. The commissioner shall establish a minimum of ten projects throughout the state, including at least one project in each of the following regions: northeast, northwest, southeast, southwest, and the seven-county metropolitan area. The projects must be evaluated on the basis of their ability to do the following:

(1) increase participation in existing food assistance programs by eligible persons who need and desire food assistance;

(2) coordinate existing food assistance programs to minimize duplication of services and target resources to persons and areas with the greatest need; and

(3) improve access to food assistance programs by providing a single site where, to the extent possible, people desiring food assistance can receive specific information on all existing food assistance programs; apply for assistance when required; and receive on-site food, food stamps, WIC coupons, or a food voucher without the need for a referral to another agency or location.

The projects must be established by October 1, 1987. The commissioner of jobs and training shall provide an interim progress report to the legislature by February 1, 1988, and a final report and evaluation by February 1, 1989.

Sec. 2. [APPROPRIATION.]

\$250,000 is appropriated from the general fund to the commissioner of jobs and training to conduct food accessibility demonstration projects, \$125,000 to be available until June 30, 1988, and \$125,000 to be available until June 30, 1989.

\$1,300,000 is appropriated from the general fund to the commissioner of jobs and training to provide for the storage, transportation, processing, and distribution of United States department of agriculture surplus commodities; \$650,000 to be available until June 30, 1988, and \$650,000 to be available until June 30, 1988. \$250,000 of the biennial appropriation must be used to satisfy the state match requirement.

\$10,000,000 is appropriated from the general fund to the commissioner

of health to provide additional services to persons eligible for the special supplemental food program for women, infants, and children (WIC); \$5,000,000 to be available for the fiscal year ending June 30, 1988, and \$5,000,000 to be available for the fiscal year ending June 30, 1989."

Delete the title and insert:

"A bill for an act relating to health; establishing demonstration projects for single-site access to food assistance; appropriating money for food accessibility projects, surplus commodities distribution and the WIC program."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 86: A bill for an act relating to health; requiring a hospital administrator to request an organ or tissue donation for purposes of the uniform anatomical gift act; proposing coding for new law in Minnesota Statutes, chapter 525.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [525.94] [ESTABLISHMENT OF PROTOCOL TO OBTAIN ORGANS FOR TRANSPLANTATION.]

Subdivision 1. [REQUIREMENT TO ESTABLISH ORGAN PROCUREMENT PROTOCOL.] A hospital licensed under the provisions of sections 144.50 to 144.58 must establish written protocols for the identification of potential organ donors for transplantation to:

(1) assure that families of potential organ donors are made aware of the option of organ and tissue donation and their option to decline;

(2) require that an organ procurement agency be notified of potential organ donors; and

(3) establish medical criteria and practical considerations concerning the suitability and feasibility of organ donation for transplantations.

For purposes of this subdivision, the term "organ" or "tissue" includes but is not limited to a human kidney, liver, heart, lung, pancreas, skin, bone, ligament, tendon, eye, and cornea.

Subd. 2. [NOTIFICATION REQUIREMENT.] If an individual dies in a hospital or is identified by an appropriate hospital staff member as having a terminal condition and is further identified as a suitable candidate for organ or tissue donation based on medical criteria established in the written protocol, in accordance with the hospital's protocol, the hospital administrator or the administrator's designated representative shall notify any of the following persons listed below in order of priority, of the option of organ or tissue donation and their option to decline:

(1) the spouse;

(2) an adult child;

- (3) either parent;
- (4) an adult brother or sister; or
- (5) a guardian of the decedent's person at the time of death.

The hospital administrator or the designated representative shall attempt to locate the person's driver's license, organ donation card, or other documentation of the person's desire to be an organ donor. If documentation of the person's desire to be a donor is located, it shall constitute consent if there is no objection from the relative or guardian in clauses (1) to (5) or if no relative or guardian can be located.

If a person listed in clauses (1) to (5) wishes to consent to the gift of all or part of the decedent's body for transplantation, consent may be obtained by either the hospital administrator's representative or the organ procurement agency's representative. Consent or refusal must be obtained only from the available person highest on the list in clauses (1) to (5).

Subd. 3. [DOCUMENTATION.] Notification under subdivision 1, as well as any identified contradiction to organ donation, shall be documented in the patient's medical record which shall include the name of the person notified and that person's relationship to the decedent.

Subd. 4. [FINANCIAL LIABILITY OF FAMILY.] The family of an individual whose organ is donated for transplantation shall not be financially liable for costs related to the evaluation of donor organ suitability or cost of retrieval of the organ.

Subd. 5. [COMPLIANCE WITH UNIFORM ANATOMICAL GIFT ACT.] A gift made pursuant to the request required under this section shall be executed according to the provisions of the uniform anatomical gift act.

Subd. 6. [TRAINING.] The commissioner of health shall work with hospital representatives and other interested persons to develop guidelines for training hospital employees who may notify persons of the option to make an anatomical gift and the procedure to be used in executing the gift and for ensuring that each tissue or organ is tested for possible disease prior to being made available for transplantation.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on and applies to licensed hospitals as of October 1, 1987."

Delete the title and insert:

"A bill for an act relating to health; requiring hospitals to establish a protocol to obtain organs for transplantation; proposing coding for new law in Minnesota Statutes, chapter 525."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 330: A bill for an act relating to Hennepin county; creating a county housing and redevelopment authority; applying the municipal housing and redevelopment act to Hennepin county; providing for local approval of projects; proposing coding for new law in Minnesota Statutes, chapter

383B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete "A public body corporate and"

Page 1, line 12, delete "politic to be known as"

Page 1, line 26, after the period, insert "*For purposes of this subdivision, "municipal housing and redevelopment authority" means a municipal housing and redevelopment authority established pursuant to section 462.425, or other law, or any municipal department, agency, or authority of the city of Minneapolis which exercises the powers of a municipal housing and redevelopment authority pursuant to section 462.425 or other law.*"

Page 2, line 3, after "462.425" insert ", except as provided in this subdivision"

Page 2, line 5, after "to" insert "exercise any power or"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred the following appointment as reported in the Journal for February 16, 1987:

TAX COURT
Arthur C. Roemer

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 102, 279, 306 and 86 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the name of Mr. Novak be added as a co-author to S.F. No. 333. The motion prevailed.

Mr. Merriam moved that the name of Mr. Novak be added as a co-author to S.F. No. 334. The motion prevailed.

Mr. Johnson, D.J. moved that the names of Messrs. Chmielewski and Beckman be added as co-authors to S.F. No. 339. The motion prevailed.

Mr. Solon moved that the name of Mrs. Brataas be added as a co-author to S.F. No. 358. The motion prevailed.

Mr. Davis moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 475. The motion prevailed.

Mr. Bertram moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 552. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 561. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 562. The motion prevailed.

Mr. Dahl moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 564. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 592. The motion prevailed.

Mr. Bertram moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 609. The motion prevailed.

Mr. Pehler, Mrs. Lantry and Mr. Merriam introduced—

Senate Resolution No. 31: A Senate resolution recognizing April as Gifted and Talented Children Month designated by the Minnesota Council for Gifted and Talented.

Referred to the Committee on Rules and Administration.

CALENDAR

S.F. No. 139: A bill for an act relating to alcoholic beverages; authorizing St. Louis county to issue one off-sale license.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Moe, D.M.	Samuelson
Anderson	Davis	Knutson	Moe, R.D.	Schmitz
Beckman	DeCramer	Laidig	Morse	Solon
Belanger	Dicklich	Langseth	Olson	Spear
Benson	Diessner	Lantry	Pehler	Storm
Berg	Frank	Larson	Peterson, D.C.	Stumpf
Berglin	Frederick	Lessard	Peterson, R.W.	Taylor
Bernhagen	Frederickson, D.J.	Luther	Piper	Vickerman
Bertram	Freeman	Marty	Pogemiller	Waldorf
Brandl	Hughes	McQuaid	Purfeerst	Wegscheid
Brataas	Johnson, D.E.	Mehrkens	Ramstad	
Chmielewski	Johnson, D.J.	Merriam	Reichgott	
Cohen	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 94: A bill for an act relating to public health; requiring an itemized billing for hearing aid repairs; amending Minnesota Statutes 1986, section 145.43, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Berglin	Cohen	Frank	Johnson, D.E.
Anderson	Bernhagen	Dahl	Frederick	Johnson, D.J.
Beckman	Bertram	Davis	Frederickson, D.J.	Jude
Belanger	Brandl	DeCramer	Frederickson, D.R.	Knaak
Benson	Brataas	Dicklich	Freeman	Knutson
Berg	Chmielewski	Diessner	Hughes	Laidig

Langseth	Merriam	Pehler	Renneke	Taylor
Lantry	Metzen	Peterson, D.C.	Samuelson	Vickerman
Larson	Moe, D.M.	Peterson, R.W.	Schmitz	Waldorf
Lessard	Moe, R.D.	Piper	Solon	Wegscheid
Luther	Morse	Purfeerst	Spear	Willet
Marty	Novak	Ramstad	Storm	
McQuaid	Olson	Reichgott	Stumpf	

So the bill passed and its title was agreed to.

S.F. No. 117: A bill for an act relating to liquor; authorizing St. Louis county to issue one off-sale liquor license.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Reichgott
Anderson	Davis	Knaak	Moe, D.M.	Renneke
Beckman	DeCramer	Knutson	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Freeman	Marty	Piper	Vickerman
Brataas	Hughes	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 25: A bill for an act relating to traffic regulations; requiring additional reflective devices for persons using alternate slow moving vehicle emblems; amending Minnesota Statutes 1986, section 169.522, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Moe, D.M.	Renneke
Anderson	Davis	Knaak	Moe, R.D.	Samuelson
Beckman	DeCramer	Laidig	Morse	Solon
Belanger	Dicklich	Langseth	Novak	Spear
Benson	Diessner	Lantry	Olson	Storm
Berg	Frank	Larson	Pehler	Stumpf
Berglin	Frederick	Lessard	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Marty	Piper	Wegscheid
Brandl	Freeman	McQuaid	Pogemiller	Willet
Brataas	Hughes	Mehrkens	Purfeerst	
Chmielewski	Johnson, D.E.	Merriam	Ramstad	
Cohen	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 41: A bill for an act relating to adoption; providing that proposed adoptive parents may obtain certain reports or records; providing that a child's parent need not join as co-petitioner in a stepparent adoption; chang-

ing the manner of executing certain consents; amending Minnesota Statutes 1986, sections 259.21, subdivision 7; 259.24, subdivision 5; and 259.27, subdivision 3, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Reichgott
Anderson	Davis	Knaak	Moe, D.M.	Renneke
Beckman	DeCramer	Knutson	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Freeman	Marty	Piper	Vickerman
Brataas	Hughes	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Merriam	Ramstad	Willet

So the bill passed and its title was agreed to.

CONSENT CALENDAR

S.F. No. 258: A bill for an act relating to utilities; regulating certain intrastate gas pipelines; proposing coding for new law in Minnesota Statutes, chapter 216B.

Mr. Jude moved to amend S.F. No. 258 as follows:

Page 3, line 11, after "RECORDS" insert "; ASSESSMENT"

Page 3, line 12, delete the first "and" and after "216B.13" insert ", and 216B.62, subdivisions 2, 4, and 6"

The motion prevailed. So the amendment was adopted.

S.F. No. 258 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Reichgott
Anderson	Davis	Knaak	Moe, D.M.	Renneke
Beckman	DeCramer	Knutson	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Freeman	Marty	Piper	Vickerman
Brataas	Hughes	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Merriam	Ramstad	Willet

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

S.F. No. 402: A bill for an act relating to courts; setting uniform fees in

probate proceedings; amending Minnesota Statutes 1986, section 525.033.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Renneke
Anderson	DeCramer	Knutson	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Freeman	Marty	Piper	Vickerman
Brataas	Hughes	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Merriam	Ramstad	Willet
Dahl	Jude	Metzen	Reichgott	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 302, 157 and 245, which the committee recommends to pass.

S.F. No. 378, which the committee recommends to pass with the following amendment offered by Mr. Frank:

Page 1, line 25, delete "*chapter*" and insert "*chapters 412,*" and after "452" insert "*, or 455*"

The motion prevailed. So the amendment was adopted.

S.F. No. 182, which the committee recommends to pass with the following amendment offered by Mr. Knutson:

Page 1, line 21, delete "*gross*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mrs. Lantry, Messrs. Brandl, Storm and Knutson introduced—

S.F. No. 619: A bill for an act relating to human services; providing for the establishment of a mental illness information management system; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Hughes, Mmes. Adkins, Lantry, Ms. Piper and Mr. Knutson introduced—

S.F. No. 620: A bill for an act relating to human services; eliminating supportive living residences as residential care facilities for persons with mental illness; providing for the establishment of a third level of care for persons with mental illness; directing the commissioner of human services to review and alter rules relating to residential care facilities for persons with mental illness; amending Minnesota Statutes 1986, sections 245.782, subdivisions 2 and 6; and 245.802, by adding a subdivision; repealing Minnesota Statutes 1986, section 245.802, subdivision 1a.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Solon, Samuelson and Mrs. McQuaid introduced—

S.F. No. 621: A bill for an act relating to insurance; requiring coverage of dentist and podiatrist services by health maintenance organizations under certain circumstances; amending Minnesota Statutes 1986, section 62A.043.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson; Frederickson, D.J.; Laidig; Benson and Ms. Reichgott introduced—

S.F. No. 622: A bill for an act relating to statutes; removing certain gender references; amending Minnesota Statutes 1986, section 459.16.

Referred to the Committee on Judiciary.

Messrs. Kroening; Johnson, D.J.; Mrs. McQuaid and Mr. Spear introduced—

S.F. No. 623: A bill for an act relating to Hennepin county; authorizing the issuance of bonds for capital improvements and an annual levy for debt retirement; proposing coding for new law in Minnesota Statutes, chapter 383B.

Referred to the Committee on Local and Urban Government.

Messrs. Pehler, Wegscheid, Stumpf, Knutson and Schmitz introduced—

S.F. No. 624: A bill for an act relating to education; requiring school nurses in schools; describing their responsibilities; providing for dispensing medication in schools; authorizing a grant program; appropriating money; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 126 and 129B.

Referred to the Committee on Education.

Ms. Berglin, Mrs. Adkins, Messrs. Vickerman, Renneke and Chmielewski introduced—

S.F. No. 625: A bill for an act relating to human services; providing for the establishment of a supported employment program in developmental achievement centers; appropriating money; amending Minnesota Statutes 1986, sections 252.021; 252.21; 252.23; and 252.24, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. DeCramer; Willet; Moe, R.D.; Berg and Benson introduced—

S.F. No. 626: A bill for an act relating to natural resources; establishing a program for the management and enhancement of native prairie land; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Messrs. Samuelson; Moe, R.D.; Vickerman; Ms. Piper and Mr. Renneke introduced—

S.F. No. 627: A bill for an act relating to human services; providing for an increase in the number of days of developmental achievement center services reimbursed by medical assistance; providing for establishment of new payment rates; amending Minnesota Statutes 1986, section 256B.501, subdivision 5.

Referred to the Committee on Health and Human Services.

Ms. Berglin and Mrs. Lantry introduced—

S.F. No. 628: A bill for an act relating to children; providing for protective supervision of children who are dependent because of the minority of a parent; amending Minnesota Statutes 1986, sections 260.015, subdivision 6; 260.155, by adding a subdivision; and 260.191, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 629: A bill for an act relating to insurance; accident and health; allowing certain assignments of benefits for alcoholics and drug dependents; amending Minnesota Statutes 1986, section 62A.149, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Merriam, Waldorf, Chmielewski and Mehrkens introduced—

S.F. No. 630: A bill for an act proposing an amendment to the Minnesota Constitution, providing for a unicameral legislature, changing article IV, sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, and 26; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing by statute for a unicameral legislature to consist of 135 members; amending Minnesota Statutes 1986, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Elections and Ethics.

Messrs. Merriam, Novak, Ms. Peterson, D.C.; Messrs. Frank and Storm introduced—

S.F. No. 631: A bill for an act relating to manufactured homes; defining terms; prohibiting certain unilateral permanent physical improvements; clarifying the termination of a park lease for substantial annoyance to other residents; regulating park closings; requiring an impact report; providing for a public hearing; creating a right of first refusal; providing for a right to redeem possession for failing to comply with a rule; clarifying remedies; amending Minnesota Statutes 1986, sections 327C.01, by adding subdivisions; 327C.03, subdivision 3; 327C.05, subdivision 2; 327C.09, subdivisions 1 and 5, and by adding a subdivision; 327C.11, subdivision 2, and by adding a subdivision; and 327C.15; proposing coding for new law in Minnesota Statutes, chapter 327C; repealing Minnesota Statutes 1986, section 327C.09, subdivision 9.

Referred to the Committee on Economic Development and Housing.

Mr. Samuelson introduced—

S.F. No. 632: A bill for an act relating to the city of Little Falls; authorizing the issuance of general obligation bonds to refund certain tax increment bonds of the city; authorizing the city to use the unexpended proceeds of the refunded bonds for other municipal purposes.

Referred to the Committee on Economic Development and Housing.

Mr. Benson, Mrs. Brataas, Messrs. Knutson, Storm and Anderson introduced—

S.F. No. 633: A bill for an act relating to human services; establishing requirements for rate appeals for intermediate care facilities for persons with mental retardation and related conditions; amending Minnesota Statutes 1986, section 256B.501, subdivision 3, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Benson introduced—

S.F. No. 634: A bill for an act relating to motor vehicles; permitting seven characters on personalized license plates; amending Minnesota Statutes 1986, section 168.12, subdivision 2a.

Referred to the Committee on Transportation.

Messrs. Marty; Morse; Frederickson, D.J.; Vickerman and Beckman introduced—

S.F. No. 635: A bill for an act relating to taxation; income; requiring that the nongame wildlife checkoff appear on the short income tax return; amending Minnesota Statutes 1986, section 290.39, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Messrs. Samuelson, Bertram, Ms. Piper, Mrs. Adkins and Mr. Knutson introduced—

S.F. No. 636: A bill for an act relating to occupations and professions; prohibiting optometrists from prescribing certain drugs without certifica-

tion by the board of optometry; providing the requirements for certification; providing definitions; amending Minnesota Statutes 1986, sections 148.571, subdivisions 1 and 2; 148.572; 148.573; 148.574; 151.01, subdivision 23; 152.11, subdivision 2; and 152.12, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. DeCramer, Purfeerst, Langseth, Mehrkens and Renneke introduced—

S.F. No. 637: A bill for an act relating to transportation; creating a state institutions town road account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 162.

Referred to the Committee on Transportation.

Mr. Johnson, D.J. introduced—

S.F. No. 638: A bill for an act relating to state government finance; providing for transfers to the budget and cash flow reserve account; providing for the reduction of allotments in certain instances; imposing the gross premium tax on certain companies; updating certain tax provisions relating to corporations to the federal income tax code; changing and clarifying the allocation and apportionment of income for purposes of the corporate franchise tax; imposing the corporate franchise tax on certain companies; changing the corporate income tax to a franchise tax imposed on net income; making technical corrections and clarifications; amending Minnesota Statutes 1986, sections 16A.15, subdivisions 1 and 6; 16A.1541; 60A.13, subdivision 1a; 60A.15, subdivisions 1, 1a, 1e, and 2a; 60A.199, subdivisions 1, 2, 3, 5, 7, 8, 9, 10, and 11; 60A.209, subdivisions 1 and 3; 60A.24; 62C.11, by adding a subdivision; 62D.08, by adding a subdivision; 62E.035; 67A.11, subdivision 3; 69.011, subdivisions 1 and 2; 69.021, subdivisions 1, 2, and 3; 69.54; 69.55; 79.34, subdivision 1; 273.1314, by adding subdivisions; 290.01, subdivisions 4 and 5, and by adding subdivisions; 290.02; 290.03; 290.05, subdivisions 1, 2, and 3; 290.06, subdivision 1; 290.068, subdivisions 1 and 3; 290.069, subdivisions 2a and 4b; 290.095, subdivisions 1, 2, 3, and 4; 290.12, subdivision 2; 290.131, subdivision 1; 290.132, subdivision 1; 290.133, subdivision 1; 290.134, subdivision 1; 290.135, subdivision 1; 290.136, subdivision 1; 290.138, subdivision 3; 290.14; 290.17, subdivisions 1, 2, and by adding a subdivision; 290.171; 290.18, subdivision 1; 290.20, subdivision 1, and by adding a subdivision; 290.21, subdivisions 4 and 6; 290.34, subdivision 2; 290.35; 290.36; 290.37, subdivision 1; 290.41, subdivisions 2 and 3; 290.42; 290.50, subdivision 1; 290.934, subdivision 2; and 299F.21, subdivisions 1, 2, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 60A and 290; repealing Minnesota Statutes 1986, sections 60A.15, subdivision 2; 61A.49; 64B.24; 69.021, subdivision 3a; 290.068, subdivisions 2, 5, and 6; 290.069, subdivisions 1, 2, 3, 5, 6, and 7; 290.07, subdivision 5; 290.071; 290.073; 290.075; 290.09; 290.095, subdivisions 8 and 10; 290.10; 290.13; 290.16; 290.17, subdivision 1a; 290.19; 290.21, subdivisions 3, 5, 6, and 8; 290.26, subdivision 2; 290.361; and Laws 1986, First Special Session chapter 1, article 5, section 8.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.J. introduced—

S.F. No. 639: A bill for an act relating to tax compliance; changing sales tax payment return and due dates; providing that date of mailing is date of filing or payment; making administrative changes and technical clarifications and corrections to increase tax compliance and promote efficient administration of tax laws; providing for assessment in case of an erroneous refund; providing for treatment of state tax liens in the same manner of federal liens; clarifying the weight of marijuana and controlled substances that is subject to tax; reducing the tax rate on marijuana and controlled substances; prohibiting resale of marijuana and controlled substances tax stamps; authorizing publication of statistics; changing and imposing fees and criminal and civil penalties; appropriating money; amending Minnesota Statutes 1986, sections 270.066; 270.10, subdivision 1; 270.72, subdivisions 1 and 2; 270.77; 270A.07, subdivision 1; 272.479; 272.481; 272.482; 272.483; 272.484; 290.53, subdivisions 1, 2, 3a, 4, and by adding subdivisions; 290.56, subdivisions 3 and 4; 290.92, subdivisions 15 and 24; 290A.11, subdivision 2; 291.131, subdivisions 1, 2, 4, and by adding a subdivision; 296.18, subdivision 7; 297A.151; 297A.26, subdivision 1; 297A.27, subdivision 1; 297A.275; 297A.39, subdivisions 1, 2, 4, and by adding a subdivision; 297B.10; 297D.02; 297D.07; 297D.08; 297D.09; 297D.10; 297D.12, subdivision 1; 297D.13; 508.25; 508.35; and 508.63; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1986, sections 270.75, subdivision 8; and 297A.26, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.J. introduced—

S.F. No. 640: A bill for an act relating to taxation; natural resources; imposing mining taxes; imposing a net proceeds tax on certain ores; abolishing royalty taxes and copper-nickel tax; providing for the taxation of taconite railroad property; providing income tax withholding on royalties; providing for administration of the tree growth tax law; amending Minnesota Statutes 1986, sections 16A.26; 121.904, subdivisions 11a and 11b; 124.195, subdivision 2; 124A.035, subdivision 5; 270.33, subdivisions 2, 13, and by adding subdivisions; 270.34; 270.36, subdivisions 1 and 2; 270.80, subdivision 2; 273.12; 275.125, subdivision 9; 287.09; 290.92, subdivisions 6, 7, 9, 11, 12, 13, 14, 18, 24, and 25; 298.01, subdivision 1, and by adding subdivisions; 298.026; 298.027; 298.028, subdivision 1; 298.03, subdivision 1; 298.031, subdivision 2; 298.08; 298.09, subdivision 1; 298.25; and 298.28, subdivisions 4 and 11; proposing coding for new law in Minnesota Statutes, chapters 270; 290; and 298; repealing Minnesota Statutes 1986, sections 270.37; 270.38; 290.082; 294.21; 294.22; 294.23; 294.24; 294.25; 294.26; 298.01, subdivision 1; 298.02; 298.026; 298.027; 298.03; 298.031; 298.04; 298.28, subdivision 14; 298.51; 298.52; 298.53; 298.54; 298.55; 298.61; 298.62; 298.63; 298.64; 298.65; 298.66; 298.67; 299.01; 299.012; 299.013; 299.02; 299.03; 299.04; 299.05; 299.06; 299.07; 299.08; 299.09; 299.10; 299.11; 299.12; 299.13; and 299.14.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Chmielewski; Schmitz; Frederickson, D.R.; Johnson, D.E. and Ms. Piper introduced—

S.F. No. 641: A bill for an act relating to workers' compensation; regulating insurance premium computations for certain public employees; amending Minnesota Statutes 1986, section 79.211, by adding a subdivision.

Referred to the Committee on Employment.

Messrs. Wegscheid and Knaak introduced—

S.F. No. 642: A bill for an act relating to game and fish; removing restrictions on the commissioner's power to close lakes to spearing and reduce limits on the number of fish taken by spearing; repealing Minnesota Statutes 1986, section 97C.385, subdivisions 1 and 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. DeCramer and Bertram introduced—

S.F. No. 643: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide veterans grave markers; appropriating money; amending Minnesota Statutes 1986, section 197.23.

Referred to the Committee on Veterans.

Messrs. Bertram, Solon and Purfeerst introduced—

S.F. No. 644: A bill for an act relating to highway traffic regulations; requiring a urine test under the implied consent law under certain circumstances even after a blood or breath test has been administered; amending Minnesota Statutes 1986, section 169.123, subdivision 2a.

Referred to the Committee on Judiciary.

Messrs. Frederick; Frederickson, D.R. and Larson introduced—

S.F. No. 645: A bill for an act relating to game and fish; authorizing free fishing licenses for certain disabled employees; amending Minnesota Statutes 1986, section 97A.441, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Stumpf introduced—

S.F. No. 646: A bill for an act relating to retirement; teachers retirement association; extending retroactively a provision allowing accrual of benefits from the date teaching service terminated if applications for retirement are filed within 90 days of that date; amending Minnesota Statutes 1986, section 354.44, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Knaak, Freeman, Kroening, Laidig and Pogemiller introduced—

S.F. No. 647: A bill for an act relating to education; modifying the tuition reimbursement provisions for the post-secondary enrollment options program; appropriating money; amending Minnesota Statutes 1986, section 123.3514, subdivision 6.

Referred to the Committee on Education.

Messrs. Renneke and Schmitz introduced—

S.F. No. 648: A bill for an act relating to state departments and agencies; repealing the requirement for older members of certain boards, commissions, and councils; repealing Minnesota Statutes 1986, section 15.0591.

Referred to the Committee on Governmental Operations.

Messrs. Stumpf; Langseth; Peterson, R.W. and Bernhagen introduced—

S.F. No. 649: A bill for an act relating to education; clarifying the authority of school boards to appoint directors of area vocational technical institutes; amending Minnesota Statutes 1986, section 136C.05, subdivision 1.

Referred to the Committee on Education.

Messrs. Stumpf, DeCramer and Novak introduced—

S.F. No. 650: A bill for an act relating to game and fish; providing for cooperative management of wildlife resources; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 651: A bill for an act relating to motor vehicles; allowing applications for tax-exempt license plates to be made in a county adjacent to the county of domicile; amending Minnesota Statutes 1986, section 168.012, subdivision 1c.

Referred to the Committee on Transportation.

Messrs. Peterson, R.W. and DeCramer introduced—

S.F. No. 652: A bill for an act relating to agriculture; providing a computerized system for notification of security interests in farm products; providing a computerized filing system and central data base for uniform commercial code financing statements and lien statements; imposing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 336; and proposing coding for new law as Minnesota Statutes, chapter 336A.

Referred to the Committee on Agriculture.

Messrs. Spear and Cohen introduced—

S.F. No. 653: A resolution memorializing the Union of Soviet Socialist Republics to grant exit visas to Jewish prisoners of conscience.

Referred to the Committee on Judiciary.

Messrs. Chmielewski, Peterson, R. W.; Johnson, D.J.; Solon and Dicklich introduced—

S.F. No. 654: A bill for an act relating to housing; creating advisory task force in the state pollution control agency to study and advise on moisture and air quality problems in single-family homes; requiring reports; appropriating money.

Referred to the Committee on Economic Development and Housing.

Messrs. Davis, Stumpf, Knaak and Bertram introduced—

S.F. No. 655: A bill for an act relating to agriculture; providing a milk marketing and price stabilization plan; declaring state policy relating to milk; creating a milk stabilization board; authorizing the board to prescribe milk stabilization plans and maximum and minimum prices for marketing milk; requiring licenses for persons involved in milk marketing; prescribing milk marketing violations; authorizing enforcement of disruptive trade practices; authorizing entry, inspection, and investigation of milk marketing practices; requiring records and reports; providing remedies and penalties for milk marketing violations; authorizing local advisory boards; authorizing assessments on milk processors; authorizing a referendum on continuance of stabilized prices; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing Minnesota Statutes 1986, chapter 32A.

Referred to the Committee on Agriculture.

Mr. Dahl introduced—

S.F. No. 656: A bill for an act relating to transportation; providing for the use of recycled waste tires for highway construction; requiring certain construction bidding practices; requiring the commissioner of transportation to use or encourage the use of waste tires in highway construction; prohibiting disposal of waste tires; requiring the pollution control agency to conduct planning; providing for an advisory task force; amending Minnesota Statutes 1986, sections 161.32, subdivision 1, and by adding a subdivision; 115A.904; and 115A.912.

Referred to the Committee on Transportation.

Mr. Chmielewski, Ms. Piper, Messrs. Kroening, Johnson, D.E. and Stumpf introduced—

S.F. No. 657: A bill for an act relating to obscenity; prohibiting the distribution and exhibition of obscene materials and performances; prescribing penalties; amending Minnesota Statutes 1986, section 617.241.

Referred to the Committee on Judiciary.

Messrs. Larson, Anderson, Stumpf and Berg introduced—

S.F. No. 658: A bill for an act relating to veterans; requiring the housing and care of veterans in the Fergus Falls residential treatment center; proposing coding for new law in Minnesota Statutes, chapters 198 and 253.

Referred to the Committee on Veterans.

Mr. Spear introduced—

S.F. No. 659: A bill for an act relating to controlled substances; classifying the substance alfentanil as a schedule II controlled substance; amending Minnesota Statutes 1986, section 152.02, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 660: A bill for an act relating to education; requiring the Minnesota state high school league to provide for television coverage of athletic events on a statewide basis; amending Minnesota Statutes 1986, section 129.121, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Novak, Dahl, Diessner, Willet and Knaak introduced—

S.F. No. 661: A resolution memorializing the President and Congress to give states more authority to regulate interstate pipelines and to improve federal regulation of pipelines.

Referred to the Committee on Transportation.

Messrs. Dahl; Moe, R.D.; Solon; Laidig and Metzen introduced—

S.F. No. 662: A bill for an act relating to commerce; granting motor fuel retailers the option to purchase from wholesalers other than the refiner; proposing coding for new law in Minnesota Statutes, chapter 80C.

Referred to the Committee on Commerce.

Mr. Pehler, Ms. Olson, Messrs. Moe, R.D.; Mehrkens and Dicklich introduced—

S.F. No. 663: A bill for an act relating to education; establishing a school district reorganization task force.

Referred to the Committee on Education.

Messrs. Wegscheid, Knaak, Dicklich, Stumpf and Larson introduced—

S.F. No. 664: A bill for an act relating to school districts; authorizing more capital outlay levying authority; amending Minnesota Statutes 1986, section 275.125, by adding subdivisions.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 665: A bill for an act relating to retirement; teachers retirement association; changing the effective date of retirement for a certain annuitant; transferring reserves to the postretirement investment fund.

Referred to the Committee on Governmental Operations.

Messrs. Spear, Freeman, Solon, Wegscheid and Belanger introduced—

S.F. No. 666: A bill for an act relating to credit unions; permitting certain groups to join existing credit unions; amending Minnesota Statutes 1986,

section 52.05.

Referred to the Committee on Commerce.

Mrs. Adkins introduced—

S.F. No. 667: A bill for an act relating to usury; reducing allowable interest charges on credit cards and consumer loans; raising the dollar level of the usury law; amending Minnesota Statutes 1986, sections 48.185, subdivision 3; 52.04, subdivision 1; 334.01, subdivision 2; 334.011, subdivision 1; and 334.16, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Peterson, R.W.; Merriam; Cohen and Luther introduced—

S.F. No. 668: A bill for an act relating to the collection and dissemination of data; providing for the destruction of certain data; amending Minnesota Statutes 1986, section 13.46, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. DeCramer, Purfeerst, Frederick, Langseth and Metzen introduced—

S.F. No. 669: A bill for an act relating to transportation; authorizing special permits for 110-foot vehicle combinations to operate outside the metropolitan area on interstate highways; setting a fee for the permit; providing for the modification of certain interchanges, streets, and highways; amending Minnesota Statutes 1986, sections 169.81, subdivision 2; and 169.86, subdivision 5, and by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Freeman, Spear and Merriam introduced—

S.E. No. 670: A bill for an act relating to jails; providing for the detention and confinement of minors subject to prosecution as adults and minors committed to the custody of the commissioner of corrections; amending Minnesota Statutes 1986, section 641.14.

Referred to the Committee on Judiciary.

Mr. Hughes, Ms. Peterson, D.C.; Mr. Dicklich, Ms. Reichgott and Mr. Mehrkens introduced—

S.F. No. 671: A bill for an act relating to education; requiring districts receiving tobacco use prevention aid to have smoke-free buildings by the 1989-1990 school year; amending Minnesota Statutes 1986, section 124.252, subdivision 2.

Referred to the Committee on Education.

Mr. Hughes, Ms. Peterson, D.C.; Messrs. Pogemiller, Dicklich and Ms. Olson introduced—

S.F. No. 672: A bill for an act relating to education; requiring specific efforts to provide early childhood family education services to low-income families; increasing the maximum revenue for early childhood family ed-

ucation programs; amending Minnesota Statutes 1986, sections 121.882, by adding a subdivision; 124.175; and 124.2711, subdivision 1.

Referred to the Committee on Education.

Mses. Piper, Berglin, Mr. Storm and Mrs. Adkins introduced—

S.F. No. 673: A bill for an act relating to human services; allowing the use of certain professional standards for chemical dependency professionals; amending Minnesota Statutes 1986, section 254A.16, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Moe, D.M. introduced—

S.F. No. 674: A bill for an act relating to public employees; setting salaries and salary ranges for certain employees; amending Minnesota Statutes 1986, sections 15A.081, subdivisions 1, 6, 7, 7b, and by adding a subdivision; 15A.083, subdivisions 1 and 4; and 298.22, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Moe, D.M. introduced—

S.F. No. 675: A bill for an act relating to the department of finance; clarifying and correcting miscellaneous provisions to improve the administration of the department and of state government; appropriating money; amending Minnesota Statutes 1986, sections 3C.12, subdivision 2; 16A.06, by adding a subdivision; 16A.126, subdivision 2; 16A.127, subdivision 3; 16A.275; 16A.36, subdivision 2; 16A.41, subdivision 1; 16A.85, by adding a subdivision; and 116J.36, subdivision 6.

Referred to the Committee on Governmental Operations.

Ms. Reichgott, Messrs. Mehrkens, Dicklich, Knutson and Ms. Piper introduced—

S.F. No. 676: A bill for an act relating to education; setting the foundation aid formula allowance for the 1987-1988 and 1988-1989 school years; removing the metering of state-aid payments to school districts; amending Minnesota Statutes 1986, sections 124A.02, subdivision 9; and 273.1392; repealing Minnesota Statutes 1986, section 124.195.

Referred to the Committee on Education.

Messrs. Dicklich and Marty introduced—

S.F. No. 677: A bill for an act relating to public utilities; authorizing the public utilities commission to deregulate competitive telecommunications services; requiring interexchange companies to pay reasonable access fees; requiring certain companies to post a bond; prohibiting telephone companies from subsidizing competitive services from noncompetitive services; requiring telephone companies to provide full disclosure of their services and rates; authorizing the commission to require telephone companies to upgrade their services; providing that local telephone exchanges may not be sold without commission approval; requiring persons providing private shared tenant service to grant certain access; requiring the state planning agency to conduct a study on universal service assistance; amending Min-

nesota Statutes 1986, sections 237.01, subdivision 2, and by adding a subdivision; 237.081, subdivision 1a, and by adding a subdivision; 237.11; 237.12; 237.16, subdivision 1; 237.17; and 237.22; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1986, sections 237.13; 237.41; 237.42; and 237.43.

Referred to the Committee on Public Utilities and Energy.

Messrs. Novak, Dahl and Laidig introduced—

S.F. No. 678: A bill for an act relating to natural resources; authorizing certain watershed districts in the seven-county metropolitan area to increase the administrative fund amount; amending Minnesota Statutes 1986, section 112.61, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Messrs. Waldorf, Wegscheid, Benson, Samuelson and Mrs. Adkins introduced—

S.F. No. 679: A bill for an act relating to civil actions; allocating fault in certain civil actions; defining the term “damages”; abolishing joint liability; providing an exception; providing for contribution from other joint tortfeasors; amending Minnesota Statutes 1986, sections 604.01, subdivisions 1, 1a, and by adding a subdivision; 604.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 604; repealing Minnesota Statutes 1986, section 604.02, subdivisions 2 and 3.

Referred to the Committee on Judiciary.

Ms. Berglin, Mr. Brandl and Ms. Piper introduced—

S.F. No. 680: A bill for an act relating to human services; creating the right start sliding fee health care program for pregnant women and children; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 681: A bill for an act relating to corrections; appropriating money for the American Indian counseling program.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 682: A bill for an act relating to human services; changing standards of assistance and eligibility for general assistance recipients and work readiness participants; amending Minnesota Statutes 1986, sections 256D.01, subdivision 1a; 256D.02, subdivisions 5 and 8; 256D.05, subdivision 1, and by adding a subdivision; 256D.051, subdivisions 4 and 5; 256D.06, subdivisions 1 and 2; 256D.08, subdivision 1; 256D.101; and 256D.15.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller introduced—

S.F. No. 683: A bill for an act relating to local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1986, sections 474A.02, subdivisions 1, 2, 3, 6, 7, 8, 12, 14, 16, 18, 19, 21, 26, and by adding subdivisions; 474A.03, subdivision 1, and by adding a subdivision; 474A.04, subdivisions 5, 6, and by adding a subdivision; 474A.13, subdivisions 1, 4, and 5; 474A.14; 474A.15; 474A.16; 474A.17; 474A.18; 474A.20; and 474A.21; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1986, sections 474A.02, subdivisions 5, 9, 10, 11, 13, 15, 17, 20, 22, 23, 24, and 25; 474A.03, subdivisions 2 and 3; 474A.04, subdivisions 1, 2, 3, and 4; 474A.05; 474A.06; 474A.07; 474A.08; 474A.09; 474A.10; 474A.11; 474A.12; 474A.13, subdivisions 2 and 3; 474A.19; and Laws 1981, chapters 222, section 6; and 223, section 6, subdivision 3.

Referred to the Committee on Economic Development and Housing.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Pehler moved that House Concurrent Resolution No. 3 be taken from the table. The motion prevailed.

House Concurrent Resolution No. 3: A House concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

BE IT RESOLVED by the House of Representatives of the State of Minnesota, the Senate concurring:

(1) The House of Representatives and the Senate shall meet in joint convention on Wednesday, April 15, 1987, at 1:00 p.m., in the chamber of the House of Representatives to elect members to the Board of Regents of the University of Minnesota.

(2) The Education Committee of the Senate and the Higher Education Committee of the House of Representatives, in a joint meeting, are appointed to submit a slate of nominations and to report the slate at the meeting of the joint convention.

Mr. Pehler moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 5, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINETEENTH DAY

St. Paul, Minnesota, Thursday, March 5, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul Lindstrom.

The roll was called, and the following Senators answered to their names:

Adkins	DeCramer	Knutson	Moe, R.D.	Samuelson
Anderson	Dicklich	Kroening	Morse	Schmitz
Beckman	Diessner	Laidig	Novak	Solon
Belanger	Frank	Langseth	Olson	Spear
Benson	Frederickson, D.J.	Lantry	Pehler	Storm
Berg	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Berglin	Freeman	Lessard	Peterson, R.W.	Taylor
Bernhagen	Gustafson	Luther	Piper	Vickerman
Bertram	Hughes	Marty	Pogemiller	Waldorf
Brandl	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Mehrkens	Ramstad	Willet
Dahl	Jude	Merriam	Reichgott	
Davis	Knaak	Metzen	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mrs. Brataas and Mr. Moe, D.M. were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Metropolitan Council is hereby respectfully submitted to the Senate for confirmation as required by law:

Joan M. Campbell, 947 - 17th Ave. S.E., Minneapolis, Hennepin County, has been appointed by me, effective January 20, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Local and Urban Government.)

January 26, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Board of the Arts are hereby respectfully submitted to the Senate for confirmation as required by law:

Carol Ann Mackay, 5925 Christmas Lake Rd., Excelsior, Hennepin County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Marjorie Hayden, 409 - 1st St. N.E., Little Falls, Morrison County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Calvin Zuehlke, 1021 Marine Ave., Worthington, Nobles County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on General Legislation and Public Gaming.)

February 12, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the State University Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Frank Furlan, 514 - 3rd Ave. N.W., Chisholm, St. Louis County, has been appointed by me, effective February 17, 1987, for a term expiring the first Monday in January, 1991.

Jerry D. Serfling, 2388 Hidden Valley Ln., Stillwater, Washington County, has been appointed by me, effective February 17, 1987, for a term expiring the first Monday in January, 1991.

James B. Lund, 11790 Wilder Dr., Eden Prairie, Hennepin County, has been appointed by me, effective February 17, 1987, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Education.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 168: A bill for an act relating to human rights; clarifying certain provisions relating to discrimination in the extension of credit because of sex or marital status; amending Minnesota Statutes 1986, section 363.03, subdivision 8.

Senate File No. 168 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 2, 1987

Ms. Reichgott moved that the Senate do not concur in the amendments by the House to S.F. No. 168, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 68, 197 and 357.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 2, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 68: A bill for an act relating to state government; rejecting salary adjustments for legislators, judges and constitutional officers recommended by the compensation council; prohibiting any salary adjustment for legislators, judges and constitutional officers before January 1, 1991.

Referred to the Committee on Governmental Operations.

H.F. No. 197: A bill for an act relating to real property; providing for transfer of owner's duplicate certificate of title to owner; amending Minnesota Statutes 1986, section 386.375, subdivisions 2 and 3.

Referred to the Committee on Judiciary.

H.F. No. 357: A bill for an act relating to the city of Saint Paul; permitting the city to adopt certain regulations for smoke detection devices; amending Minnesota Statutes 1986, section 299F362, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 259. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 193: A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes; amending Minnesota Statutes 1986, section 383A.07, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [RAMSEY COUNTY; SHOREVIEW; LAND TRANSFER.]

Notwithstanding any contrary provisions of Minnesota Statutes, section 383A.07, or other law, Ramsey county may convey to the city of Shoreview, for use by the city for any public purpose, the following described parcel of real property:

The south 220 feet of east 200 feet of the following described parcel: Unplatted Lands, subject to T.H. 10 and 393, Part of the SE 1/4 south of said T.H. west of Victoria Street and North of Railway Right-of-way in Section 26, Town 30, Range 23.

The conveyance may be on the terms and subject to the conditions or reversionary rights by Ramsey county.

Sec. 2. [HIGHWAY INTERSECTION.]

Notwithstanding any contrary provision of Minnesota Statutes, section 383A.07, or other law, Ramsey county may use the open space land described in this section for highway purposes.

That part of the west 360 feet of the Southeast Quarter of the Northwest Quarter of Section 3, Township 30 North, Range 23 West and that part of the Northwest Quarter of the Northwest Quarter of Section 3, Township 30 North, Range 23 West except the following described parcels.

That part of the Northwest Quarter of Section 3, Township 30 North, Range 23 West lying west of Lexington Avenue and northerly of the following described line:

Beginning at a point 1144.575 feet South of the northwest corner of said section; thence South 89 degrees 27 minutes 03.1 seconds East 191.685 feet; thence North 45 degrees 34 minutes 07.5 seconds East 468.32 feet; thence South 89 degrees 27 minutes 03.1 seconds East 236.54 feet to a point on west line of Lexington Avenue 813.31 feet south of the north line of said section and there terminating.

That part of the Northwest Quarter of the Northwest Quarter of said Section 3 described as follows:

Beginning at a point on the east line of said quarter quarter having an assumed bearing of South 0 degrees 05 minutes 08 seconds West, 1120 feet south at right angles to the north line of said quarter quarter; thence South 21 degrees 37 minutes 42 seconds West, 671.61 feet; thence South 40 degrees 13 minutes 18 seconds East, 257.55 feet; thence South 0 degrees 05 minutes 08 seconds West, 33 feet to the South line of said quarter quarter; thence easterly along said south line to the east line

of said quarter quarter; thence northerly along said east line of said quarter quarter to the point of beginning and there terminating;

which lies within a 99 foot wide strip of land the center line of which is described as follows:

Beginning at the northeast corner of said Southeast Quarter of the Northwest Quarter of Section 3, Township 30 North, Range 23 West; thence westerly along the north line of said Southeast Quarter of the Northwest Quarter, having an assumed bearing of North 89 degrees 42 minutes 09 seconds West for 933.51 feet; thence along a tangential curve to the right having a radius of 954.93 feet and a central angle of 89 degrees 50 minutes 42 seconds for a distance of 1497.42 feet; thence North 0 degrees 08 minutes 33 seconds East for a distance of 691.02 feet; thence along a tangential curve to the right having a radius of 1145.92 feet for a distance of 348.41 feet to a point on the north line of said Northwest Quarter being 808.61 feet east of the northwest corner of said Section 3 and there terminating.

Except that part of the existing Lexington Avenue right-of-way; containing 2.4702 acres, more or less.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the board of Ramsey county commissioners."

Delete the title and insert:

"A bill for an act relating to local government; authorizing Ramsey county to transfer land to the city of Shoreview; authorizing Ramsey county to use certain land dedicated as open space for highway purposes."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 215: A bill for an act relating to agriculture; providing for research on the problem of stray voltage; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ELECTROMAGNETIC RESEARCH GRANT.]

Subdivision 1. [CRITERIA; PROCEDURE.] With the assistance of the advisory board established under subdivision 2, the commissioner of agriculture shall grant the funds appropriated in section 3 to the research team that submits the most effective proposal to study the effects of electromagnetic fields on animal health and agricultural production. The team must consist of researchers from the University of Minnesota or elsewhere who represent at least the following fields of research: (1) physics; (2) biology; (3) animal sciences; (4) veterinary practice; and (5) electricity. At least 50 percent of the grant must be spent on research conducted at farm locations.

Subd. 2. [ADVISORY BOARD.] The governor shall appoint an advisory

board of nine members to assist the commissioner of agriculture in making the grant under subdivision 1. Two members shall be farmers experiencing electromagnetic problems; one member shall be a farmer whose electromagnetic problem has been resolved; one member shall be a farmer who has not had an electromagnetic problem; one member shall be the chair of the Minnesota pollution control agency board; one member shall represent a cooperative electric association; one member shall represent an investor-owned public utility which serves rural areas; one member shall be a practicing veterinarian; and one member shall represent the non-metropolitan area campuses of the University of Minnesota or the state university system. The board shall be responsible for awarding the grant and will conduct periodic reviews and evaluations of the work being carried out under this grant. The board expires when the study under subdivision 1 conducted with the grant has been completed.

Sec. 2. [REPORT.]

A report on the study under section 1 must be prepared by the research team and submitted by the commissioner of agriculture to the house and senate committees on agriculture by February 1, 1989.

Sec. 3. [APPROPRIATION.]

\$65,000 is appropriated from the general fund to the commissioner of agriculture for purposes of section 1. This appropriation shall remain available until February 1, 1989."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for research on the electromagnetic problems in farming; appropriating money."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 304: A bill for an act relating to taxation; providing for computation of the metropolitan transit tax reduction for certain cities and towns; amending Minnesota Statutes 1986, section 473.446, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 282: A bill for an act relating to metropolitan government; permitting regional railroad authorities to engage in certain activities; amending Minnesota Statutes 1986, section 473.398.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 131: A bill for an act relating to transportation; traffic; providing for a ten mile per hour reduction in the speed limit for construction zones; amending Minnesota Statutes 1986, section 169.14, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 169.14, is amended by adding a subdivision to read:

Subd. 5d. [SPEED ZONING IN WORK ZONES.] The commissioner, on trunk highways and temporary trunk highways, and local authorities, on streets and highways under their jurisdiction, may authorize the use of reduced maximum speed limits in highway work zones. The commissioner or local authority is not required to conduct an engineering and traffic investigation before authorizing a reduced speed limit in a highway work zone.

The minimum highway work zone speed limit is 20 miles per hour. The work zone speed limit must not reduce the established speed limit on the affected street or highway by more than 15 miles per hour, except that the highway work zone speed limit shall not exceed 40 miles per hour. Highway work zone speed limits are effective on erection of appropriate regulatory speed limit signs designating the beginning and end of the affected work zone. The signs must be removed or covered when they are not required. A speed greater than the posted highway work zone speed limit is unlawful.

For purposes of this subdivision, “highway work zone” means a segment of highway or street where a road authority or its agent is constructing, reconstructing, or maintaining the physical structure of the roadway, its shoulders, or features adjacent to the roadway, including underground and overhead utilities and highway appurtenances.”

Amend the title as follows:

Page 1, line 2, delete everything after the first semicolon and insert “authorizing commissioner of transportation and local road authorities to reduce speed limits in work zones”

Page 1, delete line 3

Page 1, line 4, delete everything before the semicolon

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 259: A bill for an act relating to public safety; establishing state reimbursement program for purchases of soft body armor by and for peace officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, delete “50 percent” and insert “the lesser of (a) one-third”

Page 1, line 23, after “price” insert a semicolon and delete “\$250, whichever is less” and insert “(b) \$165. The political subdivision that employs the peace officer shall pay at least the lesser of (a) one-third of the vest’s purchase price; or (b) \$165”

Page 2, line 5, after "*purchased*" insert "*after December 31, 1986,*"

Page 2, line 7, after "*was*" insert "*at least*" and delete "*or more*" and delete "*at the*"

Page 2, line 8, delete "*time of the purchase*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Schmitz questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Willet from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 90: A bill for an act relating to utilities; enacting the Minnesota pipeline safety act; creating the office of pipeline safety and providing for its powers and duties; granting rulemaking authority to the environmental quality board; authorizing rulemaking for purposes of delegation of federal authority; creating the pipeline safety advisory commission; regulating the operation of certain pipelines; regulating excavations in the area of buried utilities; providing for a pipeline inspection fee; establishing the pipeline safety fund; requiring a study; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 116I.02, subdivisions 2 and 3; 216B.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116I; proposing coding for new law as Minnesota Statutes, chapters 216C and 299J.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"PIPELINE ROUTING

Section 1. [116I.015] [ROUTING OF CERTAIN PIPELINES.]

Subdivision 1. [DEFINITION.] For purposes of this section and notwithstanding section 116I.01, subdivision 3, "pipeline" means:

(1) pipe with a nominal diameter of six inches or more that is designed to transport hazardous liquids, but does not include pipe designed to transport a hazardous liquid by gravity, and pipe designed to transport or store a hazardous liquid within a refining, storage, or manufacturing facility; or

(2) pipe designed to be operated at a pressure of more than 275 pounds per square inch and to carry gas.

Subd. 2. [PROHIBITION.] A person may not construct a pipeline without a pipeline routing permit issued by the environmental quality board unless the pipeline is exempted from the board's routing authority under this section or rules adopted under this section. A pipeline requiring a permit may only be constructed on a route designated by the board.

Subd. 3. [RULES.] (a) The environmental quality board shall adopt rules governing the routing of pipelines. The rules shall apply only to the route of pipelines and may not set safety standards for the construction of pipelines.

(b) The rules must:

(1) require that a person proposing construction of a pipeline submit to

the board one preferred route for the pipeline and evidence that at least one alternative route was considered or specific reasons why other routes are not feasible;

(2) provide for notice of proposed pipeline routes to local units of government, owners and lessees of property along the routes being considered;

(3) provide for public hearings on proposed pipeline routes;

(4) provide criteria that the board will use in determining pipeline routes, which must include the existence of populated areas and the impact of the proposed pipeline on the natural environment;

(5) provide a procedure that the board will follow in issuing pipeline routing permits and require the board to issue the permits within nine months after the permit application is received by the board, unless the board extends this deadline for cause;

(6) provide for the payment of fees by persons proposing to construct pipelines to cover the costs of the board in implementing this section;

(7) allow the board to provide exemptions from all or part of the pipeline routing permit application process in emergencies or if the board determines that the proposed pipeline will not have a significant impact on humans or the environment; and

(8) require exemption determinations to be made within 90 days after an application.

(c) The rules do not apply to temporary use of a route for purposes other than installation of a pipeline, to securing survey or geological data, to repair or replacement of an existing pipeline within the existing right-of-way, or to minor relocation of less than three-quarters of a mile of an existing pipeline.

Subd. 4. [PRIMARY RESPONSIBILITY AND REGULATION OF ROUTE DESIGNATION.] The issuance of a pipeline routing permit under this section and subsequent purchase and use of the route locations is the only site approval required to be obtained by the person owning or constructing the pipeline. The pipeline routing permit supersedes and preempts all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose governments.

Sec. 2. Minnesota Statutes 1986, section 116I.02, subdivision 2, is amended to read:

Subd. 2. Any person proposing to construct or operate a pipeline for which a pipeline routing permit is not required under section 1, shall so notify the environmental quality board and the county board of each county through which the pipeline will be constructed. The notice shall include a description of the route on which the pipeline is proposed to be located, the size and type of pipeline to be constructed, the types of commodities to be carried and the construction and operational characteristics of the pipeline. The proposed route shall be described in sufficient detail so that the owners or lessees of property on which the route is located can be identified. Notice to the environmental quality board shall be accompanied by a fee of \$25,000 for preparation of an information book as provided in section 116I.03 and for expenses incurred by state agencies to participate in public meetings as provided in section 116I.04. All fees received are appropriated to the environmental quality board for its own use and for

distribution to state agencies for these purposes. The environmental quality board shall refund any amount that exceeds the actual cost to the board of preparing the information book, including necessary revisions, and to state agencies for participating in the public meetings.

If the pipeline route described in the notice is changed to the extent that, in any county, 20 percent or more of the owners or lessees of property on which the new route is located were not owners or lessees of property on which the other route was located, the person proposing to construct and operate the pipeline shall notify the environmental quality board and the county board of that county of the change in the proposed route. No additional fee shall be required for a notice of change of a proposed route.

Sec. 3. Minnesota Statutes 1986, section 116I.02, subdivision 3, is amended to read:

Subd. 3. ~~No~~ (a) *If a pipeline routing permit is not required for construction of a pipeline under section 1, a person shall may not negotiate or acquire an easement or right-of-way agreement for the purpose of constructing and operating a pipeline until 30 days after:*

(a) (1) *a public meeting has been held as provided in section 116I.04 in the county in which the right-of-way in question is located; and*

(b) (2) *that person has provided to the owner or lessee from whom the easement or agreement is acquired a copy of the information book prepared pursuant to section 116I.03.*

(b) *If the original information book is revised pursuant to section 116I.03, each owner or lessee of property which the original route did not affect shall be provided with a copy of the revised book.*

Sec. 4. Minnesota Statutes 1986, section 216B.16, is amended by adding a subdivision to read:

Subd. 9a. [PIPELINE SAFETY PROGRAMS.] *All costs of a public utility that are necessary to comply with state pipeline safety programs under sections 5 to 37 must be recognized and included by the commission in the determination of just and reasonable rates as if the costs were directly incurred by the utility in furnishing utility service.*

ONE CALL EXCAVATION NOTICE SYSTEM

Sec. 5. [216C.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *The definitions in this section apply to sections 5 to 11.*

Subd. 2. [DAMAGE.] *"Damage" means:*

(1) *the substantial weakening of structural or lateral support of an underground facility;*

(2) *penetration, impairment, or destruction of any underground protective coating, housing, or other protective device; or*

(3) *impact with or the partial or complete severance of any underground facility to the extent that the facility operator determines that repairs are required.*

Subd. 3. [EMERGENCY.] *"Emergency" means a condition that poses a clear and immediate danger to life or health, or a significant loss of property.*

Subd. 4. [EMERGENCY RESPONDER.] "Emergency responder" means a fire department or company, a law enforcement official or office, an ambulance or other emergency rescue service, or the division of emergency services created by section 12.04, subdivision 1.

Subd. 5. [EXCAVATION.] "Excavation" means any activity that moves, removes, or otherwise disturbs the soil at a depth of 18 inches or greater by use of a motor, engine, hydraulic or pneumatically-powered tool, or machine-powered equipment of any kind, or by explosives. Excavation does not include:

(1) the repair or installation of agricultural drainage tile for which notice has been given as provided by section 1161.07, subdivision 2;

(2) the extraction of minerals;

(3) the opening of a grave in a cemetery; or

(4) normal maintenance of roads and streets if the maintenance does not change the original grade and does not involve the road ditch.

Subd. 6. [EXCAVATOR.] "Excavator" means a person that conducts excavation in the state.

Subd. 7. [LOCAL GOVERNMENTAL UNIT.] "Local governmental unit" means a county, town, or statutory or home rule charter city.

Subd. 8. [NOTIFICATION CENTER.] "Notification center" means a single statewide center that receives notice from excavators of planned excavation and transmits this notice to participating operators.

Subd. 9. [OPERATOR.] "Operator" means a person who owns or operates an underground facility, except that a person shall not be considered an operator solely because the person is an owner or tenant of real property where underground facilities are located and furnishes services or commodities to the person or another occupant of the property.

Subd. 10. [PERSON.] "Person" means the state, a public agency, an individual, corporation, partnership, association, or other business or public entity or a trustee, receiver, assignee, or personal representative of any of them.

Subd. 11. [UNDERGROUND FACILITY.] "Underground facility" means an underground line, facility, system, and its appurtenances used to produce, store, convey, transmit, or distribute communication, data, electricity, power, heat, gas, oil, petroleum products, water including storm water, steam, sewage, and other similar substances.

Sec. 6. [216C.02] [NOTICE TO EXCAVATORS AND UNDERGROUND FACILITY OPERATORS.]

Subdivision 1. [DISPLAY AND DISTRIBUTION.] An excavator and operator's notice and a copy of sections 7 to 11 must be furnished to each person obtaining a permit for excavation.

Subd. 2. [FORM.] The notification center must prescribe an excavator and operator's notice. The notice must inform excavators and operators of their obligations to comply with sections 7 to 11. The center must furnish to local governmental units:

(1) a copy of the notice and sections 7 to 11 in a form suitable for photocopying;

(2) a copy of the display and distribution requirements under subdivision 1; and

(3) the telephone number and mailing address of the notification center.

Sec. 7. [216C.03] [NOTIFICATION CENTER.]

Subdivision 1. [PARTICIPATION.] An operator must participate in and share in the costs of one statewide notification center operated by a vendor selected under subdivision 2. This subdivision does not apply to an operator that is a local governmental unit if the only underground facilities it owns or operates are for sewage or water distribution, but the local governmental unit may participate in and share in the costs of the notification center.

Subd. 2. [ESTABLISHMENT OF NOTIFICATION CENTER.] (a) The notification center services must be provided by a nonprofit corporation approved in writing by the commissioner. A group or nonprofit corporation that intends to seek approval under this paragraph must notify the commissioner by September 1, 1987, of the date, time, and location of its first meeting. The commissioner shall provide advance notice of the first organizational meeting by publication in qualified legal newspapers and in appropriate trade journals, and by written notice to all appropriate trade associations.

The nonprofit corporation must be governed by a board of directors of up to 20 members, one of whom is the director of the office of pipeline safety. The other board members must represent and be elected by operators, excavators, and other persons eligible to participate in the center. By November 1, 1987, the board must, with input from all interested parties, determine the operating procedures and technology needed for a single statewide notification center and establish a notification process and competitive bidding procedure to select a vendor to provide the notification service. In deciding to approve a nonprofit corporation, the commissioner must consider whether it meets the requirements of this paragraph and whether it demonstrates that it has the ability to contract for and implement the notification center service.

(b) If the commissioner has not approved a nonprofit corporation under paragraph (a) by January 1, 1988, the commissioner shall follow the procedure in this paragraph. The commissioner must prepare a preliminary draft of operating procedures and technology needed for a statewide notification center and the method for assessing the cost of the service among operators. After holding at least one public hearing on the preliminary draft following notice given in the manner required by paragraph (a), the commissioner shall adopt final operating procedures, technology, and assessment methods. The preliminary draft, public hearings, and final adoption are not subject to chapter 14. By June 1, 1988, the commissioner shall select a vendor to provide the notification center service. The commissioner must advertise for bids as provided in section 16B.07, subdivision 3, and base the selection of a vendor on an identification of the lowest responsible bidder as provided in section 16B.09, subdivision 1. The commissioner shall select and contract with the vendor to provide the notification center service, but all costs of the center must be paid by the operators. The commissioner may at any time appoint a task force to advise on the renewal of the contract or any other matter involving the center's operations.

(c) The notification center must be in operation by October 1, 1988.

An operator may submit a bid and be selected to contract to provide the notification center service under paragraph (a) or (b). The commissioner shall annually review the services provided by the nonprofit corporation approved under paragraph (a) or the vendor selected under paragraph (b).

Subd. 3. [NOTICE TO LOCAL GOVERNMENTAL UNITS.] The notification center must provide local governmental units with a master list, by county, of the operators in the county who are participants in the notification center, and the telephone number and mailing address of the notification center.

Sec. 8. [216C.04] [EXCAVATION.]

Subdivision 1. [NOTICE OF EXCAVATION REQUIRED; CONTENTS.] (a) Except in an emergency, an excavator must contact the notification center and provide an excavation notice at least 48 hours before beginning any excavation, excluding Saturdays, Sundays, and holidays. An excavation begins, for purposes of this requirement, the first time excavation occurs in an area that was not previously identified by the excavator in an excavation notice.

(b) The excavation notice must contain the following information:

- (1) the name of the individual providing the excavation notice;
- (2) the precise location of the proposed area of excavation;
- (3) the name, address, and telephone number of the excavator or excavator's company;
- (4) the excavator's field telephone number, if one is available;
- (5) the type and the extent of the proposed excavation work;
- (6) whether or not the discharging of explosives is anticipated; and
- (7) the date and time when excavation is to commence.

Subd. 2. [DUTIES OF NOTIFICATION CENTER.] The notification center must assign an inquiry identification number to each excavation notice and retain a record of all excavation notices received for at least six years. The center must immediately transmit an excavation notice to every operator that has an underground facility in the area of the proposed excavation.

Subd. 3. [LOCATING UNDERGROUND FACILITIES.] (a) An operator must, within 48 hours after receiving an excavation notice from the center, excluding Saturdays, Sundays, and holidays, unless otherwise agreed to between the excavator and operator, locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator, without cost to the excavator. The excavator must determine the precise location of the underground facility, without damage, before beginning the proposed excavation.

(b) For the purpose of this section, the approximate horizontal location of the underground facilities is a strip of land two feet on either side of the underground facilities.

(c) Markers used to designate the approximate location of underground facilities must follow the current color code standard used by the American Public Works Association.

(d) If the operator cannot complete marking of the excavation area before the excavation commencement time stated in the excavation notice, the

operator must promptly contact the excavator. If the excavator postpones the excavation commencement time stated in the excavation notice by more than 48 hours, or cancels the excavation, the excavator must notify the notification center.

Sec. 9. [216C.05] [PRECAUTIONS TO AVOID DAMAGE.]

An excavator must:

(1) plan the excavation to avoid damage to and minimize interference with underground facilities in and near the construction area;

(2) maintain a clearance between an underground facility and the cutting edge or point of any mechanized equipment, considering the known limit of control of the cutting edge or point to avoid damage to the facility;

(3) provide support for underground facilities in and near the construction area, including during backfill operations, to protect the facilities; and

(4) conduct the excavation in a careful and prudent manner.

Sec. 10. [216C.06] [DAMAGE TO FACILITIES.]

Subdivision 1. [NOTICE; REPAIRS.] (a) If any damage occurs to an underground facility or its protective covering, the excavator must notify the operator as soon as reasonably possible. When the operator receives a damage notice, the operator must promptly dispatch personnel to the damage area to investigate. If the damage endangers life, health, or property, the excavator responsible for the work must take immediate action to protect the public and property and to minimize the hazard until arrival of the operator's personnel or until emergency responders have arrived and taken charge of the damaged area.

(b) An excavator must delay backfilling in the immediate area of the damaged underground facilities until the damage has been investigated by the operator, unless the operator authorizes otherwise. The repair of damage must be performed by the operator or by qualified personnel authorized by the operator.

Subd. 2. [COST REIMBURSEMENT.] (a) If an excavator damages an underground facility, the excavator must reimburse the operator for the cost of necessary repairs, and for a pipeline the cost of the product that was being carried in the pipeline and was lost as a direct result of the damage.

(b) Reimbursement is not required if the damage to the underground facility was caused by the sole negligence of the operator or the operator failed to comply with section 8, subdivision 3.

Subd. 3. [PRIMA FACIE EVIDENCE OF NEGLIGENCE.] It is prima facie evidence of the excavator's negligence in a civil court action if damage to the underground facilities of an operator resulted from excavation, and the excavator failed to give an excavation notice under section 8 or provide support as required by section 9.

Sec. 11. [216C.07] [EFFECT ON LOCAL ORDINANCES.]

(a) Sections 5 to 11 do not affect or impair local ordinances, charters, or other provisions of law requiring permits to be obtained before excavating.

(b) A person with a permit for excavation from the state or a public

agency is subject to sections 5 to 11. The state or public agency that issued a permit for excavation is not liable for the actions of an excavator who fails to comply with sections 5 to 11.

INTRASTATE GAS PIPELINE SAFETY

Sec. 12. Minnesota Statutes 1986, section 299F56, is amended by adding a subdivision to read:

Subd. 7. "Commissioner" means the commissioner of public safety, acting through the office of pipeline safety.

Sec. 13. Minnesota Statutes 1986, section 299F57, is amended to read: 299F57 [MINIMUM SAFETY STANDARDS.]

Subdivision 1. The ~~state fire marshal~~ commissioner shall, by order, establish minimum safety standards for the transportation of gas and pipeline facilities. Such standards may apply to the design, installation, inspection, testing, construction, extension, operation, replacement and maintenance of pipeline facilities. Standards affecting the design, installation, construction, initial inspection and initial testing shall not be applicable to pipeline facilities in existence on the date such standards are adopted. Such safety standards shall be practicable and designed to meet the need for pipeline safety. In prescribing such standards, the ~~state fire marshal~~ commissioner shall consider:

- (a) relevant available pipeline safety data;
- (b) whether such standards are appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of any proposed standards;
- (d) the extent to which any such standards will contribute to public safety; and
- (e) the existing standards established by the Secretary of Transportation of the United States pursuant to the Natural Gas Pipeline Safety Act of 1968 of the United States.

Provided, however, that the ~~state fire marshal~~ commissioner shall not be empowered to adopt any such standards as to the transportation of gas or to pipeline facilities which are subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of the United States, *except as provided in sections 20 to 37.*

Subd. 2. Any standards prescribed under this section, and amendments thereto, shall become effective 30 days after the date of issuance of such standards unless the ~~state fire marshal~~ commissioner, for good cause recited, determines an earlier or later effective date is required as the result of the period reasonably necessary for compliance.

Subd. 3. The rulemaking, contested case and judicial review provisions of chapter 14, shall apply to all orders establishing, amending, revoking, or waiving compliance with, any standard established under sections 299F56 to 299F64 or any penalty imposed under sections 299F56 to 299F64. The ~~state fire marshal~~ commissioner shall afford interested persons an opportunity to participate fully in the establishment of such safety standards through submission of written data, views or arguments, with opportunity to present oral testimony and argument.

Subd. 4. The ~~state fire marshal~~ *commissioner*, on finding a particular facility to be hazardous to life or property, shall be empowered to require the person operating such facility to take such steps necessary to remove such hazards.

Subd. 5. Upon application by any person engaged in the transportation of gas or the operation of pipeline facilities, the ~~state fire marshal~~ *commissioner* may, after notice and opportunity for hearing and under such terms and conditions and to such extent as the ~~state fire marshal~~ *commissioner* deems appropriate, waive in whole or in part compliance with any standards established under sections 299F56 to 299F64, on determining that a waiver of compliance with such standard is not inconsistent with gas pipeline safety. The ~~state fire marshal~~ *commissioner* shall state the reasons for any such waiver.

Sec. 14. Minnesota Statutes 1986, section 299F58, is amended to read:
299F58 [CERTIFICATIONS AND REPORTS.]

The ~~state fire marshal~~ *commissioner* is authorized to make such certifications and reports to the United States Secretary of Transportation as may be required from time to time under the Natural Gas Pipeline Safety Act of 1968 of the United States.

Sec. 15. Minnesota Statutes 1986, section 299F60, is amended to read:
299F60 [CIVIL PENALTIES.]

Subdivision 1. Any person who violates any provision of sections 299F56 to 299F64, or any rule issued thereunder, shall be subject to a civil penalty to be imposed by the ~~state fire marshal~~ *commissioner* not to exceed \$1,000 for each such violation for each day that such violation persists, except that the maximum civil penalty shall not exceed \$200,000 for any related series of violations.

Subd. 2. The ~~state fire marshal~~ *commissioner* may negotiate a compromise settlement of a civil penalty. In determining the amount of such penalty, or the amount of the compromise settlement, the ~~state fire marshal~~ *commissioner* shall consider the appropriateness of such penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation. The contested case and judicial review provisions of chapter 14 shall apply to all orders of the ~~state fire marshal~~ *commissioner* imposing any penalty under sections 299F56 to 299F64 or under any rule promulgated thereunder. The amount of such penalty, when finally determined, may be deducted from any sums owing by the state of Minnesota to the person charged.

Subd. 3. No person shall be subjected to civil penalties under both sections 299F56 to 299F64 and under Public Law Number 90-481, Statutes at Large, volume 82, page 720, 90th Congress, S. 1166, approved August 12, 1968, for conduct which may give rise to a violation of both acts.

Subd. 4. All penalties collected under sections 299F56 to 299F64 shall be paid over to the state treasurer for deposit in the state treasury to the credit of the general fund.

Sec. 16. Minnesota Statutes 1986, section 299F61, is amended to read:
299F61 [INJUNCTIVE RELIEF]

Subdivision 1. The district courts of the state of Minnesota shall have jurisdiction, subject to the provisions of the statutes and the rules of practice and procedure of the state of Minnesota relative to civil actions in the district courts, to restrain violations of sections 299F.56 to 299F.64, including the restraint of transportation of gas or the operation of a pipeline facility, or to enforce standards established hereunder upon petition by the attorney general on behalf of the state of Minnesota. Whenever practicable, the ~~state fire marshal~~ *commissioner* shall give notice to any person against whom an action for injunctive relief is contemplated and afford the person an opportunity to present views, and, except in the case of a knowing and willful violation, shall afford the person reasonable opportunity to achieve compliance. However, the failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

Subd. 2. Actions under sections 299F.56 to 299F.64 shall be brought in the district in the state of Minnesota wherein the defendant's principal place of business is located, and process in such cases may be served in any other district in the state of Minnesota where the defendant may be found or of which the defendant is an inhabitant or transacts business.

Sec. 17. Minnesota Statutes 1986, section 299F.62, is amended to read:
299F.62 [PLAN FOR INSPECTION AND MAINTENANCE.]

Each person who engages in the transportation of gas or who owns or operates pipeline facilities subject to sections 299F.56 to 299F.64 shall file with the ~~state fire marshal~~ *commissioner* a plan for inspection and maintenance of each such pipeline facility owned or operated by such person, and any changes in such plan, in accordance with the rules prescribed by the ~~state fire marshal~~ *commissioner*. On finding that such plan is inadequate to achieve safe operation, the ~~state fire marshal~~ *commissioner* shall, after notice and opportunity for a hearing, require such plan to be revised. The plan required by the ~~state fire marshal~~ *commissioner* shall be practicable and designed to meet the need for pipeline safety. In determining the adequacy of any such plan, the ~~state fire marshal~~ *commissioner* shall consider the following:

- (a) relevant available pipeline safety data;
- (b) whether the plan is appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of the plan; and
- (d) the extent to which such plan will contribute to public safety.

Sec. 18. Minnesota Statutes 1986, section 299F.63, is amended to read:
299F.63 [RECORDS AND REPORTS; INSPECTIONS; TRADE SECRETS.]

Subdivision 1. Each person who engages in the transportation of gas or who owns or operates pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the ~~state fire marshal~~ *commissioner* may reasonably require to determine whether such person has acted or is acting in compliance with sections 299F.56 to 299F.64 and the standards established under sections 299F.56 to 299F.64. Each such person shall, upon request of an officer, employee, or agent authorized by the ~~state fire marshal~~ *commissioner*, permit such officer, employee, or agent to inspect books, papers, records and documents relevant to determining

whether such person has acted or is acting in compliance with sections 299F56 to 299F64 and the standards established pursuant to sections 299F56 to 299F64. For purposes of enforcement of sections 299F56 to 299F64, officers, employees, or agents authorized by the ~~state fire marshal commissioner~~, upon presenting appropriate credentials to the individual in charge, are authorized to enter upon, at reasonable times, pipeline facilities, and to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such facilities. Each such inspection shall be commenced and completed with reasonable promptness.

Subd. 2. In the course of the exercise of duties and responsibilities under sections 299F56 to 299F64, the ~~state fire marshal commissioner~~ shall wherever practicable employ a practice of spot checking and issuance of certificates of compliance, with respect to persons subject to sections 299F56 to 299F64, to limit costs of enforcement of the safety standards established pursuant to sections 299F56 to 299F64.

Subd. 3. All information reported to or otherwise obtained by the ~~state fire marshal commissioner~~ or a representative, which contains or relates to a trade secret, as referred to in section 1905 of title 18 of the United States Code, or otherwise constitutes a trade secret under law, shall be considered confidential for the purpose of such laws, except that such information may be disclosed to other officers or employees concerned with carrying out sections 299F56 to 299F64 or when relevant in any proceeding under sections 299F56 to 299F64.

Subd. 4. [COST OF INSPECTION AND REVIEW.] The ~~state fire marshal commissioner~~ shall establish, by rule under section 16A.128, a fee to recover the state share of all costs related to field inspections, investigations of pipeline facilities, plan review, and other duties as provided by sections 299F56 to 299F63. Fees collected under this subdivision shall be credited to the general fund.

Sec. 19. Minnesota Statutes 1986, section 299F64, is amended to read:
299F64 [FEDERAL MONEYS FUNDS.]

The ~~state fire marshal commissioner~~ may accept any and all ~~moneys funds~~ provided for or made available to this state by the United States of America or any department or agency thereof with respect to prescribing, setting, and enforcing rules and safety standards for the transportation of natural and other gas by pipelines in accordance with the provisions of federal law and any rules or regulations promulgated thereunder and the ~~state fire marshal commissioner~~ is further authorized to do any and all things, not contrary to the laws of this state, required of this state by such federal law and the rules and regulations promulgated thereunder in order to obtain such federal ~~moneys funds~~.

OFFICE OF PIPELINE SAFETY

Sec. 20. [AUTHORITY OF OFFICE OF PIPELINE SAFETY.]

The commissioner of public safety shall, to the extent authorized by agreement with the United States Secretary of Transportation, act as agent for the United States Secretary of Transportation to implement the federal Hazardous Liquid Pipeline Safety Act, United States Code, title 49, sections 2001 to 2014, the federal Natural Gas Pipeline Safety Act, United States Code, title 49, sections 1671 to 1686, and federal pipeline safety regulations with respect to interstate pipelines located within this state, as

necessary to obtain annual federal certification. The commissioner shall, to the extent authorized by federal law, regulate pipelines in the state as authorized by sections 20 to 37, and sections 299F.56 to 299F.64.

Sec. 21. [299J.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 20 to 37.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of public safety.

Subd. 3. [DIRECTOR.] "Director" means the director of the office of pipeline safety.

Subd. 4. [EMERGENCY.] "Emergency" means a condition that poses a clear and immediate danger to life or health or that threatens a significant loss of property.

Subd. 5. [EMERGENCY RELEASE.] "Emergency release" means a release that poses a clear and immediate danger to life or health or that threatens a significant loss of property.

Subd. 6. [EMERGENCY RESPONDER.] "Emergency responder" means a fire department or company, a law enforcement official or office, an ambulance or other emergency rescue service, or the division of emergency services created by section 12.04, subdivision 1.

Subd. 7. [GAS.] "Gas" has the meaning given it in Code of Federal Regulations, title 49, section 192.3.

Subd. 8. [HAZARDOUS LIQUID.] "Hazardous liquid" means "hazardous liquid" and "highly volatile liquid" as defined in Code of Federal Regulations, title 49, section 195.2.

Subd. 9. [LOCAL GOVERNMENTAL UNIT.] "Local governmental unit" means a county, town, or statutory or home rule charter city.

Subd. 10. [PERSON.] "Person" means an individual, corporation, partnership, association, or other business entity or a trustee, receiver, assignee, or personal representative of any of them.

Subd. 11. [OPERATOR.] "Operator" means a person who owns or operates a pipeline.

Subd. 12. [PIPELINE.] "Pipeline" means:

(1) pipe with a nominal diameter of six inches or more, located in the state, that is used to transport hazardous liquids, but does not include pipe used to transport a hazardous liquid by gravity, and pipe used to transport or store a hazardous liquid within a refining, storage, or manufacturing facility; or

(2) pipe operated at a pressure of more than 275 pounds per square inch that carries gas.

Subd. 13. [RELEASE.] "Release" means a spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, leaching, dumping, disposing, flowing, or any other uncontrolled escape of a hazardous liquid or gas from a pipeline.

Sec. 22. [299J.03] [OFFICE OF PIPELINE SAFETY.]

Subdivision 1. [ESTABLISHMENT.] The office of pipeline safety is a

division of the department of public safety under the control of a director. The director shall be appointed by the commissioner and serve at the commissioner's pleasure in the unclassified service. The commissioner shall employ in the office of pipeline safety inspectors and other professional and clerical staff who serve in the classified service.

Subd. 2. [QUALIFICATIONS.] (a) The director of the office must be interested and knowledgeable in the operation and safety aspects of pipelines.

(b) Inspectors must:

(1) be graduates of accredited engineering schools and be licensed as professional engineers under section 326.02 with at least three years of experience in the pipeline industry; or

(2) have more than ten years of employment experience that demonstrates in-depth knowledge of pipeline engineering technology and pipeline safety.

(c) Inspectors must complete courses at the transportation safety institute and be certified by the institute as soon as possible following appointment.

Sec. 23. [299J.04] [DUTIES OF THE OFFICE OF PIPELINE SAFETY.]

Subdivision 1. [GENERAL DUTIES.] The commissioner shall:

(1) promote the use of the 911 emergency telephone system as an appropriate method for the public to notify emergency responders of an emergency release;

(2) provide training on a regular basis to all potentially affected local governmental units in pipeline incident contingency planning and emergency response by itself or in cooperation with pipeline operators, other state offices, or local governmental units;

(3) require local governmental units to work with pipeline owners to provide a program of continuing public education on the subject of pipeline operation and safety;

(4) monitor and gather information on the development of reliable pipeline technologies capable of detecting and geographically locating pipeline releases, use the information gathered in the development of rules as provided in this section, and report to the legislature every two years in the manner provided by section 3.195 on the activities of the office under this clause;

(5) maintain a data base of all pipeline releases, which must be based on annual reports from all pipeline operators;

(6) inspect, as necessary, any record, map, or written procedure required by sections 20 to 37 to be kept by a pipeline operator concerning the reporting of releases, and the design, construction, testing, or operation and maintenance of pipelines; and

(7) adopt rules to implement sections 20 to 37. The rules must treat separately and distinguish between hazardous liquid and gas pipelines.

Subd. 2. [DELEGATED DUTIES.] The commissioner shall seek and accept federal designation of the office's pipeline inspectors as federal agents for the purposes of enforcement of the federal Hazardous Liquid Pipeline Safety Act, United States Code, title 49, sections 2001 to 2014, the federal Natural Gas Pipeline Safety Act, United States Code, title 49, sections 1671 to 1686, and federal rules adopted to implement those acts.

If the federal department of transportation delegates inspection authority to the state as provided in this subdivision, the commissioner shall do the following to carry out the delegated federal authority:

(1) inspect pipelines periodically at times determined by rules of the commissioner;

(2) collect inspection fees; and

(3) order and oversee the testing of pipelines as provided in rules adopted under this section.

Subd. 3. [RULEMAKING CONTINGENT ON FEDERAL AUTHORITY.] (a) The commissioner shall consider adoption of rules on subjects in this subdivision if federal law authorizes the state regulation. The rules must treat separately and distinguish between hazardous liquid and gas pipelines.

(b) The commissioner shall consider higher safety margin requirements for operating pressures on pipelines located in populated or environmentally sensitive areas.

(c) The commissioner shall consider having pipeline operators periodically submit comprehensive reports to the office on the condition of their pipelines, and requiring appropriate pipeline testing based on concerns identified in these reports. The testing requirements must apply more strictly to pipelines in populated or environmentally sensitive areas.

(d) The commissioner shall consider methods for pipeline operators to improve their ability to rapidly locate and isolate releases. The methods must include:

(1) remote control shutoff valves on all new pipelines, with the distance between the valves dependent on the type and density of development, the presence of environmentally sensitive areas, and the application of appropriate engineering standards;

(2) remotely monitored pressure gauges and flow meters installed at each pump station and remote valve location;

(3) specific emergency response procedures and training requirements for shutting down pumps; and

(4) use of reliable technology for detecting and geographically locating releases, and for shutting appropriate valves as rapidly as possible.

(e) The commissioner must consider standards for the manufacture of pipe used in pipelines, pipeline construction, and pipeline operation. Best available technology in pipe manufacture, pipeline construction, and pipeline reconstruction must be required and developed in consultation with the commissioner of labor and industry.

Sec. 24. [299J.05] [PIPELINE SETBACK ORDINANCE.]

(a) The commissioner shall adopt a model ordinance under chapter 14 requiring a setback from pipelines in areas where residential or other development is allowed. The model ordinance must apply only to new development and not to development that has occurred, or for which development permits have been issued, before the effective date of the ordinance.

(b) By August 1, 1989, each statutory or home rule charter city, town, or county that has planning and zoning authority under sections 366.10

to 366.19, 394.21 to 394.37, or 462.351 to 462.365, and in which a pipeline is located, must adopt a pipeline setback ordinance that meets or exceeds the minimum standards of the model ordinance and is approved by the commissioner. The model ordinance applies in a jurisdiction where the local governmental unit does not adopt a setback ordinance that is approved by the commissioner by August 1, 1989.

Sec. 25. [299J.06] [PIPELINE SAFETY ADVISORY COMMISSION.]

Subdivision 1. [COMMISSION CREATED.] The pipeline safety advisory commission is created and is attached for administrative purposes to the department of public safety. The commissioner shall provide offices and administrative assistance necessary for the performance of the commission's duties.

Subd. 2. [MEMBERSHIP.] The commission consists of seven members to be appointed by the commissioner. One member shall be chosen from the hazardous liquid pipeline industry, and one from the gas pipeline industry. Two members must be state employees and three members must be state residents unaffiliated with state government or the pipeline or utility industries.

Subd. 3. [POWERS AND DUTIES.] The members of the commission shall serve on a part-time basis and shall advise the director and other appropriate federal, state, and local government agencies and officials on matters relating to pipeline safety and operation. The commission shall advise the director on the implementation of sections 20 to 37 and shall review and comment on proposed rules and on the operation of the office of pipeline safety.

Subd. 4. [TERMS; COMPENSATION; REMOVAL.] The terms, compensation, and removal of members are governed by section 15.0575.

Sec. 26. [299J.07] [PENALTY FOR OPERATOR WHO FAILS TO GIVE NOTICE OF RELEASE.]

(a) A pipeline operator is guilty of a felony for an emergency release from the operator's pipeline that causes the death or serious bodily injury of any person if the pipeline operator:

- (1) knows or should have known of an emergency release;*
- (2) knows or should have known that the emergency release was likely to cause the death or serious bodily injury of an individual; and*
- (3) fails to immediately report the emergency release to the department of public safety.*

(b) A person convicted under this section may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both.

Sec. 27. [299J.08] [COMMISSIONER TO REPORT RELEASE; ADVICE AND COORDINATION.]

The commissioner or a designee shall immediately report an emergency release to the emergency responder of the appropriate local government unit, to the pollution control agency if the notice of the release is required by section 115.061, and to any other person or office, as provided by the rules or procedures of the office. A pipeline operator's report of an emergency release to the commissioner satisfies the notification requirements

of section 115.061. The commissioner shall advise the emergency responder concerning appropriate emergency procedures and coordinate the procedures.

Sec. 28. [299J.09] [PIPELINE OPERATORS TO FILE INFORMATION AND GIVE NOTICE.]

Subdivision 1. [MAP REQUIRED.] (a) The operator of every pipeline in operation must file a detailed pipeline map in the scale required by the rules:

(1) with the director and the commissioner of transportation, showing the location and depth of the pipelines and appurtenances operated by that operator within the state; and

(2) with the recorder and sheriff of every county traversed by the pipeline, showing the location and depth of the pipelines and appurtenances operated by that operator within the county.

(b) The maps required under paragraph (a) must be filed by the operator of a newly constructed pipeline before it is operational, and by the operator of a pipeline for which the route has been changed after the original filing of a map under this section. The maps required by this paragraph must be filed at least 30 days before a hazardous liquid or gas is first pumped into the pipeline.

Subd. 2. [EMERGENCY RESPONSE PLAN.] (a) At least 30 days before a hazardous liquid or gas is pumped into a pipeline, the pipeline operator must file an emergency response plan with the director and with the sheriff of every county traversed by the pipeline. The emergency response plan must describe the operator's procedures for responding to and containing releases, including:

(1) an identification of specific actions that will be taken by the operator on discovery of a release;

(2) the operator's liaison procedure with emergency responders;

(3) the operator's means of communication with the responders; and

(4) the operator's means of preventing ignition of vapors resulting from a release.

(b) An operator must file significant changes made to an emergency response plan in the same manner as the original response plan within ten days of the effective date of the change.

Subd. 3. [PROCEDURAL MANUAL.] At least 30 days before a hazardous liquid or gas is pumped into a pipeline, the pipeline operator must file with the director its procedural manual as required under Code of Federal Regulations, title 49, part 192, subparts L and M, and part 195, subpart F, as may be required by rules of the commissioner.

Subd. 4. [NOTICE OF TESTING AND TEST RESULTS.] (a) At least 48 hours before conducting a hydrostatic test, whether or not the test is required by sections 20 to 37 or the rules of the commissioner, a pipeline operator must give notice of the test to the director and the local governmental units traversed by the portion of pipeline to be tested. Advance notice is not required if the operator determines that an emergency exists requiring immediate testing of the pipeline. The notice must include:

(1) the name, address, and telephone numbers of the pipeline operator;

(2) the specific location of the pipeline or pipeline section to be tested, including a suitable map of the route of the pipeline, and the location of the test equipment;

(3) the date and time the test is to be conducted;

(4) the method by which the test will be accomplished and the type of test medium to be used; and

(5) the name and telephone number of any independent testing firm or other person responsible for certification of results.

(b) Authorized representatives of the director and any affected local governmental unit may observe the test.

(c) The results of a hydrostatic test conducted by the operator or by an independent testing company must be sent to the director and to every local governmental unit traversed by the tested portion of the pipeline within ten days of completion of the test. The test results must include:

(1) the date of the test;

(2) the specific location of the pipeline or pipeline section tested, including a suitable map of the route of the pipeline;

(3) the results of the test; and

(4) other information required by rule.

Subd. 5. [NOTICE OF PRODUCT.] (a) Within ten days after the effective date of this section or within ten days of beginning operation of the pipeline, whichever is later, a pipeline operator must file information with the director and the sheriff of every county traversed by a pipeline of the types of products that will be carried in the pipeline. The operator must include in its filing to sheriffs a material safety data sheet for each product that the operator expects to carry in the pipeline. The sheriff must transmit copies of the material safety data sheets to the appropriate emergency responders.

(b) After filing the information required by paragraph (a), the pipeline operator must file information in the same manner of any additional types of substances that will be carried in the pipeline at least three days before the change.

Subd. 6. [PENALTY.] A pipeline operator that does not comply with the requirements of this section or rules of the commissioner implementing this section is subject to the civil penalty provided in section 35.

Subd. 7. [ENFORCEMENT.] The commissioner may bring an action to enforce the requirements of this section, as provided in section 35.

Sec. 29. [299J.10] [LOCAL GOVERNMENT EMERGENCY RESPONSE PLAN.]

(a) A local governmental unit having a pipeline within its jurisdiction must prepare a pipeline release emergency response plan. Preparation of the plan must be coordinated by the county traversed by the pipeline for the other local governmental units within that county. The commissioner shall prescribe rules for the content of the plan. The plan must be completed and adopted by local governmental units within six months after the effective date of the rules prescribing the contents of the plan.

(b) A local governmental unit must review its plan annually and amend

it to reflect changes in the operation of the local governmental unit, in the operation of the pipeline, or other matters relating to pipeline safety. The director may at any reasonable time examine a response plan required by this section.

Sec. 30. [299J.11] [ADOPTION OF FEDERAL PIPELINE INSPECTION RULES.]

To enable the state to qualify for annual federal certification to enforce the federal pipeline inspection program authorized by the Hazardous Liquid Pipeline Safety Act, United States Code, title 49, sections 2001 to 2014, the federal Natural Gas Pipeline Safety Act, United States Code, title 49, sections 1671 to 1686, and the rules implementing those acts, the federal pipeline inspection rules and safety standards are adopted.

Sec. 31. [299J.12] [PIPELINE INSPECTION FEE.]

Subdivision 1. [ASSESSMENT AND DEPOSIT OF FEE.] For each year following the delegation to the state of the inspection authority described in section 20, the director shall assess and collect from every pipeline operator an inspection fee in an amount calculated under subdivision 2. If an operator does not pay the fee within 60 days after the assessment was mailed, the director may impose a delinquency fee of ten percent of the annual inspection fee and interest at the rate of 15 percent per year on the portion of the annual fee not paid. Fees collected by the director under this section shall be deposited in the pipeline safety account.

Subd. 2. [CALCULATION OF FEE.] For each calendar year that an inspection fee is to be assessed, the director shall calculate the total number of miles of pipeline to be inspected, the total cost of inspection, and the percentage of the total miles to be inspected that are or will be operated by each pipeline operator. Each pipeline operator shall be assessed a portion of the total inspection costs equal to the percentage of the total miles of pipeline to be operated by the pipeline operator, but the total fee may not exceed \$5 for each mile of the operator's pipeline.

Sec. 32. [299J.13] [ACCESS TO INFORMATION; CLASSIFICATION OF DATA.]

Subdivision 1. [DUTY TO PROVIDE INFORMATION.] A person who the director has reason to believe is responsible for an emergency release shall, when requested by the office or an authorized agent of the office, furnish to the director any information that the person may have or may reasonably obtain that is relevant to the emergency release.

Subd. 2. [ACCESS TO INFORMATION AND PROPERTY.] The director or an authorized agent, upon presentation of credentials, may:

(1) examine and copy any books, papers, records, memoranda, or data of any person who has a duty to provide information under subdivision 1; and

(2) enter upon any property, public or private, for the purpose of taking any action authorized by sections 20 to 37 including obtaining information from any person who has a duty to provide the information under subdivision 1, and conducting surveys or investigations.

Subd. 3. [CLASSIFICATION OF DATA.] Except as otherwise provided in this subdivision, data obtained from any person pursuant to subdivision 1 or 2 is public data as defined in section 13.02. Upon certification by

the subject of the data that the data relates to sales figures, processes or methods of production unique to that person, or information which would tend to affect adversely the competitive position of that person, the director shall classify the data as private or nonpublic data as defined in section 13.02. Notwithstanding any other law to the contrary, data classified as private or nonpublic under this subdivision may be disclosed when relevant in any proceeding under sections 20 to 37, or to other public agencies concerned with the implementation of sections 20 to 37.

Subd. 4. [RECOVERY OF EXPENSES.] Reasonable and necessary expenses incurred by the director under this section, including administrative and legal expenses, may be recovered in an action brought by the attorney general against a person who has been found liable under section 34 or 35 or any other law. The director's certification of expenses is prima facie evidence that the expenses are reasonable and necessary.

Sec. 33. [299J.14] [LINE MARKERS REQUIRED; VANDALISM PROHIBITED; PENALTY.]

Subdivision 1. [LINE MARKERS REQUIRED.] A pipeline operator must place and maintain line markers over each pipeline as required by Code of Federal Regulations, title 49, parts 192.707 and 195.410.

Subd. 2. [VANDALISM PROHIBITED; PENALTY.] A person may not deface, mar, damage, remove, injure, displace, destroy, or tamper with any sign or line marker marking the location of a pipeline. A person violating the provisions of this subdivision is guilty of a misdemeanor.

Sec. 34. [299J.15] [DISPOSAL OF PIPELINE PROHIBITED; PENALTY; ENFORCEMENT.]

Subdivision 1. [DISPOSAL PROHIBITED.] (a) After an emergency release has occurred, a pipeline operator may not dispose of, destroy, or alter the pipeline or part of a pipeline that was involved in the emergency release until approval is granted by the commissioner. The authority of the commissioner to grant approval may not be delegated.

(b) This subdivision may not be construed to prevent the excavation and removal from the ground of a pipeline or part of a pipeline if the pipeline is not intentionally altered in a manner that prevents or hinders a determination of the cause of the emergency release.

Subd. 2. [CRIMINAL PENALTY.] A pipeline operator who violates subdivision 1, or the rules of the commissioner implementing subdivision 1, or who denies the director or the director's designee access to the pipeline for the purposes of inspection, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. [ENFORCEMENT.] The commissioner may bring an action to enforce the requirements of subdivision 1, or the rules of the commissioner implementing that subdivision, in the manner provided by section 35.

Sec. 35. [299J.16] [CIVIL PENALTY; INJUNCTIVE RELIEF]

Subdivision 1. [CIVIL PENALTY.] (a) A pipeline operator who violates section 28 or 34 shall forfeit and pay to the state a civil penalty in an amount to be determined by the court of not more than \$10,000 per day for each day that the operator remains in violation of the provision.

(b) The penalty provided under this subdivision may be recovered by an action brought by the attorney general in the name of the state in connection with an action to recover expenses of the director under section 32, subdivision 4, or by a separate action in the district court of Ramsey county or in the county of the defendant's residence.

Subd. 2. [ACTION TO COMPEL PERFORMANCE; INJUNCTIVE RELIEF] *A person who fails to perform an act required by section 28, 32, or 34 may be compelled to do so by an action in district court brought by the attorney general in the name of the state.*

Sec. 36. [299J.17] [OTHER REMEDIES PRESERVED.]

Nothing in sections 20 to 37 shall be construed to abolish or diminish the right of any person to bring a legal action or use any remedy available under any other provision of state or federal law, including common law, to recover for personal injury, disease, economic loss, or other costs arising out of a release.

Sec. 37. [299J.18] [PIPELINE SAFETY ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] *(a) The pipeline safety account is established as an account in the state treasury. All fees and penalties collected under sections 20 to 37 shall be deposited in the state treasury and credited to the pipeline safety account.*

Money received by the office in the form of gifts, grants, reimbursements, or appropriations from any source shall be credited to the pipeline safety account.

(b) The money in the pipeline safety account is continually appropriated to the director to administer sections 20 to 37.

Subd. 2. [PURPOSE OF FUND.] *In establishing the pipeline safety account and imposing the inspection fee provided in section 31, it is the purpose of the legislature to protect the public health, safety, and welfare, and provide funding necessary to implement sections 20 to 37.*

Sec. 38. [STUDY.]

The department of labor and industry, in cooperation with the board of architecture, engineering, land surveying, and landscape architecture, shall study the need for additional registration, licensing and certification requirements for personnel who design and construct pipelines, as defined in section 21. The department must report its findings to the legislature by January 15, 1988.

Sec. 39. [TRAINING FOR PIPELINE INSPECTORS.]

Persons holding positions as inspectors with the state fire marshal on January 1, 1987, may be transferred or appointed to positions as inspectors with the office of pipeline safety without complying with the training requirements of section 22, subdivision 2, paragraph (b).

Sec. 40. [APPROPRIATION.]

§ _____ is appropriated from the general fund to the office for the purposes provided in sections 20 to 37, to be available until June 30, 1989.

Sec. 41. [EFFECTIVE DATE.]

Sections 1, subdivisions 1 and 3; 5; and 7, subdivision 2, are effective

the day following final enactment. Sections 1, subdivisions 2 and 4; 2; and 3 are effective July 1, 1988. Sections 6; 7, subdivisions 1 and 3; 8; 9; 10; and 11 are effective October 1, 1988. Sections 20, 27, and 28 are effective August 1, 1987, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to public safety; pipelines and underground facilities; enacting the Minnesota pipeline safety act; requiring a routing permit to construct a new pipeline; creating the office of pipeline safety and providing for its powers and duties; authorizing rulemaking for purposes of delegation of federal authority; creating the pipeline safety advisory commission; regulating the operation of certain pipelines; requiring the adoption of pipeline setback ordinances; providing for notification of excavation in the area of underground facilities; providing for a pipeline inspection fee; establishing the pipeline safety fund; requiring a study; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 116I.02, subdivisions 2 and 3; 216B.16, by adding a subdivision; 299F.56, by adding a subdivision; 299F.57; 299F.58; 299F.60; 299F.61; 299F.62; 299F.63; and 299F.64; proposing coding for new law in Minnesota Statutes, chapter 116I; proposing coding for new law as Minnesota Statutes, chapters 216C and 299J."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 193, 282 and 131 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Peterson, R.W. moved that his name be stricken as a co-author to S.F. No. 22. The motion prevailed.

Mr. Langseth moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 214. The motion prevailed.

Mr. Cohen moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 238. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 374. The motion prevailed.

Ms. Piper moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 441. The motion prevailed.

Mr. Merriam moved that the name of Mr. Marty be added as a co-author to S.F. No. 575. The motion prevailed.

Mr. Chmielewski moved that the names of Messrs. Renneke and Johnson, D.J. be added as co-authors to S.F. No. 615. The motion prevailed.

Mr. Chmielewski moved that the names of Ms. Piper and Mr. Dicklich be added as co-authors to S.F. No. 618. The motion prevailed.

Mr. Merriam moved that the name of Mr. Larson be added as a co-author to S.F. No. 630. The motion prevailed.

Mr. DeCramer moved that the names of Mr. Dahl, Ms. Piper and Mr. Metzen be added as co-authors to S.F. No. 643. The motion prevailed.

Mr. Peterson, R. W. moved that the name of Mr. Morse be added as a co-author to S.F. No. 652. The motion prevailed.

Mr. Spear moved that the name of Ms. Piper be added as a co-author to S.F. No. 653. The motion prevailed.

Mr. Solon moved that the names of Messrs. Lessard and Marty be added as co-authors to S.F. No. 660. The motion prevailed.

Ms. Berglin moved that the names of Messrs. Samuelson and Knutson be added as co-authors to S.F. No. 680. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 682. The motion prevailed.

Mr. Wegscheid introduced—

Senate Resolution No. 32: A Senate resolution congratulating the Hastings High School Boys Golf Team for winning the 1986 Minnesota State High School Class AA Golf Championship Tournament.

Referred to the Committee on Rules and Administration.

CALENDAR

S.F. No. 302: A bill for an act relating to crimes; repealing the crime of criminal syndicalism; repealing Minnesota Statutes 1986, section 609.405.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Metzen	Reichgott
Anderson	Dicklich	Kroening	Moe, R.D.	Samuelson
Beckman	Frank	Laidig	Morse	Schmitz
Benson	Frederickson, D.J.	Langseth	Novak	Solon
Berg	Freeman	Lantry	Olson	Spear
Berglin	Gustafson	Larson	Pehler	Storm
Bernhagen	Hughes	Luther	Peterson, D.C.	Taylor
Bertram	Johnson, D.E.	Marty	Peterson, R.W.	Vickerman
Brandl	Johnson, D.J.	McQuaid	Pogemiller	Willet
Cohen	Jude	Mehrkens	Purfeerst	
Dahl	Knaak	Merriam	Ramstad	
Davis				

So the bill passed and its title was agreed to.

S.F. No. 157: A bill for an act relating to property interests; enacting the uniform statutory rule against perpetuities; amending Minnesota Statutes 1986, section 500.17, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 501A; repealing Minnesota Statutes 1986, section 500.13.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Belanger	Berglin	Brandl	Davis
Anderson	Benson	Bernhagen	Cohen	DeCramer
Beckman	Berg	Bertram	Dahl	Dicklich

Frank	Knutson	McQuaid	Peterson, D.C.	Solon
Frederickson, D.J.	Kroening	Mehrkens	Peterson, R. W.	Spear
Freeman	Laidig	Merriam	Piper	Storm
Gustafson	Langseth	Metzen	Pogemiller	Stumpf
Hughes	Lantry	Moe, R. D.	Purfeerst	Taylor
Johnson, D.E.	Larson	Morse	Ramstad	Vickerman
Johnson, D.J.	Lessard	Novak	Reichgott	Willet
Jude	Luther	Olson	Samuelson	
Knaak	Marty	Pehler	Schmitz	

So the bill passed and its title was agreed to.

S.F. No. 245: A bill for an act relating to intoxicating liquor; authorizing the city of Moorhead to issue an on-sale intoxicating liquor license to the Red River Valley Center-Hjemkomst Heritage Interpretive Center.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Metzen	Reichgott
Anderson	Dicklich	Knutson	Moe, R. D.	Samuelson
Beckman	Diessner	Laidig	Morse	Schmitz
Belanger	Frank	Langseth	Novak	Solon
Benson	Frederickson, D.J.	Lantry	Olson	Spear
Berglin	Frederickson, D.R.	Larson	Pehler	Storm
Bernhagen	Freeman	Lessard	Peterson, D.C.	Stumpf
Bertram	Gustafson	Luther	Peterson, R. W.	Taylor
Brandl	Hughes	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	Willet
Davis	Jude	Merriam	Ramstad	

Mr. Berg voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 378: A bill for an act relating to utilities; requiring owners of electric power lines to trim vegetation around lines; providing that failure to trim vegetation is a nuisance; proposing coding for new law in Minnesota Statutes, chapter 561.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Merriam	Ramstad
Anderson	Dicklich	Knutson	Metzen	Reichgott
Beckman	Frank	Kroening	Moe, R. D.	Samuelson
Belanger	Frederickson, D.J.	Laidig	Morse	Schmitz
Benson	Frederickson, D.R.	Langseth	Olson	Spear
Berglin	Freeman	Lantry	Pehler	Storm
Bernhagen	Gustafson	Larson	Peterson, D.C.	Stumpf
Bertram	Hughes	Lessard	Peterson, R. W.	Taylor
Brandl	Johnson, D.E.	Luther	Piper	Wegscheid
Cohen	Johnson, D.J.	Marty	Pogemiller	Willet
Dahl	Jude	McQuaid	Purfeerst	
Davis				

Messrs. Berg, Mehrkens and Vickerman voted in the negative.

So the bill passed and its title was agreed to.

CONSENT CALENDAR

S.F. No. 368: A bill for an act relating to eminent domain; increasing appraisal fees awarded by commissioners; amending Minnesota Statutes 1986, section 117.085.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Metzen	Reichgott
Anderson	Dicklich	Kroening	Moe, R.D.	Schmitz
Beckman	Diessner	Laidig	Morse	Spear
Belanger	Frederickson, D.J.	Langseth	Novak	Storm
Benson	Frederickson, D.R.	Lantry	Olson	Taylor
Berg	Freeman	Larson	Pehler	Vickerman
Berglin	Gustafson	Lessard	Peterson, D.C.	Waldorf
Bernhagen	Hughes	Luther	Peterson, R.W.	Wegscheid
Bertram	Johnson, D.E.	Marty	Piper	
Brandl	Johnson, D.J.	McQuaid	Pogemiller	
Cohen	Jude	Mehrkens	Purfeerst	
Dahl	Knaak	Merriam	Ramstad	

Messrs. Frank, Samuelson, Stumpf and Willet voted in the negative.

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 53, which the committee recommends to pass.

S.F. No. 184, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 1, line 21, delete “, and” and insert “or”

Page 2, line 6, delete everything after “not”

Page 2, line 7, delete everything before “advising” and insert “apply to (1) messages from school districts to students, parents or employees, (2) messages” and after “merchandise” insert “, services, deliveries, installations, service calls or information”

Page 2, line 8, after “ordered” insert “or requested” and delete everything after the comma

Page 2, line 9, delete everything before the second “or”

Page 2, line 10, before “advising” insert “(3) messages”

The motion prevailed. So the amendment was adopted.

On motion of Mr. Luther, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on Senate Concurrent Resolution No. 5. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 55: A bill for an act relating to motor vehicles; providing that the initial fee to renew personalized license plates be prorated; providing for refunds or reissues in certain cases; appropriating money.

Reports the same back with the recommendation that the report from the Committee on Transportation, shown in the Journal for February 19, 1987, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Finance”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 63: A bill for an act relating to motor vehicles; providing that certain license plates be issued every six years; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5.

Reports the same back with the recommendation that the report from the Committee on Transportation, shown in the Journal for February 19, 1987, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Finance”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 133: A resolution memorializing the President and Congress to enact legislation to exempt nonprofit organizations from the federal excise tax and the unrelated business income tax on charitable gambling it conducts.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which were referred for proper reference under Rule 35:

S.F. Nos. 310 and 151 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. No. 310 to the Committee on Health and Human Services.

S.F. No. 151 to the Committee on Veterans.

Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

Senate Concurrent Resolution No. 5: A Senate concurrent resolution directing an interim study of the problems of the rural emergency medical system in Minnesota.

Reports the same back with the recommendation that the resolution do pass.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 5 be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. No. 133 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Peterson, R.W.; Merriam; Knaak and Cohen introduced—

S.F. No. 684: A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, non-public, and protected nonpublic; clarifying issues relating to the administration of data; amending Minnesota Statutes 1986, sections 13.03, subdivision 3; 13.04, subdivision 2; 13.38, by adding a subdivision; 13.39, subdivision 3; 13.43, by adding a subdivision; 13.46, subdivisions 1, 2, 7, and by adding a subdivision; and 13.76; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1986, section 13.89.

Referred to the Committee on Judiciary.

Mr. Metzen introduced—

S.F. No. 685: A bill for an act relating to commerce; regulating electronic financial terminals; providing for the liability of consumers; defining "unauthorized use" for purposes of financial transaction card regulation; amending Minnesota Statutes 1986, sections 47.69, subdivision 3; and 325G.04, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Wegscheid; DeCramer; Frederickson, D.R.; Peterson, R.W. and Merriam introduced—

S.F. No. 686: A bill for an act relating to agriculture; establishing liens and security interests that are subject to federal notice and registration provisions and provisions prescribing when buyers of farm products purchase subject to or free of security interests; proposing coding for new law in Minnesota Statutes, chapter 223A.

Referred to the Committee on Agriculture.

Mr. Dahl introduced—

S.F. No. 687: A bill for an act relating to the town of Oak Grove; appropriating money.

Referred to the Committee on Local and Urban Government.

Mr. Vickerman, Mrs. Adkins, Messrs. Schmitz and Renneke introduced—

S.F. No. 688: A bill for an act relating to counties; allowing counties to assign duties relating to vital statistics; allowing counties to charge fees for services; providing conditions for emergency contracts; amending Minnesota Statutes 1986, sections 144.214, subdivision 1; 375.21, subdivision 1; and 375.48, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373; repealing Minnesota Statutes 1986, section 375A.07.

Referred to the Committee on Local and Urban Government.

Messrs. Marty, Jude and Belanger introduced—

S.F. No. 689: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1986, sections 1.135, subdivision 3; 8.31, subdivision 1; 13.43, subdivision 6; 14.02, subdivision 4; 15.61; 17.59, subdivision 5; 17A.04, subdivision 1; 28A.15, subdivision 4; 38.27, subdivision 3; 41A.05, subdivision 2; 48.13, subdivision 2; 48.26; 49.01, subdivision 3; 49.44; 60A.17, subdivision 12; 64B.18; 72A.41, subdivision 1; 79.38, subdivision 1; 84A.08; 97A.021, subdivision 2; 97A.065, subdivision 4; 97A.205; 97A.441, subdivision 5; 97A.445, subdivision 3; 97A.465, subdivision 4; 97A.501, subdivision 2; 97A.545, subdivision 4; 97B.315; 97B.921; 97B.925; 115A.07, subdivision 1; 115A.12, subdivision 1; 115A.14, subdivision 5; 115A.162; 116C.57, subdivision 3; 116E.03, subdivision 9; 116J.72; 120.17, subdivision 5a; 121.904, subdivisions 11a and 11b; 122.541, subdivision 2; 124.01, subdivision 1; 124.195, subdivisions 8 and 9; 124.2138, subdivisions 3 and 4; 124.32, subdivision 1c; 124.472; 126.39, subdivision 11; 136.44; 136A.04, subdivision 2; 136A.06; 136D.28, subdivision 2; 136D.89, subdivision 2; 147.09; 152.02, subdivision 12; 160.283, subdivision 1; 171.05, subdivision 3; 174.255, subdivisions 1 and 2; 174.29, subdivision 1; 176.83, subdivision 7; 177.24, subdivision 2; 179A.12, subdivision 1; 182.651, subdivision 18; 193.141, subdivision 2; 193.145, subdivision 2; 214.01, subdivision 3; 219.691; 219.692; 219.743; 219.755; 222.61; 241.31, subdivision 2; 243.24, subdivision 2; 246.51, subdivision 1; 246A.02; 246A.11, subdivision 1; 246A.12, subdivisions 1 and 7; 246A.13, subdivision 1; 250.05, subdivision 2; 256.12, subdivision 14; 256.462, subdivision 2; 256B.03, subdivision 2; 257.34, subdivision 1; 260.015, subdivision 3; 260.151, subdivision 1; 268.072, subdivision 6; 271.15; 273.13, subdivision 22; 275.125, subdivisions 6a, 8, and 11c; 278.06; 290.01, subdivision 20b; 295.34, subdivision 1; 296.14, subdivision 4; 297.03, subdivision 3; 297A.06; 297A.25, subdivision 10; 308.341; 317.03; 317.65, subdivision 6; 319A.03; 319A.05; 319A.12, subdivisions 1a and 2; 322A.70; 326.03, subdivision 2; 326.06; 327.18, subdivision 3; 327C.07, subdivision 3a; 349.2121, subdivision 3; 354.05, subdivision 2; 355.311, subdivision 1; 361.26, subdivision 2; 366.095, subdivision 1; 378.43, subdivision 1; 383A.404, subdivision 7; 383B.035, subdivision 1; 383B.237; 383C.76;

386.71; 393.13, subdivision 1; 412.381; 412.501; 447.42, subdivision 2; 453.53, subdivision 3; 458A.03, subdivision 8; 458C.17; 462.601; 462.605; 462A.04, subdivision 8; 462A.05, subdivision 18; 462A.20, subdivision 3; 462C.04, subdivision 2; 462C.12, subdivision 2; 471.467, subdivision 1; 471.74, subdivision 2; 471.993, subdivision 1; 471A.03, subdivision 2; 473.149, subdivision 4; 473.181, subdivision 3; 473.811, subdivisions 6, 7, 8, and 9; 473E06; 473F07, subdivision 1; 473F09; 474A.09; 604.06; 609.53, subdivisions 1 and 1a; 609.687, subdivision 4; 611.14; 626A.05, subdivision 2; 645.02; amending Laws 1982, chapter 523, article 30, section 4, subdivision 1; and Laws 1986, chapter 399, article 1, section 17; repealing Minnesota Statutes 1986, sections 193.145, subdivision 3; and 325D.69, subdivision 1; repealing Laws 1986, chapter 463, section 3; and Laws 1986, First Special Session chapter 3, article 1, section 84.

Referred to the Committee on Judiciary.

Mses. Reichgott; Peterson, D.C.; Messrs. Spear, Ramstad and Pogemiller introduced—

S.F. No. 690: A bill for an act relating to traffic regulations; requiring a blood or urine test when there is probable cause to believe there is impairment by a controlled substance; requiring alternative test to be offered under certain conditions; amending Minnesota Statutes 1986, section 169.123, subdivisions 2 and 2a.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C.; Messrs. Solon, Luther and Freeman introduced—

S.F. No. 691: A bill for an act relating to financial institutions; regulating incorporations and operations of banks; requiring approval of certain insider agreements; regulating acquisitions by bank holding companies; authorizing the commissioner to borrow money to satisfy obligations of certain closed institutions; regulating claims against liquidated institutions; providing for the organization of credit unions; regulating interest and dividends paid on deposits; regulating industrial loan and thrifts; providing for the submission of certain reports; requiring the periodic examination of collection agencies; regulating consumer deficiency judgments; modifying the examination requirement for safe deposit companies and insurance premium finance companies; regulating motor vehicle installment sales; regulating bank applications; amending Minnesota Statutes 1986, sections 46.041; 46.042; 46.07, subdivision 2; 46.131, subdivision 9; 47.10, by adding a subdivision; 47.205, subdivision 2; 48.055, subdivision 5; 48.15, subdivision 2; 48.51; 48.92, subdivision 10; 48.97, subdivision 2; 48.98, subdivision 1; 48.99, subdivisions 1 and 2; 49.04, subdivision 1; 49.05, by adding a subdivision; 49.24, subdivision 5; 52.01; 52.02, subdivision 3; 52.09, subdivision 2; 52.18; 53.04, subdivision 5; 53.09, subdivision 2; 55.095; 55.15; 59A.06, subdivision 3; 168.66, subdivisions 5 and 9; 168.705; 168.71; 168.72, subdivision 1; 168.73; 168.74; 332.29, subdivision 1; 325G.22, subdivision 1; repealing Minnesota Statutes 1986, sections 48.60 and 55.13.

Referred to the Committee on Commerce.

Ms. Peterson, D.C.; Messrs. Solon, Marty, Luther and Ms. Reichgott introduced—

S.F. No. 692: A bill for an act relating to commerce; requiring financial institutions to provide certain basic services to customers without charge; providing enforcement powers; proposing coding for new law in Minnesota Statutes, chapter 47.

Referred to the Committee on Commerce.

Messrs. Mehrkens, Waldorf, Larson, Merriam and Chmielewski introduced—

S.F. No. 693: A bill for an act proposing an amendment to the Minnesota Constitution, changing article IV, sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, and 26; article VIII, section 1; article IX, sections 1 and 2, and article XI, section 5; providing for a unicameral legislature.

Referred to the Committee on Elections and Ethics.

Mr. Wegscheid introduced—

S.F. No. 694: A bill for an act relating to health; providing for liability of professional review organizations; amending Minnesota Statutes 1986, section 145.63.

Referred to the Committee on Health and Human Services.

Messrs. Pehler; Peterson, R.W.; Wegscheid; Mehrkens and Dahl introduced—

S.F. No. 695: A bill for an act relating to education; proposing an excellence through opportunities and incentives program; providing school site opportunities; establishing a voluntary K-12 pilot choice program; expanding interdistrict cooperation aid; providing professional development funding through tier 3 of the foundation formula; establishing grants for teacher professional development centers; creating a teacher mentoring task force; developing a process for identifying a state core curriculum; providing for a comprehensive sampling program; establishing opportunities for learners at risk; authorizing state management assistance; providing for uses for new technology; appropriating money; amending Minnesota Statutes 1986, sections 121.609, subdivision 5; 121.918; 123.39, by adding a subdivision; 124.272; 124A.036, by adding a subdivision; 275.125, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 123; 124; 126; and 129B; repealing Minnesota Statutes 1986, sections 129B.35 and 129B.37.

Referred to the Committee on Education.

Messrs. Wegscheid and Renneke introduced—

S.F. No. 696: A bill for an act relating to retirement; providing for payment of an amount equal to the costs of Medicare Plan B supplemental medical coverage for retirees of the Minnesota state retirement system; appropriating money.

Referred to the Committee on Governmental Operations.

Messrs. Frederickson, D.R.; Beckman; Taylor; Chmielewski and Vickerman introduced—

S.F. No. 697: A bill for an act relating to economic development; authorizing counties to appropriate money for economic development; amending Minnesota Statutes 1986, section 375.83.

Referred to the Committee on Economic Development and Housing.

Messrs. Hughes, Knaak, Novak, Marty and Dahl introduced—

S.F. No. 698: A bill for an act relating to education; authorizing northeast metropolitan intermediate school district No. 916 to issue certain bonds for the acquisition and betterment of a secondary vocational and special education facility.

Referred to the Committee on Education.

Messrs. Lessard and Berg introduced—

S.F. No. 699: A bill for an act relating to game and fish; affording protection to crows and authorizing a season on crows; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; and 97B.731, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Beckman and Vickerman introduced—

S.F. No. 700: A bill for an act relating to education; eliminating a restriction on interdistrict cooperation revenue based on the size of a school district; amending Minnesota Statutes 1986, sections 124.272, subdivision 4; and 275.125, subdivision 8a.

Referred to the Committee on Education.

Messrs. Wegscheid and Freeman introduced—

S.F. No. 701: A bill for an act relating to labor; prohibiting certain terminations; requiring notice of reasons for terminations; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mr. Wegscheid introduced—

S.F. No. 702: A bill for an act relating to the environment; allowing local governments to utilize amounts attributable to inflow of infiltration for rehabilitation of sewer systems; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Urban Government.

Messrs. Pogemiller; Frederickson, D.J.; Frederickson, D.R. and Moe, D.M. introduced—

S.F. No. 703: A bill for an act relating to occupations and professions; providing for the licensure of private detectives and protective agents; providing definitions; providing board powers and duties; specifying application and administrative procedure; authorizing rulemaking; requiring

payment of fees; providing penalties; amending Minnesota Statutes 1986, sections 326.32, subdivisions 1, 5, 11, and by adding subdivisions; 326.33, subdivisions 1 and 2; 326.336; 326.338, subdivision 1, and by adding a subdivision; and 326.339; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1986, sections 326.32, subdivisions 6 and 7; 326.33, subdivisions 3, 4, and 5; 326.331; 326.332; 326.333; 326.334; 326.337; and 326.338, subdivisions 2 and 3.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid, Marty, Jude, Taylor and Moe, D.M. introduced—

S.F. No. 704: A bill for an act relating to administrative procedure; defining certain terms; requiring agencies to solicit outside information before publishing proposed rules; limiting instances in which agencies are required to consider the impact of proposed rules on small businesses; providing for regulatory analyses of proposed rules in certain instances; empowering agencies to adopt emergency rules in certain circumstances; providing a procedure for the commissioner of human services to adopt rules required by federal directive; abolishing the power of the legislative commission for review of administrative rules to suspend rules; requiring the commission to review exemptions from the administrative procedure act; permitting the commission to review federally mandated rules; amending Minnesota Statutes 1986, sections 14.02; 14.05, subdivisions 2 and 4; 14.07, subdivision 2; 14.08; 14.10; 14.115, subdivision 7, and by adding a subdivision; 14.131; 14.15, subdivision 3; 14.23; 14.26; 14.29; 14.30; 14.31; 14.32, subdivision 1; 14.33; 14.35; 14.36; 14.365; 14.37, subdivision 1; 14.40; 14.57; and 14.62, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 14; repealing Minnesota Statutes 1986, sections 14.115, subdivision 1; 14.42; and 14.43.

Referred to the Committee on Governmental Operations.

Messrs. Jude, Ramstad, Cohen, Marty and Spear introduced—

S.F. No. 705: A bill for an act relating to utilities; providing for prevention of unlawful meter bypass, tampering, and use; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Judiciary.

Messrs. Marty, Beckman, Morse and Moe, D.M. introduced—

S.F. No. 706: A bill for an act relating to crimes; including live performances in the statute regulating exposure of minors to sexually provocative material; amending Minnesota Statutes 1986, sections 617.291, subdivision 2; and 617.294.

Referred to the Committee on Judiciary.

Mr. Pogemiller introduced—

S.F. No. 707: A bill for an act relating to housing and redevelopment; revising interest reduction programs; allowing authorities economic development powers; changing the allowable tax levy for authorities; amending Minnesota Statutes 1986, sections 462.445, subdivisions 10, 12, and by adding a subdivision; and 465.545, subdivision 6; repealing Minnesota Statutes 1986, section 462.445, subdivision 13.

Referred to the Committee on Economic Development and Housing.

Mr. Merriam introduced—

S.F. No. 708: A bill for an act relating to waste management; regulating disposal of wastes; providing for a solid waste management policy; providing for recycling policy and marketing; managing household hazardous wastes; regulating the sale and disposal of motor oil and lead acid batteries; providing for waste pesticide collection; appropriating money; amending Minnesota Statutes 1986, sections 115A.03, subdivisions 9 and 21; 115A.06, subdivision 14; 115A.11, subdivision 2; 115A.42; 115A.45; 115A.49; 115A.51; 115A.52; 115A.53; 115A.54, subdivision 2a; 115A.81, subdivision 2; 115A.921; 115A.95; 116.07, subdivision 4b; 116.41, subdivision 2; 116M.07, by adding a subdivision; 176.011, subdivision 9; 325E.11; 473.149, subdivisions 2d and 6; 473.803, by adding a subdivision; 473.834, subdivision 2; 473.842, subdivision 2; 473.844, subdivisions 1 and 4; and 473.846; proposing coding for new law in Minnesota Statutes, chapters 115A; 239; 325E; and 473; repealing Minnesota Statutes 1986, sections 115A.13; 115A.43; 115A.44; 473.834, subdivision 3; and 473.844, subdivisions 2 and 5.

Referred to the Committee on Environment and Natural Resources.

Mr. Willet introduced—

S.F. No. 709: A bill for an act relating to corrections; requiring the commissioner to authorize travel for funerals and deathbed visits; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Health and Human Services.

Messrs. Novak, Solon, Luther, Metzen and Taylor introduced—

S.F. No. 710: A bill for an act relating to commerce; regulating membership camping practices; prohibiting certain advertising practices; establishing escrow requirements; regulating subdivided land sales practices; prohibiting certain advertising practices; amending Minnesota Statutes 1986, sections 82A.02, subdivisions 2, 10, and 19; 82A.04, subdivision 2; 82A.09, by adding a subdivision; 82A.11, subdivision 3; 82A.21; and 82A.24, subdivisions 3 and 6; proposing coding for new law in Minnesota Statutes, chapters 82A and 83.

Referred to the Committee on Commerce.

Mr. Lessard introduced—

S.F. No. 711: A bill for an act relating to Koochiching county; permitting the county to establish a bidstead development authority.

Referred to the Committee on Local and Urban Government.

Ms. Berglin and Mr. Spear introduced—

S.F. No. 712: A bill for an act relating to jobs and training; establishing limits for rates under the child care sliding fee program; amending Minnesota Statutes 1986, section 268.91, subdivision 8.

Referred to the Committee on Health and Human Services.

Messrs. Diessner and Stumpf introduced—

S.F. No. 713: A bill for an act relating to local government aid; modifying the distribution formula for cities; amending Minnesota Statutes 1986, sections 477A.011, by adding a subdivision; 477A.013, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1986, sections 477A.011, subdivisions 3a, 4, 5, 6, 7, 7a, 10, 12, 13, and 14; and 477A.013, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 714: A bill for an act relating to tax-forfeited land; authorizing private sale of tax-forfeited land in Chisago county.

Referred to the Committee on Environment and Natural Resources.

Mr. Moe, R.D. introduced—

S.F. No. 715: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Renneke, Anderson, Larson, Bernhagen and Frederickson, D.R. introduced—

S.F. No. 716: A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 3, subdivision 5.

Referred to the Committee on Agriculture.

Mr. Berg introduced—

S.F. No. 717: A bill for an act relating to agriculture; strengthening the pesticide laws; imposing penalties; appropriating money; amending Minnesota Statutes 1986, sections 18A.21, subdivisions 1, 4, 5, 7, 8, 10, 12, 16, 19, 20, 21, 22, 23, 27, 29, 30, 31, 32, 33, 34, 35, 36, and by adding subdivisions; 18A.22, subdivisions 1, 2, 5, 7, and 8; 18A.23; 18A.24; 18A.25; 18A.27; 18A.28, subdivisions 1, 2, 3, 4, and by adding a subdivision; 18A.29, subdivisions 1, 3, and by adding subdivisions; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.37; 18A.39; 18A.41; 18A.42; 18A.43; 18A.44; and 18A.45; proposing coding for new law in Minnesota Statutes, chapter 18A; repealing Minnesota Statutes 1986, sections 18A.26; 18A.28, subdivisions 5 and 6; 18A.29, subdivision 2; and 18A.36.

Referred to the Committee on Agriculture.

Messrs. Vickerman; Frederickson, D.J.; Morse and Beckman introduced—

S.F. No. 718: A bill for an act relating to taxation; providing for reimbursement to counties for property tax software costs; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

Mr. Benson introduced—

S.F. No. 719: A bill for an act relating to drivers' licenses; providing that person in charge of visiting minor foreign student may verify written permission of the student's parents for purpose of applying for a driver's license or instruction permit; amending Minnesota Statutes 1986, section 171.04.

Referred to the Committee on Transportation.

Mr. Cohen introduced—

S.F. No. 720: A bill for an act relating to human services; endorsing the Store-to-Door grocery delivery program for certain elderly citizens; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 721: A bill for an act relating to veterans; requiring the placement of a plaque on the Capitol grounds recognizing certain prisoners of war and soldiers missing in action.

Referred to the Committee on Veterans.

Messrs. Hughes, Marty, Jude and Mrs. Lantry introduced—

S.F. No. 722: A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; proposing coding for new law in Minnesota Statutes, chapter 11A.

Referred to the Committee on Governmental Operations.

Mr. Diessner introduced—

S.F. No. 723: A bill for an act relating to taxation; extending the definition of capital equipment for purposes of the sales tax to include replacement equipment; providing for reduced sales tax rates and exemption for sales of capital equipment; imposing the sales tax on sales of new clothing; providing an income tax credit to offset the sales tax on sales of new clothing; amending Minnesota Statutes 1986, sections 290.06, by adding a subdivision; 297A.01, subdivision 16; 297A.02, subdivision 2; 297A.14; and 297A.25, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Schmitz, Frederick, Benson and Kroening introduced—

S.F. No. 724: A bill for an act relating to horse racing; modifying the purse structure; providing for the representation of horsemen contracting with a licensee; modifying taxes; eliminating the payment of a percentage of the breakage to the commission; amending Minnesota Statutes 1986, sections 240.13, subdivision 5; 240.15, subdivisions 1 and 2.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Frederick introduced—

S.F. No. 725: A bill for an act relating to local government; removing limitations on tax adjustments related to annexations; amending Minnesota Statutes 1986, section 414.035.

Referred to the Committee on Local and Urban Government.

Messrs. Samuelson; Renneke; Moe, R.D.; Langseth and Wegscheid introduced—

S.F. No. 726: A bill for an act relating to occupations and professions; requiring health maintenance organizations to offer chiropractic services and specifying the conditions of those services; amending Minnesota Statutes 1986, sections 62D.02, subdivision 7; 62D.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62D.

Referred to the Committee on Health and Human Services.

Mr. Lessard introduced—

S.F. No. 727: A bill for an act relating to lotteries; creating a Minnesota lottery agency and providing for its powers and duties; authorizing the sale of lottery tickets; providing penalties; requiring profits from the lottery to be dedicated to the reinvest in Minnesota resources fund and to the general fund to be used for economic development in greater Minnesota; establishing the reinvest in Minnesota resources endowment fund; appropriating money; amending Minnesota Statutes 1986, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 290.09, by adding a subdivision; and 609.761; proposing coding for new law in Minnesota Statutes, chapters 84 and 297A; proposing coding for new law as Minnesota Statutes, chapter 240A.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Luther, Solon, Novak and Moe, R.D. introduced—

S.F. No. 728: A bill for an act relating to commerce; requiring that solicitations for new open-end credit contain specific disclosures respecting conditions and costs; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 334.

Referred to the Committee on Commerce.

Messrs. Frederickson, D.J.; Davis; Morse and DeCramer introduced—

S.F. No. 729: A bill for an act relating to motor fuels; providing that unleaded gasoline sold in Minnesota after June 30, 1987, must be blended with ethanol; amending Minnesota Statutes 1986, section 296.05, subdivision 1, and by adding a subdivision.

Referred to the Committee on Agriculture.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 9, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWENTIETH DAY

St. Paul, Minnesota, Monday, March 9, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Jim Munson.

The roll was called, and the following Senators answered to their names:

Adkins	Dicklich	Kroening	Moe, R.D.	Samuelson
Anderson	Diessner	Laidig	Morse	Schmitz
Beckman	Frank	Langseth	Novak	Solon
Belanger	Frederickson, D.J.	Lantry	Olson	Spear
Berg	Frederickson, D.R.	Larson	Pehler	Storm
Berglin	Freeman	Lessard	Peterson, D.C.	Stumpf
Bernhagen	Gustafson	Luther	Peterson, R.W.	Taylor
Bertram	Hughes	Marty	Piper	Vickerman
Brandl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid
Dahl	Jude	Merriam	Ramstad	Willet
Davis	Knaak	Metzen	Reichgott	
DeCramer	Knutson	Moe, D.M.	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mrs. Brataas, Messrs. Benson and Frederick were excused from the Session of today. Mr. Waldorf was excused from the Session of today from 2:00 to 4:15 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

March 5, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1987 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.E. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
	66	Res. No. 2	March 4	March 5
	41	3	March 4	March 5

Sincerely,

Joan Anderson Growe
Secretary of State

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota Pollution Control Agency are hereby respectfully submitted to the Senate for confirmation as required by law:

Ruth Ericson, 80 Edison Blvd., Silver Bay, Lake County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Edward Fairbanks, R.R. 3, Box 867, Bemidji, Beltrami County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Janet Green, 10550 Old N. Shore Rd., Duluth, St. Louis County, has been appointed by me, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Environment and Natural Resources.)

February 27, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

It is my pleasure to enclose herewith the names of notaries public in the State of Minnesota.

Pursuant to the provisions of Article V, Section 3, of the Minnesota Constitution, I hereby appoint those individuals as notaries public, and hereby request the advice and consent of the Senate in those appointments.

Sincerely,

Rudy Perpich, Governor

Mr. Moe, R.D. moved that the appointments of notaries public be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 18, 23, 27, 52, 135, 130, 166, 340, 348, 364 and 505.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 5, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 18: A bill for an act relating to human services; allowing recovery of medical assistance payments upon death of recipient; amending Minnesota Statutes 1986, Section 256B.15.

Referred to the Committee on Judiciary.

H.F. No. 23: A bill for an act relating to health; requiring hospitals to establish a protocol to obtain organs for transplantation; proposing coding for new law in Minnesota Statutes, chapter 525.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 86, now on General Orders.

H.F. No. 27: A bill for an act relating to corporations; regulating control share acquisitions; delaying the effective date of certain amendments; amending Laws 1985, First Special Session chapter 5, section 21, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 272.

H.F. No. 52: A bill for an act relating to labor; removing an exception from overtime and minimum wage laws for certain ski facility employees; amending Minnesota Statutes 1986, section 177.23, subdivision 7.

Referred to the Committee on Employment.

H.F. No. 135: A resolution memorializing the President and Congress to adopt legislation permitting state and local governments to require out-of-state sellers to collect sales and use taxes.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 130: A bill for an act relating to local government; authorizing Ramsey county to transfer land to the city of Shoreview; authorizing Ramsey county to use certain land dedicated as open space for highway purposes.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 193, now on the Consent Calendar.

H.F. No. 166: A bill for an act relating to real property; authorizing conveyance of state interest in certain land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 340: A bill for an act relating to natural resources; allowing elk to be bred on game and fur farms; amending Minnesota Statutes 1986,

section 97A.105, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 348: A bill for an act relating to Cook county; permitting the sale of certain land.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 364: A bill for an act relating to cemeteries; increasing the limit on the permanent care and improvement fund; amending Minnesota Statutes 1986, section 306.41.

Referred to the Committee on General Legislation and Public Gaming.

H.F. No. 505: A bill for an act relating to state lands; authorizing conveyance of certain state easement.

Referred to the Committee on Environment and Natural Resources.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 465 and reports pertaining to appointments. The motion prevailed.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 351: A bill for an act relating to housing; extending housing and redevelopment authority interest reduction program; amending Minnesota Statutes 1986, section 462.445, subdivision 13.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, delete "1990" and insert "1995"

Page 1, line 14, delete "1990" and insert "1995" in both places

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 420: A bill for an act relating to crimes; authorizing the metropolitan transit commission to hire peace officers to police its routes and properties; amending Minnesota Statutes 1986, section 473.405, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 629.40, is amended by adding a subdivision to read:

Subd. 5. [OFFICERS APPOINTED BY METROPOLITAN TRANSIT COMMISSION.] An off-duty peace officer as defined in section 626.84, subdivision 1, paragraph (c), may be employed by the metropolitan transit commission to police its property and routes and may make an arrest under

section 629.34 while on duty for the metropolitan transit commission anywhere within the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. The powers of arrest may only be exercised in connection with investigations authorized by the commission that relate to commission property, equipment, employees, and passengers. A peace officer employed under this subdivision is not a state employee as defined in section 352.01, subdivision 2a."

Amend the title as follows:

Page 1, delete lines 2 to 5 and insert:

"relating to crimes; metropolitan transit; authorizing peace officers hired by the metropolitan transit commission to make arrests within the metropolitan area; amending Minnesota Statutes 1986, section 629.40, by adding a subdivision."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 545: A bill for an act relating to human services; providing for the recovery of medical assistance overpayments; amending Minnesota Statutes 1986, section 256B.0641, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, delete "18" and insert "12"

Page 1, line 20, delete "21" and insert "15"

Page 1, after line 21, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 82: A bill for an act relating to economic development; providing for the certification of venture capital companies; providing an income tax credit to investors in qualified venture capital companies; imposing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116M.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [290.0691] [VENTURE CAPITAL COMPANY INVESTMENT CREDITS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of sections 1 to 8, the terms defined in this section have the meanings given them.

Subd. 2. [AUTHORITY.] "Authority" means the Minnesota energy and economic development authority provided for in section 116M.06.

Subd. 3. [CAPITAL BASE.] "Capital base" means equity capital or net worth.

Subd. 4. [CERTIFIED MINNESOTA VENTURE CAPITAL COMPANY.] "Certified Minnesota venture capital company" means a profit or nonprofit entity organized and existing under the laws of Minnesota, created to make venture or risk capital available for qualified investments, that has raised at least \$1,000,000 in capital, and that has been certified by the authority for purposes of the investor tax credit authorized in section 3.

Subd. 5. [MINNESOTA BUSINESS.] "Minnesota business" means a business that has at least 50 percent of the value of its assets located in Minnesota or that has at least 50 percent of its employees employed in or principally based in Minnesota.

Subd. 6. [QUALIFIED INVESTMENT.] "Qualified investment" means a debt or equity financing or a purchase and leaseback financing of a Minnesota business if the business is a small business as defined in subdivision 7.

Subd. 7. [SMALL BUSINESS.] A "small business" means a small business as defined in section 14.115, but does not include businesses of a retail or services related nature, but does include international export related services, international export related retail ventures, and advanced technology or computer related ventures that will increase the state's share of domestic or international markets.

Sec. 2. [290.0692] [CERTIFICATION OF MINNESOTA VENTURE CAPITAL COMPANIES.]

The authority shall certify Minnesota venture capital companies as those companies that meet the requirements of sections 1 to 8 and that have a minimum private capitalization level of \$1,000,000. A company seeking to be certified must make written application to the authority on forms provided by the authority. The application must contain the following information:

(1) evidence that it has disclosed or will disclose to the investors the following conditions:

(i) that a tax credit is not available for investment in a company until the company has been designated a certified Minnesota venture capital company by the authority; and

(ii) that the company will not be certified and a tax credit will not be allowed until the company raises at least \$1,000,000 in capital;

(2) that the company has at least \$1,000,000 of private capital;

(3) the level of capitalization that the company expects to qualify for the tax credit provided for in section 3;

(4) that the applicant's purpose is to encourage and assist in the creation, development, and expansion of Minnesota-based businesses and to provide maximum opportunities for the employment of Minnesotans by making venture capital available to small Minnesota firms; and

(5) that the applicant is a Minnesota venture capital company, seed

capital firm, or federally chartered and licensed small business investment company.

Sec. 3. [290.0693] [TAX CREDIT.]

Subdivision 1. [INVESTOR'S TAX CREDIT.] Investors in a certified Minnesota venture capital company are entitled to the tax credit under subdivision 2. Funds invested in a company before designation as a certified Minnesota venture capital company may, at the discretion of the investor, be placed in an escrow account in a Minnesota financial institution pending designation of the company as a certified Minnesota venture capital company.

Subd. 2. [AMOUNT OF CREDIT.] An individual, small business corporation, partnership, or corporate taxpayer who makes a capital investment in a certified Minnesota venture capital company is entitled to a tax credit equal to 25 percent of the investment. The credit may be taken against the tax liability imposed on the investor under chapter 290. The credit for investments by a small business corporation electing to be taxed under section 290.9725 or a partnership may be claimed by the small business corporation shareholders or the partners.

Subd. 3. [CARRY FORWARD.] The tax credit allowed under subdivision 2 must be credited against the taxpayer's income tax liability for the taxable year in which the investment in a certified Minnesota venture capital company is made. If the amount of the tax credit exceeds the taxpayer's tax liability for the taxable year, the amount of the credit that exceeds the tax liability may be carried forward to each of the succeeding five taxable years. The entire amount of the unused credit must be carried to the earlier of the taxable years to which it may be carried.

Sec. 4. [290.0694] [QUALIFIED INVESTMENTS; PENALTY.]

Subdivision 1. [USE OF CAPITAL.] A certified Minnesota venture capital company receiving investments for which a taxpayer has applied and received a tax credit must use its capital base to make qualified investments according to the following schedule:

(1) at least 30 percent of its capital base within three years of the date on which the company was designated as a certified venture capital company by the authority;

(2) at least 50 percent of its capital base within four years of the date on which the company was designated as a certified venture capital company by the authority; and

(3) at least 70 percent of its capital base within six years of the date on which the company was designated as a certified venture capital company by the authority.

Subd. 2. [NOTIFICATION OF NONCOMPLIANCE.] The authority shall notify the commissioner of revenue of any companies that are not in compliance with this section.

Subd. 3. [NO RECAPTURE.] If the amount invested by a taxpayer in a certified Minnesota venture capital company is not used by the company for qualified investments as provided in this section, the taxpayer is not subject to a recapture provision for any tax credit claimed, but no credit shall be allowed for the taxable year during which the commissioner of revenue was notified that qualified investments were not made under sub-

division 1 or for any subsequent taxable year until the commissioner is notified that the company is in compliance with subdivision 1, and the company is subject to the penalty provided in subdivision 4.

Subd. 4. [PENALTY.] A certified Minnesota venture capital company that fails to make qualified investments under subdivision 1 shall pay to the department of revenue a penalty equal to the sum of the tax credits allowed to the taxpayers investing in that company during that time period, with interest at one percent per month from the date the tax credits were certified to the certified Minnesota venture capital company. The commissioner of revenue may abate the penalty if the venture capital company establishes reasonable cause for the failure to make qualified investments under subdivision 1 and that the failure was not due to neglect on the part of the company. The department of revenue shall deposit any amount received under this section in the general fund.

Sec. 5. [290.0695] [RESTRICTION ON INVESTMENT.]

No more than 20 percent of the equity raised by a Minnesota venture capital company under sections 1 to 8 may be invested in any one Minnesota business.

Sec. 6. [290.0696] [RULEMAKING; REPORT.]

Subdivision 1. [RULEMAKING.] The authority may adopt rules to implement the provisions of sections 1 to 8.

Subd. 2. [REPORT.] The authority shall submit an annual report to the legislature by January 31 of each year. The report must include a description of all certified Minnesota venture capital companies and a summary of the information required under section 7, subdivision 2.

Sec. 7. [290.0697] [INVESTMENT REPORTING AND RECORDKEEPING.]

Subdivision 1. [REPORT OF INVESTORS.] A certified Minnesota venture capital company shall report to the authority and to the department of revenue on a quarterly basis:

(1) the names of the investors in the certified Minnesota venture capital company who have applied for a tax credit;

(2) the amount of each investor's investment; and

(3) the amount of the tax credit allocated to the investor and the date on which the investment was made.

Subd. 2. [REPORT OF INVESTMENTS MADE.] A certified Minnesota venture capital company shall report to the authority on a quarterly basis the qualified investments that the company has made.

Sec. 8. [290.0698] [EXAMINATION; DECERTIFICATION.]

Subdivision 1. [EXAMINATION OF COMPANY.] At least once a year, the books and affairs of a certified Minnesota venture capital company must be examined by a certified public accounting firm. The examination must address the methods of operation and conduct of the business of the Minnesota venture capital company to determine if the company is abiding by the purposes of sections 1 to 8 and that the funds received by the company have been invested within the time limits required for a certified Minnesota venture capital company in section 4. The audit must specifically address whether the company is making qualified investments required under sec-

tion 4. The company shall disclose the results of the audit to the authority in the form required by the authority.

The cost of the annual audit by a public accounting firm must be paid by the Minnesota venture capital company.

The department of commerce may examine under oath any of the officers, directors, agents, employees, or investors of a Minnesota venture capital company regarding the affairs and business of the company. The department of commerce may issue subpoenas. Refusal to obey the subpoena may at once be reported to the district court of the district in which the company is located, and the court shall enforce obedience to the subpoena in the manner provided by law. The department of commerce shall disclose the results of its examination to the authority.

Subd. 2. [WARNING NOTICE.] The authority may place the company on notice that it will lose its certification as a Minnesota venture capital company and a penalty under section 4 will be imposed within a specified period if the company does not come into compliance with the provisions of sections 1 to 8.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective July 1, 1987."

Amend the title as follows:

Page 1, line 7, delete "116M" and insert "290"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 134: A bill for an act relating to utilities; limiting compensation awarded to utility under certain conditions when municipal electric utility extends its boundaries; amending Minnesota Statutes 1986, section 216B.44.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [216B.031] [ELECTRIC UTILITY; LARGE POWER CUSTOMERS.]

An electric utility may not apply a demand ratchet or charge of more than 60 percent to a customer who has a connected load in excess of 25,000 kilowatts when a customer fails to use the full contract amount.

Sec. 2. Minnesota Statutes 1986, section 216B.44, is amended to read: 216B.44 [MUNICIPAL SERVICE TERRITORY EXTENSIONS.]

Notwithstanding the provisions of sections 216B.38 to 216B.42, whenever a municipality which owns and operates an electric utility (a) extends its corporate boundaries through annexation or consolidation, or (b) determines to extend its service territory within its existing corporate boundaries, the municipality shall thereafter furnish electric service to these areas unless the area is already receiving electric service from an electric utility, in which event, the municipality may purchase the facilities of the electric

utility serving the area. *If the municipality elects not to purchase the facilities of the electric utility, the municipality may serve a customer who has a connected load in excess of 25,000 kilowatts upon completion of the customer's contract with the utility formerly serving the customer by payment of wheeling charges to that utility provided that the municipality has notified the commission by January 1, 1987, of its intention to serve that customer at the end of the customer's contract. If the municipality ~~acquiring~~ elects to acquire the facilities, the municipality shall pay to the electric utility formerly serving the area the appropriate value of its properties within the area which payment may be by exchange of other electric utility property outside the municipality on an appropriate basis giving due consideration to revenue from and value of the respective properties. In the event the municipality and the electric utility involved are unable to agree as to the terms of the payment or exchange, the municipality or the electric utility, may file an application with the commission requesting that the commission determine the appropriate terms for the exchange or sale. After notice and hearing, the commission shall determine appropriate terms for an exchange, or in the event no appropriate properties can be exchanged, the commission shall fix and determine the appropriate value of the property within the annexed area, and the transfer shall be made as directed by the commission. In making that determination the commission shall consider the original cost of the property, less depreciation, loss of revenue to the utility formerly serving the area, expenses resulting from integration of facilities, and other appropriate factors. Until the determination by the commission, the facilities shall remain in place and service to the public shall be maintained by the owner. However, the electric utility being displaced, serving the annexed area, shall not extend service to any additional points of delivery within the annexed area if the commission, after notice and hearing, with due consideration of any unnecessary duplication of facilities, shall determine that the extension is not in the public interest.*

When property of an electric utility located within an area annexed to a municipality which owns and operates an electric utility is proposed to be acquired by the municipality, ratification by the electors is not required.

When property of an electric utility located within the existing corporate boundaries of a municipality that currently operates a municipal electric utility is proposed to be included within the service territory of the municipal electric utility, ratification by the electors is not required."

Delete the title and insert:

"A bill for an act relating to utilities; limiting an electric utility's demand charge; permitting a municipal electric utility to serve large customers under certain conditions; amending Minnesota Statutes 1986, section 216B.44; proposing coding for new law in Minnesota Statutes, chapter 216B."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 200: A bill for an act relating to Anoka county; authorizing a certain loan agreement with the commissioner of transportation for the development of new highway No. 10; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 17, insert:

"Subd. 4. "Highway improvement program" means the highway construction plan published biennially by the commissioner of transportation in two volumes titled Highway Improvement Program and Highway Improvement Work Plan."

Pages 1 and 2, delete section 2 and insert:

"Sec. 2. [LOAN AUTHORIZATION.]

Subdivision 1. [LOAN FOR PRECONSTRUCTION ACTIVITIES.] Upon a majority vote of the county board, Anoka county and the commissioner of transportation may enter into an agreement under which the county agrees to loan money to the commissioner, without interest, for deposit in the state treasury to the credit of the trunk highway fund. The loan may be applied as the commissioner deems necessary to the costs of design and engineering activities that precede or include the preparation of a complete set of construction plans for new highway No. 10 that will be issued to prospective bidders.

Subd. 2. [LOAN FOR CONSTRUCTION.] After the commissioner has included the construction of new highway No. 10 in the highway improvement program, and upon a majority vote of the county board, Anoka county and the commissioner may enter into a second agreement under which the county agrees to loan money to the commissioner, without interest, for deposit in the state treasury to the credit of the trunk highway fund. The loan may be applied as the commissioner deems necessary to the cost of constructing new highway No. 10.

Subd. 3. [SOURCE OF FUNDS.] Money loaned under this section may be obtained from the sale and issuance in 1987 of county bonds authorized by statute, from any other source of revenue available to the county, or from any municipality or political subdivision that has entered into a joint powers agreement with the county for the purpose authorized in this section.

Subd. 4. [REPAYMENT.] The commissioner shall repay the loan to Anoka county from the trunk highway fund in ten equal annual installments beginning after all contracts for the construction of new highway No. 10 have been awarded by the commissioner. No interest, inflation index, or costs incurred in issuing bonds shall be paid to the county by the commissioner. A sum sufficient for the payments is annually appropriated from the trunk highway fund to the commissioner of transportation."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 465: A bill for an act relating to transportation; providing for reduced speeds in work zones; providing for payment of administrative, filing, and plate fees; restricting unauthorized use of motor vehicles on public airport property; describing prohibited acts against aircraft; defining peace officer; describing qualifications for aircraft dealers license; amending Minnesota Statutes 1986, sections 168.012, subdivision 1c; 169.14, by adding a subdivision; 360.018, subdivision 6, and by adding a subdivision; 360.075, subdivision 1; 360.0751, subdivision 1; and 360.63, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1986, section 169.14, is amended by adding a subdivision to read:

Subd. 5d. [SPEED ZONING IN WORK ZONES.] The commissioner, on trunk highways and temporary trunk highways, and local authorities, on streets and highways under their jurisdiction, may authorize the use of reduced maximum speed limits in highway work zones. The commissioner or local authority is not required to conduct an engineering and traffic investigation before authorizing a reduced speed limit in a highway work zone.

The minimum highway work zone speed limit is 20 miles per hour. The work zone speed limit must not reduce the established speed limit on the affected street or highway by more than 15 miles per hour, except that the highway work zone speed limit shall not exceed 40 miles per hour. Highway work zone speed limits are effective on erection of appropriate regulatory speed limit signs designating the beginning and end of the affected work zone. The signs must be removed or covered when they are not required. A speed greater than the posted highway work zone speed limit is unlawful.

For purposes of this subdivision, "highway work zone" means a segment of highway or street where a road authority or its agent is constructing, reconstructing, or maintaining the physical structure of the roadway, its shoulders, or features adjacent to the roadway, including underground and overhead utilities and highway appurtenances."

Pages 3 to 6, delete section 5

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete "aircraft;"

Page 1, line 11, delete everything after the semicolon

Page 1, line 12, delete the first "subdivision 1;"

And when so amended the bill do pass. Mr. Spear questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 191: A bill for an act relating to the city of St. Stephen; authorizing the issuance of bonds for the construction of a city civic building.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 80: A bill for an act relating to insurance; providing flexibility in the amount of coverages other than for the dwelling under a homeowner's

policy; proposing coding for new law in Minnesota Statutes, chapter 65A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [65A.295] [HOMEOWNER’S INSURANCE COVERAGE.]

Every insurer writing homeowner insurance insuring real property in this state shall make available at least one form of policy coverage in which the insured has the option to specify the amount of coverage provided by the policy for structures other than dwelling and for personal property. The premium for lesser coverages shall be reduced to reflect the reduced risk.

Such option must be extended to an insured at the time of policy application. Once an insured has selected a dollar coverage limit for structures other than the dwelling and/or personal property, that coverage shall remain the same for all future renewals, policy replacements, or policy substitutions covering the same dwelling until a request for a change in coverage is communicated in writing from the insured to the insurer.

Coverage for structures other than the dwelling is the coverage provided under “Coverage B, Other Structures” in the standard homeowner’s package policy. Coverage for personal property is the coverage provided under “Coverage C, Personal Property” in the standard homeowner’s package policy.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1988.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 322: A bill for an act relating to consumer protection; providing for the retention and collection of spent lead-acid batteries; providing enforcement; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 369: A bill for an act relating to education; requiring selective service registration as a prerequisite to enrollment in public post-secondary institutions; proposing coding for new law in Minnesota Statutes, chapter 135A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, after “A” insert “male citizen or male”

Page 1, line 12, delete “accepted for enrollment” and insert “eligible for any state scholarship, grant, or loan program” and after “public” insert “or private”

Amend the title as follows:

Page 1, line 3, delete "to enrollment in public" and insert "for state financial aid for"

Page 1, line 4, delete "institutions" and insert "education"

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 675: A bill for an act relating to the department of finance; clarifying and correcting miscellaneous provisions to improve the administration of the department and of state government; appropriating money; amending Minnesota Statutes 1986, sections 3C.12, subdivision 2; 16A.06, by adding a subdivision; 16A.126, subdivision 2; 16A.127, subdivision 3; 16A.275; 16A.36, subdivision 2; 16A.41, subdivision 1; 16A.85, by adding a subdivision; and 116J.36, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 14, delete "*available*" and strike "general fund" and after "money" insert "*from the general fund*"

Page 3, line 17, after the period, insert "*The amount necessary to make the transfer is appropriated from the general fund to the commissioner of finance.*"

Pages 4 and 5, delete sections 7 and 8

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 9 and 10, delete "16A.41, subdivision 1; 16A.85, by adding a subdivision;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was re-referred

S.F. No. 170: A bill for an act relating to economic development; recodifying provisions governing housing and redevelopment authorities, port authorities, economic development authorities, area redevelopment, municipal development districts, mined underground space development, rural development finance authorities, public development debt, enterprise zones, tax increment financing, and other local economic development tools; extending duration of bond allocation act; removing certain veterans' and service persons' preference provisions from the housing and redevelopment authority law; modifying requirements for developers' tax abatements under the housing and redevelopment authority law; removing a sunset on certain St. Paul port authority provisions; amending Minnesota Statutes 1986, sections 16B.61, subdivision 3; 41A.05, subdivision 2; 41A.06, subdivision 5; 115A.69, subdivision 9; 116J.27, subdivision 4; 116M.03, subdivisions 11, 19, and 28; 116M.06, subdivision 3; 116M.07, subdivision 11; 124.214,

subdivision 3; 216B.49, subdivision 7; 268.38, subdivision 3; 272.02, subdivision 5; 272.026; 272.68, subdivision 4; 273.13, subdivisions 9 and 24; 273.1393; 282.01, subdivision 1; 290.61; 298.2211, subdivisions 1 and 3; 353.01, subdivision 6; 355.11, subdivision 5; 355.16; 412.251; 462C.02, subdivisions 6 and 9; 462C.05, subdivision 7; 462C.06; 465.54; 465.74, subdivision 7; 465.77; 471A.03, subdivision 9; 473.195, subdivision 1; 473.201, subdivision 1; 473.504, subdivision 11; 473.556, subdivision 6; 473.638, subdivision 2; 473.811, subdivision 8; 473.852, subdivision 6; 473F02, subdivision 3; 473F05; 473F08, subdivisions 2, 4, and 6; 475.525, subdivision 3; 477A.011, subdivision 7; 504.24, subdivision 2; and 609.321, subdivision 12; and Laws 1986, chapter 465, article 1, section 32; repealing Minnesota Statutes 1986, sections 273.1312; 273.1313; 273.1314; 273.71; 273.72; 273.73; 273.74; 273.75; 273.76; 273.77; 273.78; 273.86; 362A.01; 362A.02; 362A.03; 362A.04; 362A.041; 362A.05; 362A.06; 373.31; 426.055; 458.09; 458.091; 458.10; 458.11; 458.12; 458.14; 458.15; 458.16; 458.17; 458.18; 458.19; 458.191; 458.192; 458.193; 458.194; 458.1941; 458.195; 458.196; 458.197; 458.198; 458.199; 458.1991; 458.70; 458.701; 458.702; 458.703; 458.711; 458.712; 458.713; 458.72; 458.74; 458.741; 458.75; 458.76; 458.77; 458.771; 458.772; 458.773; 458.774; 458.775; 458.776; 458.777; 458.778; 458.79; 458.80; 458.801; 458.81; 458C.01; 458C.03; 458C.04; 458C.05; 458C.06; 458C.07; 458C.08; 458C.09; 458C.10; 458C.11; 458C.12; 458C.13; 458C.14; 458C.15; 458C.16; 458C.17; 458C.18; 458C.19; 458C.20; 458C.22; 458C.23; 459.01; 459.02; 459.03; 459.04; 459.05; 459.31; 459.32; 459.33; 459.34; 462.411; 462.415; 462.421; 462.425; 462.426; 462.427; 462.428; 462.429; 462.4291; 462.432; 462.435; 462.441; 462.445; 462.451; 462.455; 462.461; 462.465; 462.466; 462.471; 462.475; 462.481; 462.485; 462.491; 462.495; 462.501; 462.505; 462.511; 462.515; 462.521; 462.525; 462.531; 462.535; 462.541; 462.545; 462.551; 462.555; 462.556; 462.561; 462.565; 462.571; 462.575; 462.581; 462.585; 462.591; 462.595; 462.601; 462.605; 462.611; 462.615; 462.621; 462.625; 462.631; 462.635; 462.641; 462.645; 462.651; 462.655; 462.661; 462.665; 462.671; 462.675; 462.681; 462.685; 462.691; 462.695; 462.701; 462.705; 462.712; 462.713; 462.714; 462.715; 462.716; 465.026; 465.53; 465.55; 465.56; 472.01; 472.02; 472.03; 472.04; 472.05; 472.06; 472.07; 472.08; 472.09; 472.10; 472.11; 472.12; 472.125; 472.13; 472.14; 472.15; 472.16; 472A.01; 472A.02; 472A.03; 472A.04; 472A.05; 472A.06; 472A.07; 472A.09; 472A.10; 472A.11; 472A.12; 472A.13; 472B.01; 472B.02; 472B.03; 472B.04; 472B.05; 472B.06; 472B.07; 472B.08; 474.01; 474.02; 474.03; 474.04; 474.05; 474.06; 474.07; 474.08; 474.09; 474.10; 474.11; 474.13; 474.15; 477A.018; and 477A.019; Laws 1961, chapter 545; Laws 1963, chapters 254; and 827; Laws 1967, chapter 541; Laws 1969, chapter 98; Laws 1973, chapter 114; Laws 1974, chapter 218; Laws 1975, chapter 326; Laws 1976, chapter 234, section 3; Laws 1979, chapter 269, section 1; Laws 1980, chapters 453; and 595, sections 5 and 8; Laws 1982, chapter 523, article 24, section 2; Laws 1983, chapters 110; and 257, section 1; Laws 1984, chapters 397; 498; and 548, section 9; and Laws 1985, chapters 173; 177; 188; 189; 192; 199; 205; 206, sections 2 and 3; and 301, sections 3 and 4; proposing coding for new law as Minnesota Statutes, chapter 469.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, after line 33, insert:

"Subd. 23. [VETERANS.] "Veterans" has the meaning given in section 197.447, except as otherwise defined in a contract with the federal government providing for veterans' preferences, or as may be required by any federal law or regulation as a condition of federal financial assistance for a project."

Page 10, line 4, after "*Hennepin*" insert "*and Ramsey*"

Page 16, line 19, delete "*his*" and insert "*the commissioner's or an employee's*"

Page 16, line 20, delete "*he*" and insert "*the commissioner or an employee*"

Page 16, line 21, after "*shall*" insert "*(a)*"

Page 16, line 24, after "*and*" insert "*(b)*"

Page 16, line 31, delete "*his*" and insert "*the*"

Page 16, line 33, delete "*he*" and insert "*the commissioner or employee*"

Page 17, line 20, delete "*his*" and insert "*the commissioner's or employee's*"

Page 17, line 21, delete "*he*" and insert "*the commissioner or employee*"

Page 17, line 32, delete "*he*" and insert "*the commissioner or employee*"

Page 26, after line 4, insert:

"Subd. 4a. [VETERANS' PREFERENCES.] An authority may include in any contract with the federal government provision for veterans' and service persons' preferences that may be required by any federal law or regulation as a condition of federal financial assistance for a project."

Page 38, line 20, before "*In*" insert "*As between applicants equally in need and eligible for occupancy of a dwelling and at the rent involved, preference shall be given to families of service persons who died in service and to families of veterans.*"

Page 39, line 19, after "*housing*" insert "*; provided that the requirement in clause (1) shall not be applicable in the case of the family of any veteran who has been discharged, other than dishonorably, from, or the family of any service person who died in, the armed forces of the United States, if that family had made application for admission to the project within any time limit specified by federal law applicable to federal financial assistance for the project*"

Page 160, lines 13, 17 and 36, delete "*municipality*" and insert "*city*"

Page 160, line 16, delete "*municipalities*" and insert "*cities*"

Page 161, line 18, delete "*municipality*" and insert "*city*"

Page 166, line 6, delete the paragraph coding

Page 167, lines 14 and 15, delete "*chapters*" and insert "*chapter*"

Page 167, lines 14 and 19, after "*677*" insert a comma

Page 167, lines 15 and 20, after "*764*" insert a comma

Page 167, line 15, after "*1974*" insert a comma

Page 199, line 10, delete "*which*"

Page 199, delete lines 11 and 12

Page 199, line 13, delete "amended through December 31, 1986" and insert "except a facility the primary purpose of which is one of the following: retail food and beverage services, automobile sales or service, or the provision of recreation or entertainment, or a private or commercial golf course, country club, massage parlor, tennis club, skating facility including roller skating, skateboard, and ice skating, racquet sports facility, including any handball or racquetball court, hot tub facility, suntan facility, or racetrack" and delete "is".

Page 206, after line 36, insert:

"Subd. 8. [ADDITIONAL ENTERPRISE ZONE ALLOCATIONS.] (a) In addition to tax reductions authorized in subdivision 7, the commissioner may allocate \$600,000 for tax reductions pursuant to section 172, subdivisions 1 to 8, to hardship area zones or border city zones. Of this amount, a minimum of \$200,000 must be allocated to an area added to an enterprise zone pursuant to Laws 1986, chapter 465, article 2, section 3. Allocations made pursuant to this subdivision may not be used to reduce a tax liability, or increase a tax refund, prior to July 1, 1987. Limits on the maximum allocation to a zone imposed by subdivision 7 do not apply to allocations made under this subdivision.

(b) A city encompassing an enterprise zone, or portion of an enterprise zone, qualifies for an additional allocation under this subdivision if the following requirements are met:

(1) the city encompassing an enterprise zone, or portion of an enterprise zone, has signed contracts with qualifying businesses that commit the city's total initial allocation received pursuant to subdivision 7; and

(2) the city encompassing an enterprise zone, or portion of an enterprise zone, submits an application to the commissioner requesting an additional allocation for tax reductions authorized by section 172, subdivisions 1 to 8. The application must identify a specific business expansion project which would not take place but for the availability of enterprise zone tax incentives.

(c) The commissioner shall use the following criteria when determining which qualifying cities shall receive an additional allocation under this subdivision and the amount of the additional allocation the city is to receive:

(1) additional allocations to qualifying cities under this subdivision shall be made within 60 days of receipt of an application;

(2) applications from cities with the highest level of economic distress, as determined using criteria listed in section 169, subdivision 4, paragraph (a), clauses (1) to (5), shall receive priority for an additional allocation under this subdivision;

(3) if the commissioner determines that two cities submitting applications within one week of each other have equal levels of economic distress, the application from the city with the business prospect which will have the greatest positive economic impact shall receive priority for an additional allocation. Criteria used by the commissioner to determine the potential economic impact a business would have shall include the number of jobs created and retained, the amount of private investment which will be made by the business, and the extent to which the business would help alleviate the economic distress in the immediate community; and

(4) the commissioner shall determine the amount of any additional al-

location a city may receive. The commissioner shall base the amount of additional allocations on the commissioner's determination of the amount of tax incentives which are necessary to ensure the business prospect will expand in the city. No single allocation under this subdivision may exceed \$100,000. No city may receive more than \$250,000 under this subdivision."

Page 215, line 10, before the period, insert ", and may approve an additional specific application to amend the boundaries of that enterprise zone to include a sixth municipality or to further increase its area to include all or part of the territory of a town that surrounds one of the five municipalities, or both"

Page 215, line 11, delete "This section is" and insert "Sections 170, 172, 173, and this section are"

Page 228, line 10, after the comma, insert "by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 91 to 109," and after "authority" insert "or economic development authority"

Page 228, line 12, after "municipality" insert "or economic development authority"

Amend the title as follows:

Page 1, line 11, delete "veterans' and"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 456: A bill for an act relating to controlled substances; prescribing "small amount" of marijuana; clarifying certain Schedule II controlled substances; amending Minnesota Statutes 1986, sections 152.01, subdivision 16; and 152.02, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 23, insert:

"Sec. 3. Minnesota Statutes 1986, section 152.15, subdivision 2, is amended to read:

Subd. 2. Any person who violates section 152.09, subdivision 1, clause (2), with respect to:

(1) A controlled substance classified in schedule I or II which is a narcotic drug, is guilty of a crime and upon conviction may be imprisoned for not more than five years or fined not more than \$10,000, or both;

(2) Any other controlled substance classified in schedule I, II, or III, except small amounts of marijuana, is guilty of a crime and upon conviction may be imprisoned for not more than three years, fined not more than \$5,000, or both;

(3) A substance classified in schedule IV, is guilty of a crime and upon conviction may be imprisoned for not more than three years, fined not more than \$5,000, or both;

(4) A substance classified in schedule V, is guilty of a crime and upon conviction may be imprisoned for not more than one year, fined not more than \$3,000, or both; provided, however, that any person convicted under this section of possessing a substance classified under Schedule V, and placed on probation may be required to take part in a drug education program as specified by the court;

(5) A small amount of marijuana is guilty of a petty misdemeanor punishable by a fine of up to \$100 and participation in a drug education program unless the court enters a written finding that such a program is inappropriate, said program being approved by an area mental health board with a curriculum approved by the state alcohol and drug abuse authority. A subsequent violation of this clause within two years is a misdemeanor, and a person so convicted shall be required to participate in a chemical dependency evaluation and treatment if so indicated by the evaluation. Upon a first conviction under this section the courts shall forward a report of said conviction to the department of public safety which shall make and maintain a private, nonpublic, record for a period not to exceed two years from the date of conviction. The private, nonpublic record shall be solely for use by the courts in determining the penalties which attach upon conviction under this section.

Additionally a person who is the owner of a private motor vehicle, or the driver of the motor vehicle if the owner is not present, and who possesses on the person or knowingly keeps or allows to be kept in a motor vehicle within the area of the vehicle normally occupied by the driver or passengers more than ~~0.5 ounce~~ *1.4 grams* of marijuana is guilty of a misdemeanor. This area of the vehicle shall not include the trunk of the motor vehicle when such vehicle is equipped with a trunk or another area of the vehicle not normally occupied by the driver or passengers if the vehicle is not equipped with a trunk. A utility or glove compartment shall be deemed to be within the area occupied by the driver and passengers.

(6) In any case in which a defendant is convicted of a petty misdemeanor under the provisions of clause (5) and willfully and intentionally fails to comply with the sentence imposed, said defendant shall be guilty of a misdemeanor.

(7) Compliance with the terms of any sentence imposed for violation of clause (5) before conviction under clause (6) shall be an absolute defense."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "prescribing amount of marijuana for possession in a motor vehicle;"

Page 1, line 5, delete "and"

Page 1, line 6, before the period, insert "; and 152.15, subdivision 2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 653: A resolution memorializing the Union of Soviet Socialist Republics to grant exit visas to Jewish prisoners of conscience.

Reports the same back with the recommendation that the resolution be amended as follows:

Page 2, line 18, delete "present" and insert "send"

And when so amended the resolution do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 522: A bill for an act relating to probate; requiring the court administrator to mail notice of certain claims to personal representatives; amending Minnesota Statutes 1986, section 524.3-804.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, before the period, insert "*within 30 days of its filing with the court*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 659: A bill for an act relating to controlled substances; classifying the substance alfentanil as a schedule II controlled substance; amending Minnesota Statutes 1986, section 152.02, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 296: A bill for an act relating to eminent domain; regulating relocation benefits for displaced persons; amending Minnesota Statutes 1986, section 117.52, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 127: A bill for an act relating to nonprofit corporations; adoption services corporations; providing that pledges to make contributions to reimburse the corporation for expenses shall be voidable at the option of the person making the pledge and payment of expenses shall not be a prerequisite to providing adoption services; amending Minnesota Statutes 1986, section 317.65, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, strike "in"

Page 2, line 14, strike "any amount whatsoever"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred the following appointment as reported in the Journal for February 23, 1987:

MINNESOTA HOUSING FINANCE AGENCY
Robert Worthington

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 409: A bill for an act relating to child abuse reporting; requiring mandated reporters to report certain past occurrences of child abuse or neglect; amending Minnesota Statutes 1986, section 626.556, subdivisions 3 and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete the new language

Page 1, line 16, after "abused" insert "*, or has been neglected or physically or sexually abused within the preceding three years,*"

Page 2, line 34, delete the new language

Page 2, line 35, after the second comma, insert "*or has been neglected or physically or sexually abused within the preceding three years,*"

Page 2, after line 36, insert:

"Sec. 3. Minnesota Statutes 1986, section 626.556, subdivision 10b, is amended to read:

Subd. 10b. [DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN A FACILITY.] (a) *The commissioner shall immediately investigate if the report alleges that:*

(1) a child who is in the care of a facility as defined in subdivision 2 is neglected, physically abused, or sexually abused by an individual in that facility, the commissioner shall immediately investigate or has been so neglected or abused by an individual in that facility within the three years preceding the report; or

(2) a child was neglected, physically abused, or sexually abused by an individual in a facility defined in subdivision 2, while in the care of that facility within the three years preceding the report.

The commissioner shall arrange for the transmittal to the commissioner of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the powers and duties specified for local welfare agencies under this section. The commissioner or local welfare agency may interview any children who are or have been in the care of a facility under investigation and their parents, guardians, or legal custodians.

(b) Prior to any interview, the commissioner or local welfare agency shall notify the parent, guardian, or legal custodian of a child who will be

interviewed in the manner provided for in subdivision 10d, paragraph (a). If reasonable efforts to reach the parent, guardian, or legal custodian of a child in an out-of-home placement have failed, the child may be interviewed if there is reason to believe the interview is necessary to protect the child or other children in the facility. The commissioner or local agency must provide the information required in this subdivision to the parent, guardian, or legal custodian of a child interviewed without parental notification as soon as possible after the interview. When the investigation is completed, any parent, guardian, or legal custodian notified under this subdivision shall receive the written memorandum provided for in subdivision 10d, paragraph (c)."

Page 3, line 1, delete "3" and insert "4"

Page 3, line 2, delete the first "*Section*" and insert "*Sections*" and after "1" delete "*is*" and insert "*and 3 are*"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring the commissioner to investigate reports of past occurrences of child abuse or neglect in a facility;"

Page 1, line 5, delete "and" and insert a comma and before the period, insert "and 10b"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 440: A bill for an act relating to statutes; removing certain substantive gender references in Minnesota Statutes; amending Minnesota Statutes 1986, sections 13.83, subdivision 2; 88.11, subdivision 1; 176.111, subdivisions 3, 15, and 21; 204B.05; 218.021, subdivision 2; 252.07; 260.094; 315.44; 315.48; 353.01, subdivision 2b; 358.14; 382.17; 387.15; 387.16; 459.16; 540.05; 548.06; 593.01, subdivision 1; 593.02; 631.412; 641.06; 641.14; and 642.08; repealing Minnesota Statutes 1986, sections 176.011, subdivision 13; and 315.49.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 3 and 4, delete section 6

Page 5, line 5, strike "some suitable" and insert "a"

Pages 5 and 6, delete section 9

Pages 7 to 9, delete section 12

Page 9, line 25, delete "*each*" and insert "*either*"

Pages 9 and 10, delete section 14

Pages 10 and 11, delete section 17

Page 12, delete section 21

Page 14, line 7, delete "*and*" and after "315.49" insert "382.17; 459.16; and 593.02"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "204B.05;"

Page 1, line 7, delete "260.094;" and delete "353.01, subdivision 2b;"

Page 1, line 8, delete "382.17;" and delete "459.16;"

Page 1, line 9, delete "593.02;"

Page 1, line 11, delete "and"

Page 1, line 12, after "315.49" insert "; 382.17; 459.16; and 593.02"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 376: A bill for an act relating to law enforcement; providing for management of records relating to certain liquor law violations; amending Minnesota Statutes 1986, section 340A.503, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [REPEALER.]

Minnesota Statutes 1986, section 340A.503, subdivision 7, is repealed."

Amend the title as follows:

Page 1, delete lines 2 and 3 and insert "relating to drinking age violations; opening court records of 18-, 19-, and 20-year-olds to the public;"

Page 1, line 4, delete "amending" and insert "repealing"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 448: A bill for an act relating to judgments; clarifying the procedure and cost for filing foreign judgments; clarifying the procedure to be used in securing a judgment and execution; amending Minnesota Statutes 1986, sections 548.27; 548.30; 549.09; and 550.04.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, delete "must" and insert "may"

Page 4, line 8, after "the" insert "judgment"

Page 4, line 13, before "creditor's" insert "judgment"

Page 4, line 35, after "or" insert "the judgment"

Page 5, lines 5 and 13, after the first "the" insert "judgment"

Page 5, line 10, after "the" insert "judgment"

Page 5, line 15, delete "such"

Page 5, line 22, strike "or" and after "coroner" insert a comma.

Page 5, line 23, after the first "or" insert "to" and before "creditor" insert "judgment"

Page 5, line 24, before "creditor's" insert "judgment"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 272: A bill for an act relating to corporations; regulating control share acquisitions; delaying the effective date of certain amendments; amending Laws 1985, First Special Session chapter 5, section 21, as amended.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 499: A bill for an act relating to real property; providing for prima facie effect of certain statements in an acknowledgment; authorizing owners to create tenancies in common by direct conveyances to themselves and others; permitting the severance of joint tenancies by direct conveyances between spouses; providing for time limits upon actions relating to certain estates in real property; providing for validation of certain conveyances executed by religious corporations; amending Minnesota Statutes 1986, sections 500.19, subdivision 4; 519.06; 519.09; and 519.101; Laws 1971, chapter 26; proposing coding for new law in Minnesota Statutes, chapter 358.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, reinstate the stricken "subdivision" and delete "subdivisions" and delete "and" and insert "or"

Page 3, after line 6, insert:

"Sec. 6. [548.181] [DISCHARGE OF JUDGMENTS AGAINST BANKRUPTCY DEBTORS.]

Subdivision 1. [APPLICATION FOR DISCHARGE.] A judgment debtor who has received a discharge under United States Code, title 11, or an interested party, may apply to the court administrator of any court for the discharge of all judgments entered in that court against the judgment debtor before the bankruptcy discharge.

Subd. 2. [APPLICATION REQUIREMENTS, SERVICE.] An application under subdivision 1 must identify each judgment to be discharged, must be accompanied by a certified copy of the judgment debtor's bankruptcy discharge or a certificate by the clerk of the United States bankruptcy court of the discharge, must notify the judgment creditor of the time to object specified in subdivision 3 and of the grounds for objection specified in subdivision 4, must be served on each judgment creditor in the manner provided for the service of a summons in a civil action, and must be accompanied by an affidavit of service.

Subd. 3. [OBJECTION TO DISCHARGE.] The court administrator shall discharge each judgment except a judgment in favor of a judgment creditor who has filed an objection to discharge of the judgment within 20 days

after service of the application on the judgment creditor. An objection to discharge of a judgment must be served on the judgment debtor in the same manner as an answer in a civil action.

Subd. 4. [COURT ORDER.] If a judgment creditor objects to the discharge of a judgment, on motion of the judgment debtor, the judgment creditor, or other interested party, the court shall order the judgment discharged except to the extent that: (1) the debt represented by the judgment was not discharged by the bankruptcy discharge; or (2) the judgment was a lien on property when the bankruptcy discharge was entered."

Page 3, after line 23, insert:

"Sec. 8. [REPEALER.]

Minnesota Statutes 1986, section 548.18, is repealed."

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "providing for the discharge of prior judgments against bankrupt debtors;"

Page 1, line 14, delete "chapter" and insert "chapters" and after "358" insert "and 548; repealing Minnesota Statutes 1986, section 548.18"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

H.F. No. 1: A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 3, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Amend the report from the Committee on Agriculture, adopted by the Senate February 23, 1987, as follows:

Page 1, line 14, delete "7" and insert "6"

Page 2, line 3, after "in" insert "*Minnesota Statutes,*"

Page 2, line 18, delete "*pursuant to*" and insert "*under*"

Page 2, lines 28 and 29, delete "*and other financial institutions*" and insert "*or another financial institution*"

Page 2, delete subdivision 13

Page 2, line 35, delete "14" and insert "13"

Page 3, delete subdivisions 15 and 16

Page 4, line 17, delete "*prior*" and insert "*previous*"

Page 4, line 29, after "*status*" insert a comma

Page 4, line 36, after "*submit*" insert "*to the commissioner*"

Page 5, line 2, delete "*to the commissioner*"

Page 5, line 5, delete "2 to 7" and insert "1 to 6"

Page 5, line 9, after "make" insert "the"

Page 5, line 11, delete "are" and insert "is"

Page 5, line 11, after "to" insert "Minnesota Statutes,"

Page 5, delete lines 25 to 31 and insert:

"Subd. 5. [APPROVAL OF APPLICATIONS FOR BUY-DOWN PAYMENT.] (a) *An application for participation in Program 1 or Program 2 is deemed approved by the commissioner unless the commissioner, within five business days after the application is received from a qualified lender, serves on the lender written notice that the application has been denied.*"

Page 6, line 1, delete "shall be made" and insert "is"

Page 6, line 2, delete "with" and insert a period

Page 6, line 2, delete "being" and insert "is"

Page 6, delete lines 6 to 17 and insert:

"Subd. 6. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.] (a) *The commissioner shall pay one-half of the expected interest rate buy-down amount when requested by the participating lender, but not less than 60 days after the loan was approved by the commissioner, and the balance within 30 days after the loan matures.*"

Pages 6 and 7, delete section 5

Page 7, line 21, delete "6" and insert "5"

Page 7, line 24, after "submit" insert "an"

Page 7, line 29, after "year" insert a comma

Page 7, line 33, after "proposed" insert "farm"

Page 7, line 33, after the period, insert "*The proposed farm operating loan must be a new loan, not one that was guaranteed or funded by the FmHA as of the date of application to Program 1.*"

Page 7, delete lines 34 and 35

Page 7, line 36, delete "denied." and insert:

"(b)"

Page 8, line 3, after the period, insert "*If the application is denied, the lender must submit a copy of the denial to the commissioner.*"

Page 8, line 6, delete "an interest rate" and insert "interest at a rate of"

Page 8, line 7, delete "\$100,000 of an" and insert "\$50,000 of a farm"

Page 8, line 8, delete "operating"

Page 8, line 9, delete "\$2,000" and insert "\$1,500"

Page 8, delete subdivision 4 and insert:

"Subd. 4. [LENDER CONTRIBUTION TO PROGRAM 1 INTEREST BUY-DOWN.] *A participating lender must reduce the interest charged to an eligible borrower on a farm operating loan so that the reduction in interest rate provided by the lender and the FmHA together is three percent*

per year for the first \$50,000 of the loan.”

Page 8, line 18, delete “7” and insert “6”

Page 8, line 25, delete “an interest rate” and insert “interest at a rate of”

Page 8, line 26, delete “\$100,000” and insert “\$50,000”

Page 8, line 27, delete “farm operating”

Page 8, line 28, delete “\$2,000” and insert “\$1,500”

Page 8, delete lines 30 to 33 and insert:

“Subd. 3. [LENDER CONTRIBUTION TO PROGRAM 2 INTEREST BUY-DOWN.] A participating lender must reduce the interest charged to an eligible borrower on a farm operating loan so that the reduction in interest rate provided by the lender is three percent per year for the first \$50,000 of the loan.”

Pages 8 and 9, delete section 8 and insert:

“Sec. 7. [APPROPRIATION.]

Subdivision 1. [APPROPRIATION.] \$16,227,400 is appropriated from the general fund to the commissioner of commerce for the interest rate buy-down program. The appropriation is available for the fiscal year ending June 30 in the years indicated to pay amounts due under approved applications received during that calendar year. Any unencumbered balance remaining in a fiscal year must not be canceled and remains available to pay amounts due under approved applications received during the rest of that calendar year.

	1987	1988
(a) Program 1	\$4,000,000	\$4,000,000
(b) Program 2	\$4,000,000	\$4,000,000
(c) Processing costs under section 5, subdivision 2	\$25,000	\$25,000
(d) Administrative expenses	\$88,700	\$88,700

Subd. 2. [PRIORITIES; LIMITATION.] Applications take priority in the order they were received by the commissioner. The commissioner shall not approve an application for a program once the appropriation for that program has been committed.

Subd. 3. [SPILLOVER.] If, at any time more than 120 days after the effective date of this act, the appropriation for either Program 1 or Program 2 for calendar year 1987 is insufficient, the appropriation for the other program is available for it. Any unencumbered balance remaining at the end of a calendar year must not be canceled but must be added equally to the appropriations for Program 1 and Program 2 in the next calendar year. If, by July 1, 1988, the appropriation for either Program 1 or Program 2 is insufficient, the appropriation for the other program is available for it.

Subd. 4. [OTHER APPROPRIATIONS ADDED.] Any unencumbered balance from the interest buy-down program under Laws 1986, chapter 398, article 29, section 1, subdivision 3, or from any appropriation added to it, remaining at the end of fiscal year 1987 must not be canceled but

must be transferred and added equally to the appropriations for Program 1 and Program 2 that are available for the rest of calendar year 1987.

Sec. 8. Laws 1986, chapter 398, article 23, section 4, is amended by adding a subdivision to read:

Subd. 7. [COMMISSIONER'S DISCRETION FOR CERTAIN BORROWERS.] Notwithstanding section 1, subdivision 5, the commissioner may consider a farmer an eligible borrower if the farmer applies to the lender before January 1, 1986, and complies with the remaining provisions of this article."

Amend the title of H.F. No. 1 as follows:

Page 1, line 5, delete "1" and insert "4" and delete "subdivisions 5 and"

Page 1, line 6, delete "6, and" and delete "; and section 3," and insert a period

Page 1, delete line 7

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 134, 80, 322, 456, 653, 522, 659, 296, 409, 440, 376, 448, 272 and 499 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 191, 127 and 1 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the name of Mr. Pehler be added as a co-author to S.F. No. 3. The motion prevailed.

Mr. Mehrkens moved that the name of Mr. Renneke be added as a co-author to S.F. No. 109. The motion prevailed.

Mr. Chmielewski moved that the names of Messrs. Beckman and Frederickson, D.J. be added as co-authors to S.F. No. 269. The motion prevailed.

Mr. Gustafson moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 480. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 575. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 603. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Pehler be added as a co-author to S.F. No. 618. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Merriam be added as a co-author to S.F. No. 642. The motion prevailed.

Mr. Spear moved that the names of Messrs. Pogemiller and Marty be added as co-authors to S.F. No. 653. The motion prevailed.

Mr. Spear moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 659. The motion prevailed.

Mr. Lessard moved that the name of Mr. Merriam be added as a co-author to S.F. No. 699. The motion prevailed.

Mr. Merriam moved that the name of Mr. Dahl be added as a co-author to S.F. No. 708. The motion prevailed.

Mr. Luther moved that the name of Mr. Dahl be added as a co-author to S.F. No. 728. The motion prevailed.

Messrs. Vickerman; Frederickson, D.J.; Beckman and Morse introduced—

Senate Resolution No. 33: A Senate resolution congratulating Dean Harder of Mountain Lake, Minnesota, on becoming vice president of the National Future Farmers of America Central Region for 1986-1987.

Referred to the Committee on Rules and Administration.

Mr. Frederick introduced—

Senate Resolution No. 34: A Senate resolution commending the achievements of the Owatonna High School Select Concert Choir.

Referred to the Committee on Rules and Administration.

CALENDAR

S.F. No. 184: A bill for an act relating to utilities; trade practices; restricting use and connection of automatic dialing-announcing devices to telephone lines; proposing coding for new law in Minnesota Statutes, chapter 325E.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Moe, D.M.	Samuelson
Anderson	Dicklich	Kroening	Moe, R.D.	Schmitz
Beckman	Diessner	Laidig	Morse	Spear
Belanger	Frank	Langseth	Novak	Stumpf
Berg	Frederickson, D.J.	Lantry	Pehler	Taylor
Berglin	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Bernhagen	Freeman	Luther	Peterson, R.W.	Wegscheid
Bertram	Gustafson	Marty	Piper	Willet
Brandl	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Jude	Metzen	Renneke	

Those who voted in the negative were:

Davis	Larson	Olson	Pogemiller	Storm
Knaak	Merriam			

So the bill passed and its title was agreed to.

S.F. No. 53: A bill for an act relating to municipal liability; providing for indemnification of employees for punitive damages; amending Minnesota Statutes 1986, sections 466.06; and 466.07, subdivision 1; repealing

Minnesota Statutes 1986, section 466.07, subdivisions 1a, 2, and 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Metzen	Ramstad
Anderson	Dicklich	Kroening	Moe, D.M.	Reichgott
Beckman	Diessner	Laidig	Moe, R.D.	Renneke
Belanger	Frank	Langseth	Morse	Samuelson
Berg	Frederickson, D.J.	Lantry	Novak	Schmitz
Berglin	Frederickson, D.R.	Larson	Olson	Spear
Bernhagen	Freeman	Lessard	Pehler	Storm
Bertram	Gustafson	Luther	Peterson, D.C.	Stumpf
Brandl	Hughes	Marty	Peterson, R.W.	Taylor
Cohen	Johnson, D.E.	McQuaid	Piper	Vickerman
Dahl	Jude	Mehrkens	Pogemiller	Wegscheid
Davis	Knaak	Merriam	Purfeerst	Willet

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 89, which the committee recommends to pass with the following amendments offered by Messrs. Stumpf and Berg:

Mr. Stumpf moved to amend S.F. No. 89 as follows:

Page 9, line 11, after the period, insert "*The creditor with the purchase money security interest in seasonal use machinery is still subject to the mediation proceeding.*"

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 89 as follows:

Page 14, line 29, delete "*acknowledges*" and insert "*prepares and signs*"

Page 16, line 4, delete "*at the point it is at*"

Page 16, line 8, after "*point*" insert "*where*"

Page 16, line 9, after "*except*" insert "*that.*"

Page 16, line 11, delete "*from the point*" and insert "*where*"

Page 16, line 27, after "*10*" insert a comma

Page 16, line 30, after "*583.27*" insert a comma

Page 16, line 33, after "*583.28*" insert a comma

Page 17, line 3, after "*creditor's*" insert "*estimate of the*"

Page 17, line 10, after "*prepared*" insert a comma

Page 18, line 25, delete the colon

Page 18, line 26, delete the paragraph coding and delete "*(1)*" and delete

the semicolon

Page 18, line 27, delete the paragraph coding and delete "(2)"

Page 19, line 29, delete the second "the"

Page 19, line 30, delete "amount equal to"

Page 20, line 13, after "fees" insert a comma

Page 21, line 11, delete "prior to" and insert "before"

Page 22, line 32, after "of" insert "their" and delete "available" and insert "rights"

Page 22, line 33, after "act" insert a comma

Page 22, line 34, after "(1)" insert "that,"

The motion prevailed. So the amendment was adopted.

H.F. No. 92, which the committee recommends to pass, subject to the following motions:

Mr. Pogemiller moved to amend H.F. No. 92, the unofficial engrossment, as follows:

Page 6, line 11, delete the new language

Page 6, delete lines 12 to 22

Page 6, line 23, delete the new language

Page 6, line 31, delete the new language

Page 6, delete line 32

Page 6, line 33, delete the new language

Page 6, line 36, after "298.298" insert " : except that repayments of principal and interest on loans and payments of royalties and other earnings on investments made pursuant to sections 298.291 to 298.298 with money appropriated by this act shall be deposited in the state treasury and credited to the corpus of the trust"

Page 6, after line 36, insert:

"Sec. 7. Minnesota Statutes 1986, section 298.296, is amended by adding a subdivision to read:

Subd. 2a. [RESTRICTIONS ON USE OF 1987 APPROPRIATION.] Use of money appropriated under this act is subject to the following restrictions:

(a) the fund may acquire no more than 40 percent of the voting power of an entity in which it invests;

(b) the fund may acquire no more than 40 percent of the value of all the stock and other equity interests in an entity in which it invests; and

(c) at least 75 percent of the sum of any amounts loaned to, invested in, or expended on behalf of an entity must be used for project costs. For purposes of this subdivision, "project costs" mean expenditures for construction, installation, or acquisition of a plant and equipment located in the tax relief area defined in section 273.134, but does not include research or development costs incurred or expended for services in designing or developing the equipment used in the project.

Sec. 8. Minnesota Statutes 1986, section 298.296, is amended by adding a subdivision to read:

Subd. 2b. [RESTRICTIONS ON USE OF OTHER APPROPRIATIONS.] Use of money appropriated from the northeast Minnesota economic protection trust fund, under section 298.292, subdivision 2, clause (4), other than money subject to the restrictions in subdivision 2a, is subject to the following restrictions:

(a) no more than \$2,000,000 may be used for such acquisitions or investments in any calendar year; and

(b) no such investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the northeast Minnesota economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity in any of the following relationships: spouse, parent, child, sibling, employee, or owner of interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this paragraph, the amount of investments made by an investor other than the northeast Minnesota economic protection trust fund shall be the sum of all investments made in the venture capital fund or enterprise during the period beginning one year prior to the date of the investment by the northeast Minnesota economic protection trust fund."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "2" insert ", and by adding subdivisions"

Mr. Frank moved to amend the Pogemiller amendment to H.F. No. 92, the unofficial engrossment, as follows:

Page 1, delete lines 3 to 5

The question was taken on the adoption of the Frank amendment to the Pogemiller amendment.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Merriam	Spear
Anderson	Frank	Laidig	Moe, D.M.	Storm
Belanger	Frederickson, D.R.	Lantry	Olson	Taylor
Berg	Johnson, D.E.	Larson	Peterson, R.W.	Waldorf
Bernhagen	Jude	McQuaid	Ramstad	Wegscheid
Brandl	Knaak	Mehrkens	Renneke	

Those who voted in the negative were:

Beckman	Dicklich	Langseth	Novak	Samuelson
Berglin	Frederickson, D.J.	Lessard	Pehler	Schmitz
Bertram	Freeman	Luther	Peterson, D.C.	Solon
Cohen	Gustafson	Marty	Piper	Stumpf
Dahl	Hughes	Metzen	Pogemiller	Vickerman
Davis	Johnson, D.J.	Moe, R.D.	Purfeerst	Willet
DeCramer	Kroening	Morse	Reichgott	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the Pogemiller amendment.

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass H.F. No. 92.

The roll was called, and there were yeas 37 and nays 26, as follows:

Those who voted in the affirmative were:

Beckman	Diessner	Langseth	Novak	Schmitz
Berglin	Frederickson, D.J.	Lantry	Pehler	Solon
Bertram	Freeman	Lessard	Peterson, D.C.	Stumpf
Cohen	Gustafson	Luther	Piper	Vickerman
Dahl	Hughes	Marty	Pogemiller	Willet
Davis	Johnson, D.E.	Metzen	Purfeerst	
DeCramer	Johnson, D.J.	Moe, R.D.	Reichgott	
Dicklich	Kroening	Morse	Samuelson	

Those who voted in the negative were:

Adkins	Frank	Larson	Peterson, R.W.	Waldorf
Anderson	Frederickson, D.R.	McQuaid	Ramstad	Wegscheid
Belanger	Jude	Mehrkens	Renneke	
Berg	Knaak	Merriam	Spear	
Bernhagen	Knutson	Moe, D.M.	Storm	
Brandl	Laidig	Oison	Taylor	

The motion prevailed. So H.F. No. 92 was recommended to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Freeman; Merriam; Willet; Johnson, D.E. and Waldorf introduced—

S.F. No. 730: A bill for an act relating to education and employment; providing for educational skills, employability, and community service opportunities for Minnesota's 18 to 22 year old young adults; establishing a Minnesota youth service; describing program components and service projects; defining compensation, benefits, coverages, and educational tuition credits; prescribing organizational structure, administration, and duties of certain departments, governmental bodies, and community service organizations; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 267A.

Referred to the Committee on Education.

Messrs. Berg and Lessard introduced—

S.F. No. 731: A bill for an act relating to wild animals; use of lights in taking or in tending traps; length of otter season; setting traps near water; amending Minnesota Statutes 1986, sections 97B.081; 97B.921; 97B.931; and 97B.945.

Referred to the Committee on Environment and Natural Resources.

Messrs. Samuelson, Vickerman, Stumpf, Willet and Frederickson, D.J. introduced—

S.F. No. 732: A bill for an act relating to human services; allowing certain facilities to choose higher payment limits; requiring a study of geographic groups; amending Minnesota Statutes 1986, section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

Ms. Piper, Messrs. Solon, Brandl, Benson and Mrs. Lantry introduced—

S.F. No. 733: A bill for an act relating to human services; providing for a limit on resolution of nursing home appeals; amending Minnesota Statutes 1986, section 256B.50, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Metzen, Mrs. McQuaid, Messrs. Marty, Novak and Wegscheid introduced—

S.F. No. 734: A bill for an act relating to commerce; creating a legislative commission to study government and business competition; prescribing its duties.

Referred to the Committee on Commerce.

Mrs. Adkins introduced—

S.F. No. 735: A bill for an act relating to human services; providing for a statewide interpreter service for hearing impaired persons; altering membership on Minnesota council for the hearing impaired; amending Minnesota Statutes 1986, sections 256C.24, subdivisions 2 and 3; 256C.25, subdivisions 1 and 2; and 256C.28, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Kroening and Mrs. Lantry introduced—

S.F. No. 736: A bill for an act relating to public safety; regulating high pressure piping and pipefitters; providing penalties; amending Minnesota Statutes 1986, sections 326.461, subdivision 2; 326.47, subdivision 3; 326.48, subdivision 1; 326.50; 326.51; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Employment.

Ms. Berglin and Mr. Waldorf introduced—

S.F. No. 737: A bill for an act relating to health; authorizing the board of medical examiners to release certain information about disciplinary investigations and proceedings; amending Minnesota Statutes 1986, section 147.01, subdivision 4.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller, Meses. Reichgott, Olson and Mr. Dicklich introduced—

S.F. No. 738: A bill for an act relating to education; providing a grant program for teacher centers; appropriating money; amending Minnesota Statutes 1986, section 124A.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

Messrs. Bertram, Benson, Laidig, Waldorf and Ms. Peterson, D.C. introduced—

S.F. No. 739: A bill for an act relating to taxation; sales and use; defining manufacturing equipment and providing a four percent rate; abolishing the exemption for sales of capital equipment in distressed counties; amending Minnesota Statutes 1986, sections 297A.01, subdivision 16; 297A.02, subdivision 2; 297A.14; 297A.15, subdivision 5; and 297A.25, subdivision 9; repealing Minnesota Statutes 1986, sections 297A.01, subdivision 17; and 297A.257, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Brandl, Ms. Peterson, D.C.; Mr. Spear, Ms. Berglin and Mr. Pogemiller introduced—

S.F. No. 740: A bill for an act relating to retirement; Minneapolis teachers retirement fund association; authorizing certain amendments to its articles of incorporation affecting benefits.

Referred to the Committee on Governmental Operations.

Messrs. Dicklich, Solon, Ms. Piper, Messrs. Renneke and Novak introduced—

S.F. No. 741: A bill for an act relating to occupations and professions; requiring the department of health to employ a chiropractic physician; authorizing loans to chiropractic students; authorizing certain certificates to be issued by chiropractic physicians; defining violations and providing penalties; defining unprofessional conduct by a chiropractor to include certain methods of business solicitation; amending Minnesota Statutes 1986, sections 148.10, subdivision 1; and 148.101; proposing coding for new law in Minnesota Statutes, chapters 144, 147, and 148.

Referred to the Committee on Health and Human Services.

Mr. Jude, Ms. Reichgott and Mr. Marty introduced—

S.F. No. 742: A bill for an act relating to witnesses; removing the presumption against the competency of certain witnesses; amending Minnesota Statutes 1986, section 595.02, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Spear, Solon, Wegscheid, Purfeerst and Taylor introduced—

S.F. No. 743: A bill for an act relating to financial institutions; permitting additional detached facilities; amending Minnesota Statutes 1986, sections 47.52; and 49.34, subdivision 2.

Referred to the Committee on Commerce.

Messrs. Brandl and Pogemiller introduced—

S.F. No. 744: A resolution memorializing the President and Congress to adopt legislation permitting state and local governments to require out-of-state sellers to collect sales and use taxes.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederick, Pehler, Benson and Hughes introduced—

S.F. No. 745: A bill for an act relating to education; requiring legislative reports on, senate confirmation of, and limited terms for board members of the state high school league; amending Minnesota Statutes 1986, section 129.121, subdivision 3, and by adding a subdivision.

Referred to the Committee on Education.

Mr. Mehrkens introduced—

S.F. No. 746: A bill for an act relating to unemployment compensation; defining the term agricultural labor; amending Minnesota Statutes 1986, section 268.04, subdivision 12.

Referred to the Committee on Employment.

Messrs. Peterson, R.W.; Purfeerst; Samuelson; Freeman and Brandl introduced—

S.F. No. 747: A bill for an act relating to human services; establishing a system of state-operated, community-based residential programs for persons with mental retardation; prohibiting layoffs of employees in regional treatment centers and state nursing homes; stating the policy of the state relating to services to persons with mental retardation or related conditions; creating an exception to the intermediate care facility for persons with mental retardation or related conditions moratorium; establishing requirements for determining waived service rates; appropriating money; amending Minnesota Statutes 1986, sections 16B.08, subdivision 7; 246.023, subdivision 1; 252.291, subdivision 2; and 256B.501, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 179A and 252; repealing Minnesota Statutes 1986, section 246.023, subdivisions 2 to 5.

Referred to the Committee on Health and Human Services.

Messrs. Freeman and Belanger introduced—

S.F. No. 748: A bill for an act relating to local improvements; authorizing the levy of special assessments for highway sound barriers; amending Minnesota Statutes 1986, sections 429.011, by adding a subdivision; and 429.021, subdivision 1.

Referred to the Committee on Local and Urban Government.

Messrs. Belanger and Freeman introduced—

S.F. No. 749: A bill for an act relating to independent school district No. 271, Bloomington; authorizing excess capital outlay levies in 1987 and 1988 to replace deteriorating roofs.

Referred to the Committee on Education.

Mrs. McQuaid, Mr. Johnson, D.E. and Mrs. Adkins introduced—

S.F. No. 750: A bill for an act relating to human services; creating a grant program of caregiver support services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Samuelson, Mrs. Adkins and Mr. Solon introduced—

S.F. No. 751: A bill for an act relating to financial institutions; savings and loan associations; authorizing the deposit of trust funds received by real estate brokers or salespersons in savings and loan associations; amending Minnesota Statutes 1986, sections 51A.23, subdivision 1; 82.24, subdivisions 1, 2, and 6.

Referred to the Committee on Commerce.

Ms. Reichgott, Messrs. Solon, Wegscheid, Ms. Piper and Mr. Knutson introduced—

S.F. No. 752: A bill for an act relating to occupations and professions; amending the laws regulating the practice of pharmacy; providing definitions; providing for registration of pharmacies, drug manufacturers, and others; providing for licensing of pharmacists; providing remedies for violations; amending Minnesota Statutes 1986, sections 151.01; 151.04; 151.06, subdivision 1; 151.101; 151.15; 151.19; 151.211; 151.212, subdivision 1, and by adding a subdivision; 151.25; 151.26, subdivision 1; 151.32; 151.34; and 151.37; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 1986, sections 151.06, subdivision 2a; 151.11; 151.28; and 151.31.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C.; Messrs. Pehler, DeCramer, Solon and Knaak introduced—

S.F. No. 753: A bill for an act relating to education; allowing school districts to provide transportation for certain elementary students; altering the definition of transportation category; permitting a levy for transportation for desegregation; amending Minnesota Statutes 1986, sections 123.39, subdivision 8d; and 124.225, subdivision 1.

Referred to the Committee on Education.

Messrs. Davis; Langseth; Bertram; Frederickson, D.J. and Stumpf introduced—

S.F. No. 754: A bill for an act relating to agriculture; regulating the family farm security program; providing for eligibility; permitting the sale of loans; amending Minnesota Statutes 1986, sections 41.52, by adding a subdivision; 41.55; proposing coding for new law in Minnesota Statutes, chapter 41.

Referred to the Committee on Agriculture.

Mr. Davis introduced—

S.F. No. 755: A bill for an act relating to education; adding an equity allowance to the cost differential tier; increasing the capital expenditure revenue allowance; decreasing the capital expenditure levy; amending Minnesota Statutes 1986, sections 124.245, subdivision 1; 124A.02, by adding subdivisions; 124A.06, subdivision 1, and by adding a subdivision; and 275.125, subdivision 11a.

Referred to the Committee on Education.

Mr. Ramstad, Mrs. McQuaid, Ms. Olson and Mr. Jude introduced—

S.F. No. 756: A bill for an act relating to the Minnehaha Creek watershed district; providing for the establishment of a district project maintenance fund; authorizing a tax levy for repair and maintenance of existing district projects.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller and Ramstad introduced—

S.F. No. 757: A bill for an act relating to the organization and operation of state government; adding members to the board of animal health; modifying and clarifying the powers of the board; regulating dealers; prescribing a civil penalty; amending Minnesota Statutes 1986, sections 35.02, subdivision 1; 347.31; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; 347.39; and 347.40; proposing coding for new law in Minnesota Statutes, chapter 346.

Referred to the Committee on General Legislation and Public Gaming.

Ms. Piper, Messrs. Renneke, Pogemiller, Bertram and Jude introduced—

S.F. No. 758: A bill for an act relating to human services; providing that medical certification for general assistance benefits may be made by a licensed chiropractor; amending Minnesota Statutes 1986, section 256D.02, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Langseth, Morse, Benson and Larson introduced—

S.F. No. 759: A bill for an act relating to education; clarifying the authority of contracting school districts to select an individual to provide services as a superintendent; amending Minnesota Statutes 1986, section 123.34, subdivision 9.

Referred to the Committee on Education.

Mr. Langseth introduced—

S.F. No. 760: A bill for an act relating to taxation; providing for conveyance of certain tax-forfeited land to its previous owner.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dicklich, Solon, Bertram and Lessard introduced—

S.F. No. 761: A bill for an act relating to public safety; transferring duties and powers relating to emergency medical services from the department of health to the department of public safety; instructing the revisor; amending Minnesota Statutes 1986, sections 144.801, subdivisions 3 and 8; 144.802, subdivision 1; 144.804, subdivisions 1 and 5; and 144.8093, subdivision 2 and 4.

Referred to the Committee on Health and Human Services.

Messrs. Langseth; Stumpf; Moe, R.D. and Berg introduced—

S.F. No. 762: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4; providing for a senate with six-year terms and a house of representatives with staggered four-year terms.

Referred to the Committee on Elections and Ethics.

Ms. Reichgott, Messrs. Spear and Storm introduced—

S.F. No. 763: A bill for an act relating to data practices; permitting certain employers to request criminal history records of prospective employees from the bureau of criminal apprehension; amending Minnesota Statutes 1986, section 13.87, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Judiciary.

Ms. Reichgott and Mr. Spear introduced—

S.F. No. 764: A bill for an act relating to witnesses; expanding the exception to the husband-wife privilege applicable to crimes committed against children; amending Minnesota Statutes 1986, section 595.02, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Mehrkens introduced—

S.F. No. 765: A bill for an act relating to local government; granting the city of Cannon Falls the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

Referred to the Committee on Economic Development and Housing.

Messrs. Davis, Benson, Jude, Renneke and Mehrkens introduced—

S.F. No. 766: A bill for an act relating to taxation; property taxation; modifying the method of determining certain adjusted assessed value; modifying the method of determining agricultural market value for property tax purposes; amending Minnesota Statutes 1986, sections 124.2131, subdivision 1; and 273.11, subdivision 1, and by adding a subdivision.

Referred to the Committee on Agriculture.

Mrs. Adkins and Mr. Laidig introduced—

S.F. No. 767: A bill for an act relating to the state building code; dedicating the proceeds of surcharge rebates; amending Minnesota Statutes 1986, section 16B.70, subdivision 1.

Referred to the Committee on Economic Development and Housing.

Mr. Laidig introduced—

S.F. No. 768: A bill for an act relating to environmental protection; prohibiting the location of mixed municipal solid waste disposal facilities in metropolitan regional parks; amending Minnesota Statutes 1986, section 473.803, subdivision 1a.

Referred to the Committee on Environment and Natural Resources.

Messrs. Wegscheid and Dahl introduced—

S.F. No. 769: A bill for an act relating to consumer protection; extending express warranties on new motor vehicles under certain circumstances; amending Minnesota Statutes 1986, section 325E.665, subdivision 2.

Referred to the Committee on Commerce.

Messrs. Frank and Storm introduced—

S.F. No. 770: A bill for an act relating to utilities; allowing telephone companies and independent telephone companies to elect alternative regulation; proposing coding for new law as Minnesota Statutes, chapter 237A.

Referred to the Committee on Public Utilities and Energy.

Mr. Marty, Ms. Peterson, D.C.; Mr. Solon, Mrs. McQuaid and Mr. Moe, R.D. introduced—

S.F. No. 771: A bill for an act relating to insurance; no-fault auto; defining liability on underinsured motor vehicles; amending Minnesota Statutes 1986, section 65B.49, subdivision 4a.

Referred to the Committee on Commerce.

Messrs. Luther, Freeman, Mrs. McQuaid, Messrs. Dahl and Spear introduced—

S.F. No. 772: A bill for an act relating to consumer protection; requiring registration for health, buying, and social referral clubs; providing bonding and alternative security requirements; regulating bond claims; amending Minnesota Statutes 1986, sections 325G.23, subdivisions 4, 8, and by adding a subdivision; and 325G.27.

Referred to the Committee on Commerce.

Messrs. Metzen, Wegscheid, Schmitz, Knutson and Purfeerst introduced—

S.F. No. 773: A bill for an act relating to Dakota county; authorizing the issuance of bonds for capital improvements and an annual levy for capital improvements and debt retirement.

Referred to the Committee on Local and Urban Government.

Messrs. Metzen, Wegscheid, Schmitz, Knutson and Purfeerst introduced—

S.F. No. 774: A bill for an act relating to bicycles; requiring bicycles using a shoulder of a roadway to ride in the same direction as adjacent vehicular traffic; redefining the term roadway; defining the term shoulder; allowing designation of bikeways by resolution or ordinance; adopting additional definitions of bicycle terms; amending Minnesota Statutes 1986, sections 85.016; 160.02, by adding a subdivision; 160.263, subdivisions 2, 3, and 4; 160.264; 160.265; 169.01, subdivisions 31 and 62, and by adding subdivisions; and 169.222, subdivision 4.

Referred to the Committee on Transportation.

Mr. Marty, Ms. Peterson, D.C.; Messrs. Pogemiller, Ramstad and Moe, R.D. introduced—

S.F. No. 775: A bill for an act relating to education; providing for model programs in adult vocational occupational literacy training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136C.

Referred to the Committee on Education.

Messrs. DeCramer, Willet, Novak and Merriam introduced—

S.F. No. 776: A bill for an act relating to natural resources; creating the state board of water and soil resources and providing for its administration and powers and duties; abolishing the state soil and water conservation board and the water resources board; amending the duties of the environmental quality board; amending Minnesota Statutes 1986, sections 40.01, subdivision 4; 40.03, subdivision 4; 40.035, subdivision 2; 40.21, subdivisions 1 and 3; 40.43, subdivision 1; 105.73; 110B.02, subdivision 2; 112.35, subdivision 4; 116C.03, subdivision 2; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; and 473.878, subdivisions 7 and 8; proposing coding for new law in Minnesota Statutes, chapter 110B; repealing Minnesota Statutes 1986, sections 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; and 116C.41, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Davis and Wegscheid introduced—

S.F. No. 777: A bill for an act relating to natural resources; providing that money recovered by the state for forest fire fighting expenses be restored to the fund of origination; increasing the amount that may be paid for tips related to forest fire crimes; amending Minnesota Statutes 1986, section 88.75, subdivision 1; and 88.76.

Referred to the Committee on Environment and Natural Resources.

Mr. Freeman, Mrs. Lantry, Ms. Piper, Messrs. Samuelson and Pogemiller introduced—

S.F. No. 778: A bill for an act relating to employment; allowing commissioner of jobs and training to contract with service providers to deliver

wage subsidies; requiring that 90 percent of wage subsidy money be allocated to priority groups; allowing eligible local service units to retain 75 percent of money repaid by employers receiving wage subsidies; appropriating money; amending Minnesota Statutes 1986, sections 268.673, subdivision 5, and by adding a subdivision; 268.676, subdivision 1; 268.678, subdivision 4; and 268.681, subdivision 3.

Referred to the Committee on Economic Development and Housing.

Mr. Marty, Ms. Berglin and Mr. Samuelson introduced—

S.F. No. 779: A bill for an act relating to human services; allowing residents of certain facilities to save up to \$1,000 of earned income; amending Minnesota Statutes 1986, section 256D.06, subdivision 1b.

Referred to the Committee on Health and Human Services.

Mr. Marty, Ms. Berglin and Mr. Samuelson introduced—

S.F. No. 780: A bill for an act relating to human services; continuing funding for autopsies on deceased medical assistance recipients who were victims of Alzheimer's disease; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Dahl, Wegscheid, Hughes, Taylor and Waldorf introduced—

S.F. No. 781: A bill for an act relating to education; providing quality assessment activities for post-secondary institutions; establishing a task force; developing pilot projects; appropriating money; amending Minnesota Statutes 1986, section 135A.06; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Messrs. Solon, Dicklich and Gustafson introduced—

S.F. No. 782: A bill for an act relating to St. Louis county; providing for a clerk in the unclassified civil service; amending Minnesota Statutes 1986, section 383C.035.

Referred to the Committee on Local and Urban Government.

Messrs. Solon, Dicklich and Gustafson introduced—

S.F. No. 783: A bill for an act relating to public safety; local emergency telephone service; requiring automatic location identification for public safety answering points serving 50,000 telephones or more; increasing fee to cover service cost; amending Minnesota Statutes 1986, sections 403.02, subdivision 6, and by adding a subdivision; and 403.11, subdivision 1.

Referred to the Committee on Public Utilities and Energy.

Messrs. Dicklich, Gustafson, Lessard, Johnson, D.J. and Solon introduced—

S.F. No. 784: A bill for an act relating to human services; increasing the state share of costs for certain assistance programs; amending Minnesota Statutes 1986, sections 256.82, subdivision 1; 256B.19, subdivision 1; and

256D.03, subdivisions 2 and 6.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 785: A bill for an act relating to crimes; authorizing filing of felony charges before the 14-day requirement when the crime charged is depriving another of parental rights; amending Minnesota Statutes 1986, section 609.26, subdivisions 2 and 5.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 786: A bill for an act relating to human services; limiting reimbursement for certain general assistance medical care providers and medical assistance providers; authorizing publication of a list, and criteria for the list, for selecting health services requiring prior authorization; and authorizing second medical opinion for outpatient surgery; amending Minnesota Statutes 1986, sections 256.969, subdivision 2; 256B.02, subdivision 8; 256B.03, subdivision 1; and 256D.03, subdivision 4.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 787: A bill for an act relating to human services; providing for eligibility requirements for receiving medical assistance and general assistance medical care; allowing recovery of benefits paid after death of recipient; requiring assignment of benefits; providing services for pregnant women; allowing certain agencies to collect personal property by affidavit; amending Minnesota Statutes 1986, sections 256B.02, subdivision 8; 256B.06, subdivision 1, and by adding a subdivision; 256B.15; 256B.17, subdivisions 4 and 5; 256B.35, subdivisions 1 and 2; 256D.03, subdivision 3, and by adding a subdivision; and 524.3-1201; repealing Minnesota Statutes 1986, sections 256B.07; and 256D.051, subdivision 12.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 788: A bill for an act relating to human services; clarifying chemical dependency consolidated fund administration procedures; amending Minnesota Statutes 1986, sections 246.51; 246.511; 254B.01, subdivision 5; 254B.02, subdivisions 1, 2, 3, and 5; 254B.03, subdivisions 1, 2, 3, 4, and 5; 254B.04, subdivision 2; 254B.06, subdivision 1; and 254B.09, subdivisions 3, 5, and 7; repealing Minnesota Statutes 1986, section 256.968.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 789: A bill for an act relating to human services; establishing prepaid health plans under medical assistance; appropriating money; amending Minnesota Statutes 1986, sections 256.045, subdivision 3; 256B.02, by adding a subdivision; 256B.19, subdivision 1; 256B.69, by adding subdivisions; 256D.03, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1986, section 256.966.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Messrs. Luther and Wegscheid introduced—

S.F. No. 790: A bill for an act relating to human services; mandating a comprehensive system of mental health services; amending Minnesota Statutes 1986, sections 245.713, subdivision 2; 256B.19, subdivision 1, and by adding a subdivision; 256D.03, subdivision 4; 256D.06, subdivisions 3 and 6; 256D.37, subdivision 1; 256E.03, subdivision 2; 256E.06, by adding a subdivision; 256E.07, by adding a subdivision; and 256E.12, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.69, subdivision 1a; 245.713, subdivisions 1 and 3; 245.73; and 256E.12.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich, Chmielewski, Merriam and Ramstad introduced—

S.F. No. 791: A bill for an act relating to animals; authorizing access by certain humane officers to animal research institutions; proposing coding for new law in Minnesota Statutes, chapter 343.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Dahl introduced—

S.F. No. 792: A bill for an act relating to commerce; requiring providers of propane gas service to pay interest on required deposits; amending Minnesota Statutes 1986, section 325E.02.

Referred to the Committee on Commerce.

Mr. Dahl introduced—

S.F. No. 793: A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; prescribing certain arbitration procedures for all automobile manufacturers doing business and offering express warranties on their vehicles sold in Minnesota; amending Minnesota Statutes 1986, section 325E.665.

Referred to the Committee on Commerce.

Messrs. Luther and Brandl introduced—

S.F. No. 794: A resolution memorializing the President and Congress to prevent from taking effect the proposed Internal Revenue Service regulations that limit the lobbying activities by nonprofit organizations.

Referred to the Committee on Elections and Ethics.

Mr. Brandl, Ms. Piper, Mr. Waldorf and Ms. Berglin introduced—

S.F. No. 795: A bill for an act relating to family law; specifying conditions for retroactive modification of child support; amending Minnesota Statutes 1986, section 518.64, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Marty and Hughes introduced—

S.F. No. 796: A bill for an act relating to port authority powers for the city of Roseville; amending Laws 1985, chapter 301, section 3.

Referred to the Committee on Economic Development and Housing.

Messrs. Samuelson, Waldorf, Ms. Piper, Messrs. Brandl and Benson introduced—

S.F. No. 797: A bill for an act relating to human services; mandating a comprehensive system of mental health services; appropriating money; amending Minnesota Statutes 1986, section 256E.05, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256G.

Referred to the Committee on Health and Human Services.

Messrs. Moe, D.M.; Wegscheid and Waldorf introduced—

S.F. No. 798: A bill for an act relating to retirement; establishing a defined contribution pension plan for state employees, public employees, and teachers; amending Minnesota Statutes 1986, sections 352D.01; 352D.015; and 352D.09, subdivisions 1, 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 352D; proposing coding for new law as Minnesota Statutes, chapters 353A; 354B; 354C; and 356A; repealing Minnesota Statutes 1986, sections 352D.02; 352D.03; 352D.04; 352D.05; 352D.06; 352D.065; 352D.075; 352D.085; 352D.09, subdivisions 5, 6, and 7; 352D.11; and 352D.12.

Referred to the Committee on Governmental Operations.

Ms. Piper, Messrs. Brandl and Diessner introduced—

S.F. No. 799: A bill for an act relating to state departments and agencies; renaming the mental retardation division of the department of human services; amending Minnesota Statutes 1986, section 245.072.

Referred to the Committee on Health and Human Services.

Messrs. Wegscheid, Belanger, Metzen, Purfeerst and Anderson introduced—

S.F. No. 800: A bill for an act relating to financial institutions; authorizing certain charges on open-end loan account arrangements; amending Minnesota Statutes 1986, section 48.185, subdivision 4.

Referred to the Committee on Commerce.

Messrs. Berg; Wegscheid; Frederickson, D.R. and Renneke introduced—

S.F. No. 801: A bill for an act relating to waters; changing the posting and publication of notice requirements for aeration operations by a permittee of the commissioner of natural resources; providing an exclusion from government tort liability; amending Minnesota Statutes 1986, sections 3.736, subdivision 3; and 378.22, subdivisions 2 and 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Willet introduced—

S.F. No. 802: A bill for an act relating to education; state university board; allowing a choice from among three low bidders in capital projects; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Governmental Operations.

Messrs. Freeman, Dahl, Waldorf and Merriam introduced—

S.F. No. 803: A bill for an act relating to education; creating the Minnesota education trust; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 804: A bill for an act relating to the University of Minnesota; appropriating money to develop and study health care delivery systems for dairy herds.

Referred to the Committee on Agriculture.

Messrs. Waldorf, Solon and Pogemiller introduced—

S.F. No. 805: A bill for an act relating to human services; providing for changes to the property-related payment rate for nursing homes; amending Minnesota Statutes 1986, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Human Services.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 12, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWENTY-FIRST DAY

St. Paul, Minnesota, Thursday, March 12, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. James S. Bzoskie.

The roll was called, and the following Senators answered to their names:

Adkins	DeCramer	Knutson	Moe, D.M.	Samuelson
Anderson	Dicklich	Kroening	Moe, R.D.	Schmitz
Beckman	Diessner	Laidig	Morse	Solon
Belanger	Frank	Langseth	Novak	Spear
Benson	Frederickson, D.J.	Lantry	Olson	Stumpf
Berglin	Frederickson, D.R.	Larson	Pehler	Taylor
Bernhagen	Freeman	Lessard	Peterson, D.C.	Vickerman
Bertram	Gustafson	Luther	Peterson, R.W.	Waldorf
Brandl	Hughes	Marty	Piper	Willet
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	
Cohen	Johnson, D.J.	Mehrkens	Ramstad	
Dahl	Jude	Merriam	Reichgott	
Davis	Knaak	Metzen	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mrs. Brataas, Messrs. Berg, Frederick, Purfeerst, Storm and Wegscheid were excused from the Session of today. Mr. Brandl was excused from the Session of today at 3:10 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

December 10, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Hu-

man Services is hereby respectfully submitted to the Senate for confirmation as required by law:

Sandra Gardebring, 1477 W. California Ave., St. Paul, Ramsey County, has been appointed by me, effective December 1, 1986, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Health and Human Services.)

December 10, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Labor and Industry is hereby respectfully submitted to the Senate for confirmation as required by law:

Raymond Bohn, 3848 Westbury Dr., Eagan, Dakota County, has been appointed by me, effective December 1, 1986, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Employment.)

December 10, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Director of the Department of Public Service is hereby respectfully submitted to the Senate for confirmation as required by law:

Tony Perpich, 2265 Youngman Ave., St. Paul, Ramsey County, has been appointed by me, effective December 1, 1986, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Public Utilities and Energy.)

December 10, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Transportation is hereby respectfully submitted to the Senate for confirmation as required by law:

Leonard Levine, 1741 Hillcrest Ave., St. Paul, Ramsey County, has been appointed by me, effective December 1, 1986, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Transportation.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Administration is hereby respectfully submitted to the Senate for confirmation as required by law:

Sandra Hale, 2308 W. Lake of the Isles Blvd., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Governmental Operations.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Agriculture is hereby respectfully submitted to the Senate for confirmation as required by law:

Jim Nichols, 3447 York Dr., Woodbury, Washington County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Agriculture.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Commerce is hereby respectfully submitted to the Senate for confirmation as required by law:

Mike Hatch, 320 E. 135th, Burnsville, Dakota County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Commerce.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Corrections is hereby respectfully submitted to the Senate for confirmation as required by law:

Orville Pung, 14499 N. 57th St., Stillwater, Washington County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Health and Human Services.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Education is hereby respectfully submitted to the Senate for confirmation as required by law:

Ruth Randall, 339 Summit Ave., St. Paul, Ramsey County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Employee Relations is hereby respectfully submitted to the Senate for confirmation as required by law:

Nina Rothchild, 14 Hickory St., Mahtomedi, Washington County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Governmental Operations.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Finance is hereby respectfully submitted to the Senate for confirmation as required by law:

Jay Kiedrowski, 1012 W. Minnehaha Pkwy., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Finance.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Health is hereby respectfully submitted to the Senate for confirmation as required by law:

Sister Mary Madonna Ashton, 5101 W. 70th St., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Health and Human Services.)

December 29, 1986

The Honorable Jerome M. Hughes

President of the Senate

Dear Sir:

The following appointment as Director of the Bureau of Mediation Services is hereby respectfully submitted to the Senate for confirmation as required by law:

Paul Goldberg, 176 Kent St., St. Paul, Ramsey County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Employment.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Executive Director of the Minnesota Housing Finance Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

James J. Solem, 2240 Midland Grove Rd., St. Paul, Ramsey County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Economic Development and Housing.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Coordinator of the Office of Full Productivity and Opportunity is hereby respectfully submitted to the Senate for confirmation as required by law:

Keith Ford, 4053 Lyndale Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Employment.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Public Safety is hereby respectfully submitted to the Senate for confirmation as required by law:

Paul Tschida, 3829 Lynn Ave., St. Louis Park, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Transportation.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Revenue is hereby respectfully submitted to the Senate for confirmation as required by law:

Tom Triplett, 2415 Sheridan Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Taxes and Tax Laws.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Director of the State Planning Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Lani Kawamura, 3141 Dean Ct., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Governmental Operations.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Veterans Affairs is hereby respectfully submitted to the Senate for confirmation as required by law:

William Gregg, 1719 Skillman Ave. W., St. Paul, Ramsey County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Veterans.)

January 7, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Workers' Compensation Court of Appeals is hereby respectfully submitted to the Senate for confirmation as required by law:

Paul V. Rieke, 13403 Washburn Ave. S., Burnsville, Dakota County, has been appointed by me, effective January 7, 1987, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Employment.)

January 26, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the World Trade Center Board are hereby respectfully submitted to the Senate for confirmation as required by law:

William L. Wilson, 168 N. Lexington Pkwy., St. Paul, Ramsey County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Martha Firling, 2132 Woodhaven Ln., Duluth, St. Louis County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Arthur J. Petrie, 612 Baker Ave., Mankato, Blue Earth County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Economic Development and Housing.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 85 and 211.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 9, 1987

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 320, 567, 688, 147, 151, 289, 56, 240, 280 and 281.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 9, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 320: A bill for an act relating to statutes; removing certain gender references; amending Minnesota Statutes 1986, section 459.16.

Referred to the Committee on Judiciary.

H.F. No. 567: A resolution memorializing the President and Congress to give states more authority to regulate interstate pipelines and to improve

federal regulation of pipelines.

Referred to the Committee on Transportation.

H.F. No. 688: A bill for an act relating to controlled substances; classifying the substance alfentanil as a schedule II controlled substance; amending Minnesota Statutes 1986, section 152.02, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 659, now on the Consent Calendar.

H.F. No. 147: A bill for an act relating to crimes; expanding the crime of witness tampering to include the act of intimidating a witness to make false statements; amending Minnesota Statutes 1986, section 609.498, subdivisions 1 and 2.

Referred to the Committee on Judiciary.

H.F. No. 151: A bill for an act relating to crime victims; permitting the crime victims reparation board to file a claim for reparations; altering the manner of determining reparations claims; requiring law enforcement agencies to aid the board; providing for the classification of various data; clarifying ambiguous language; providing penalties; amending Minnesota Statutes 1986, sections 609.101; 611A.04, by adding a subdivision; 611A.52, subdivision 8; 611A.53, subdivision 2; 611A.57; 611A.66; and 611A.74, subdivision 2; repealing Minnesota Statutes 1986, section 611A.59.

Referred to the Committee on Judiciary.

H.F. No. 289: A bill for an act relating to the city of St. Paul; setting the maximum amounts and other conditions for the issuance of capital improvement bonds; amending Laws 1971, chapter 773, section 1, subdivision 2, as amended; and section 2, as amended; repealing Laws 1963, chapter 881, as amended.

Referred to the Committee on Local and Urban Government.

H.F. No. 56: A bill for an act relating to health; requiring mosquito research and management activities to be ecologically nondisruptive; amending Minnesota Statutes 1986, section 144.95, subdivisions 1, 2, 3, 7, 9, and 10.

Referred to the Committee on Health and Human Services.

H.F. No. 240: A bill for an act relating to commerce; prohibiting surcharges on credit card sales; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 49.

H.F. No. 280: A bill for an act relating to the city of St. Paul; repealing bonding authority and a sunset provision relating to the port authority; amending Laws 1983, chapter 110, section 4; repealing Minnesota Statutes 1986, section 458.773.

Referred to the Committee on Economic Development and Housing.

H.F. No. 281: A bill for an act relating to elections; providing for experimental mail elections; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on Elections and Ethics.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 479. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 470: A bill for an act relating to the city of Duluth; authorizing the filing of the plat of Spirit Valley.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 480: A bill for an act relating to the city of Duluth; authorizing the city to prepare, adopt, and amend design districts and a design framework to establish a design advisory committee, and to establish design review procedures to preserve and enhance the city's appearance and environmental quality.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Page 3, line 27, delete "2" and insert "1"

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

Renumber the sections in sequence

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 291: A bill for an act relating to intoxicating liquor; allowing counties to issue seasonal intoxicating liquor licenses subject to certain restrictions; amending Minnesota Statutes 1986, section 340A.404, subdivision 6.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 49: A bill for an act relating to commerce; prohibiting surcharges on credit card sales; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325G.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, before the period, insert "*unless the seller informs the holder/purchaser of the surcharge both verbally at the time of sale and by a sign conspicuously posted on the seller's premises*"

Page 1, line 22, delete "*imprisonment for*"

Page 1, line 23, delete "*not more than 90 days or*" and delete "*, or both*" and insert "*and shall refund the surcharge to each buyer*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 128: A bill for an act relating to liquor; authorizing municipalities to permit holders of both on-sale wine and nonintoxicating malt liquor licenses to sell intoxicating malt liquors; amending Minnesota Statutes 1986, section 340A.404, subdivision 5; repealing Laws 1979, chapter 200.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, before "A" insert "(a)"

Page 1, line 20, before "*The*" insert:

"(b)"

Page 1, line 22, delete "*this subdivision*" and insert "*paragraph (a)*"

Page 1, line 23, after "*340A.411*" insert "*, and whose gross receipts are at least 60 percent attributable to the sale of food,*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 406: A bill for an act relating to commerce; regulating the distribution and sale of motor vehicles; limiting the granting or relocating of certain franchises; specifying the circumstances to be considered; removing certain regulations on nonrenewals; amending Minnesota Statutes 1986, section 80E.14, subdivision 2; repealing Minnesota Statutes 1986, section 80E.10.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1986, section 80E.14, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION; PROTEST; HEARING.] In the event that a manufacturer seeks to enter into a franchise establishing an additional new motor vehicle dealership or relocating an existing new motor vehicle dealership within or into a relevant market area where the line make is then represented, the manufacturer shall, in writing, first notify each new motor vehicle dealer in this line make in the relevant market area of the intention to establish an additional dealership or to relocate an existing dealership within or into that market area. The relevant market area is a radius of ten miles around an existing dealership. Within 15 days of receiving the notice or within 15 days after the end of any appeal procedure provided by the manufacturer, the new motor vehicle dealership may commence a civil action in a court of competent jurisdiction pursuant to section 80E.17 challenging the establishing or relocating of the new motor vehicle dealership. An action brought under this section shall be placed on the calendar

ahead of other civil actions to be heard and determined as expeditiously as possible. Thereafter the manufacturer shall not establish or relocate the proposed new motor vehicle dealership unless the court has determined that there is good cause for permitting the establishment or relocation of the motor vehicle dealership.

For the purposes of this section, the reopening in a relevant market area of a new motor vehicle dealership within two miles of a location at which a former dealership of the same line make had been in operation within the previous two years shall not be deemed the establishment of a new motor vehicle dealership if the reopening is carried out in good faith and does not violate the provisions of section 80E.13, paragraph (i).

The relocation of an existing dealer within its area of responsibility as defined in the franchise agreement shall not be subject to this section, if the proposed relocation site is *within five miles of its existing location and is not within a radius of five miles of an existing dealer of the same line make.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "subdivision" and insert "subdivisions 1 and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 506: A bill for an act relating to housing; providing for administration of the state's low-income housing credit; authorizing the Minnesota housing finance agency to participate in certain housing construction projects and in certain nonprofit corporations; authorizing the sale or rental of certain housing property; providing definitions; providing for the issuance of certain bonds and notes; amending Minnesota Statutes 1986, sections 462A.03, subdivision 14; 462A.05, subdivisions 14, 21, and by adding subdivisions; 462A.06, subdivisions 7 and 12; 462A.08, subdivisions 1 and 3; and 462A.18, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete sections 1 and 2

Page 3, line 36, delete "7" and insert "5"

Page 4, line 20, delete "7" and insert "5"

Page 5, delete section 7 and insert:

"Sec. 5. Minnesota Statutes 1986, section 462A.05, is amended by adding a subdivision to read:

Subd. 27. The agency, or the corporations referred to in subdivision 26, may acquire property or property interests under subdivisions 25 and 26 and section 462A.06, subdivision 7, for the following purposes: (1) to protect a loan or grant in which the agency or corporation has an interest; or (2) to preserve for the use of low- and moderate-income persons or families multifamily housing benefited by federal housing assistance pay-

ments or other rental subsidy or interest reduction contracts. Property or property interests acquired for the purpose specified in clause (1) may be acquired by foreclosure or deed in lieu of foreclosure."

Page 5, line 15, delete "7" and insert "5"

Page 6, delete lines 28 to 33 and insert "*defined in section 336.8-102 and may be issued as certificated securities or as uncertificated securities. Certificated securities may be issued in bearer or registered form. The agency may perform all actions that are permitted or required of issuers of securities under sections 336.8-101 to 336.8-408*"

Page 6, line 34, delete "article 8"

Page 7, after line 31, insert:

"Sec. 11. [462A.221] [DEFINITIONS.]

Subdivision 1. [TERMS.] For purposes of sections 11 to 14, the following terms have the meaning given them.

Subd. 2. [CITY.] "City" means a statutory or home rule charter city.

Subd. 3. [HOUSING AND REDEVELOPMENT AUTHORITY.] "Housing and redevelopment authority" means a housing and redevelopment authority established pursuant to section 462.425, or other law, or any other municipal department, agency, or authority which exercises the powers of a housing and redevelopment authority pursuant to section 462.425 or other law.

Sec. 12. [462A.222] [LOW-INCOME HOUSING CREDITS.]

Subdivision 1. [CREDIT RESERVATIONS.] The agency shall reserve a portion of the annual state ceiling for low-income housing credits provided under section 42 of the Internal Revenue Code of 1986 to (1) cities with a population of at least 50,000 that have a housing and redevelopment authority; and (2) counties with a population of 100,000 or more that have a housing and redevelopment authority. A city or county is eligible to receive a reserved portion of the state ceiling under this subdivision if it submits a written request to the agency within 45 days after the effective date of sections 11 to 14 to act as a designated housing credit agency as provided in section 42 of the Internal Revenue Code of 1986. A city or county may designate its housing and redevelopment authority as the agency to receive reserved low-income housing credits on behalf of the city or county. The city of Minneapolis or the city of Saint Paul may designate the Minneapolis/Saint Paul housing finance board to receive reserved low-income housing credits on behalf of each city.

Subd. 2. [CREDIT FORMULA.] The agency shall reserve to each eligible city and county an amount equal to the greater of (1) twice the product obtained by multiplying \$1.125 by the population of the city or county, or (2) 90 percent of the total state ceiling for low-income housing credits, multiplied by a fraction that has as its numerator the number of rental units located within the city or county and that has as its denominator the total number of rental units located within the state. For purposes of this subdivision, the state demographer shall provide population and rental unit estimates to the agency.

Subd. 3. [RETURN OF RESERVED CREDITS.] Unused portions of the state ceiling for low-income housing credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation.

On or before October 1 of each calendar year, each city and county acting as a housing credit agency, or the Minneapolis/Saint Paul housing finance board, must submit a written notice to the agency of the portion of the low-income housing credit ceiling reserved to it which has not been allocated. The unallocated credit must then be allocated by the agency as provided in section 13.

Sec. 13. [462A.223] [MINNESOTA HOUSING FINANCE AGENCY; DESIGNATED AGENCY.]

Subdivision 1. [CREDITS TO QUALIFIED NONPROFIT ORGANIZATIONS.] The agency is designated as a housing credit agency with authority to provide low-income housing credits for projects involving qualified nonprofit organizations under sections 501(c)(3) and 501(c)(4) of the Internal Revenue Code of 1986. The agency shall provide the ten percent minimum amount of the state ceiling required by section 42 of the Internal Revenue Code of 1986 for application to such projects.

Subd. 2. [DESIGNATED AGENCY.] The agency is designated as a housing credit agency to allocate the portion of the state ceiling for low-income housing credits (1) not reserved to cities and counties under section 12; (2) not accepted for allocation by eligible cities and counties; (3) returned to the agency for allocation; and (4) not otherwise reserved to the agency for allocation under subdivision 1. Low-income housing credits shall be allocated by the agency on a statewide basis. The agency shall make no allocation for projects located within the jurisdiction of the cities or counties that have received credits under section 12, subdivision 1, until the amounts reserved to the cities and counties for allocation have been allocated or returned to the agency for allocation.

Sec. 14. [462A.225] [STATE REGISTER NOTICE.]

The agency shall publish in the State Register all data relating to the state ceiling, state demographer population and rental unit estimates, and other information or procedures specified in section 42 of the Internal Revenue Code of 1986, applicable United States Treasury Department regulations, and this subdivision, that the agency considers pertinent to the distribution of low-income housing credits."

Page 7, line 33, delete "12" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "462A.03,"

Page 1, line 10, delete "subdivision 14;"

Page 1, line 13, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 462A"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 377: A bill for an act relating to state government; regulating the state council for the handicapped; extending the time for appeals by the council from state building code decisions affecting the interests of

handicapped persons; changing the name of the council; amending the duties and responsibilities of the council; authorizing the council to initiate or intervene in proceedings affecting handicapped persons; amending Minnesota Statutes 1986, sections 16B.67; and 256.482.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 12, after "*which*" insert "*directly*" and delete everything after "*affects*"

Page 5, line 13, delete everything before "*persons*" and insert "*the legal rights of*"

Page 5, line 19, delete "*maintained in*" and insert "*deposited into the state treasury and credited to*"

Page 5, line 20, after "*separate*" insert "*, dedicated*" and delete "*and shall not be credited to the general fund*" and insert "*for council services. All money in this dedicated account is annually appropriated to the council to provide documents and technical services to the public*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 479: A bill for an act relating to the city of Duluth; authorizing the issuance of bonds to purchase capital equipment; limiting the amount of the bonds.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1982, chapter 523, article XI, section 1, is amended to read:

Section 1. [DULUTH; BONDS; PURCHASE OF EQUIPMENT.]

The Duluth city council may by ordinance provide for the annual issuance of general obligation bonds in a principal amount not to exceed \$2,000,000 annually ~~for three years until the date provided by section 3~~ to provide funds to purchase capital equipment for the city. For purposes of this law, "capital equipment" means any equipment having an estimated useful life of at least five years. The issuance of the bonds shall be subject to Minnesota Statutes, Chapter 475, except that no election shall be required except as provided in section 2, or as required by the Duluth City Charter, Section 52.

Sec. 2. Laws 1982, chapter 523, article XI, section 3, is amended to read:

Sec. 3. [LOCAL APPROVAL.]

Sections 1 and 2 are effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of Duluth but no bonds shall be issued pursuant to this act after April 1, 1985 1990.

Sec. 3. [LOCAL APPROVAL.]

Sections 1 and 2 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth."

Amend the title as follows:

Page 1, line 4, before the period, insert "; amending Laws 1982, chapter 523, article XI, sections 1 and 3"

And when so amended the bill do pass. Mr. Johnson, D.J. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 529: A bill for an act relating to human services; regulating work activities of handicapped persons in state facilities; amending Minnesota Statutes 1986, section 246.56, subdivision 2:

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 532: A bill for an act relating to human services; clarifying methods of determining cost of care at regional treatment centers; clarifying responsibility for setting rates and collecting payment for cost of care at state nursing homes; allowing commissioner of human services to collect insurance settlements; amending Minnesota Statutes 1986, sections 246.50, subdivisions 3, 4a, 5, 7, and by adding a subdivision; 246.51; 246.511; and 251.011, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 246.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 457: A bill for an act relating to commerce; regulating collection agencies and those acting under the authority of a collection agency; providing cash deposits in lieu of the required bond; establishing prohibited practices; prescribing the enforcement powers of the commissioner; amending Minnesota Statutes 1986, sections 332.31, by adding a subdivision; 332.33; 332.34; 332.37; and 332.40, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 332.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 27, reinstate the stricken "332.45" and delete "332.46"

Page 2, lines 4 and 8, reinstate the stricken "332.45" and delete "332.46"

Page 2, line 15, delete "\$20" and insert "\$10"

Page 2, line 30, after "a" insert "collection agency"

Page 2, line 33, after the period, insert *"Every application for a collector's license or renewal shall be acted upon promptly by the commissioner but in no event more than 15 days after receipt of the completed application. Each applicant may be issued a temporary license after submitting a complete application which meets all requirements for licensure. This license shall be effective until a permanent license is issued by the commissioner."*

Page 2, line 34, reinstate the stricken "332.45"

Page 2, line 35, delete "332.46"

Page 3, lines 2 and 9, reinstate the stricken "332.45" and delete "332.46"

Page 5, delete lines 14 and 15 and insert:

"(13) communicate with a debtor by use of a recorded message utilizing an automatic dialing announcing device unless the recorded message is immediately preceded by a live operator who discloses prior to the message the name of the collection agency and the fact the message intends to solicit payment and the operator obtains the consent of the debtor to hearing the message"

Page 5, line 16, delete everything before the period

Pages 6 and 7, delete section 6

Amend the title as follows:

Page 1, line 9, delete everything after "3" and insert a period

Page 1, delete line 10

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 482: A bill for an act relating to insurance; regulating terminations of certain agency contracts; requiring companies to attempt to rehabilitate agents before terminating their appointment; regulating these rehabilitation agreements; amending Minnesota Statutes 1986, section 60A.171, subdivisions 1, 3, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1986, section 60A.171, is amended by adding a subdivision to read:

Subd. 3a. (a) Following proper notice as required under subdivision 1, and prior to the effective date of termination of the agency contract, in an effort to avoid termination, the company shall negotiate in good faith in an effort to reach mutual agreement with the agent on a written plan for rehabilitation.

(b) The rehabilitation plan must be in writing and must contain the following elements:

(1) identification by the company of the problem areas which need rehabilitation;

- (2) *what the agent must do to avoid termination;*
- (3) *how the company intends to assist the agent to avoid termination;*
- (4) *the mutually agreed upon corrective action to be undertaken by the agent and the specific target dates for accomplishment;*
- (5) *periodic meeting dates at which the status of rehabilitation will be reviewed; and*
- (6) *the term of the written plan which must extend for at least one year after the notice of termination.*

(c) *All agency contracts in existence at the time of the effective date of this section are subject to the rehabilitation requirement under subdivision 1. The rehabilitation plan need not be incorporated into the agency contract."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 683: A bill for an act relating to local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1986, sections 474A.02, subdivisions 1, 2, 3, 6, 7, 8, 12, 14, 16, 18, 19, 21, 26, and by adding subdivisions; 474A.03, subdivision 1, and by adding a subdivision; 474A.04, subdivisions 5, 6, and by adding a subdivision; 474A.13, subdivisions 1, 4, and 5; 474A.14; 474A.15; 474A.16; 474A.17; 474A.18; 474A.20; and 474A.21; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1986, sections 474A.02, subdivisions 5, 9, 10, 11, 13, 15, 17, 20, 22, 23, 24, and 25; 474A.03, subdivisions 2 and 3; 474A.04, subdivisions 1, 2, 3, and 4; 474A.05; 474A.06; 474A.07; 474A.08; 474A.09; 474A.10; 474A.11; 474A.12; 474A.13, subdivisions 2 and 3; 474A.19; and Laws 1981, chapters 222, section 6; and 223, section 6, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 4, strike ", as amended" and before "that" strike the comma

Page 3, line 7, strike "exempt from inclusion in" and insert "excluded from"

Page 5, line 2, after the stricken "any" insert "an economic development authority referred to in chapter 458C,"

Page 5, line 26, delete everything after the period

Page 5, delete lines 27 to 29

Page 7, line 5, delete "beginning in 1988" and insert "after December 31, 1987"

Page 7, lines 9 and 31, delete "allocations" and insert "allocation"

Page 7, line 30, delete "ALLOCATIONS" and insert "ALLOCATION"

Page 7, line 35, delete "5" and insert "6"

Page 8, line 19, delete "After the last Monday in August of each year,"

Page 8, line 21, after "allocation" insert "after the first Monday in September"

Page 9, line 27, delete "and" and after "(2)" insert "a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, and (4)"

Page 10, line 22, delete everything after "week"

Page 10, line 23, delete everything before the comma

Page 10, line 32, delete "After the last Monday in"

Page 10, line 33, delete "August of each year,"

Page 10, line 34, delete "on or before the last Monday in August"

Page 10, line 35, after "allocation" insert "after the first Monday in September"

Page 11, line 32, delete "If" and delete "does not receive an"

Page 11, delete line 33

Page 11, line 34, delete "subdivision 5, it"

Page 12, lines 4 and 13, delete "5" and insert "6"

Page 12, line 5, delete "per year"

Page 12, line 23, delete "to a project" and insert "for qualified bonds"

Page 12, line 35, delete "may" and insert "must"

Page 13, line 11, after the period, insert "If bonding authority is transferred from one pool to the other pool."

Page 13, line 16, before "After" insert "On the day"

Page 13, line 24, delete "and" and insert a comma and after "(2)" insert "a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, and (4)"

Page 14, line 12, delete "million"

Page 14, line 27, delete "Notwithstanding this subdivision," and insert "Subd. 4. [MORTGAGE BOND SUNSET.]"

Page 14, line 28, after "of" insert "tax-exempt"

Page 14, line 32, delete everything after "be" and insert "reallocated to cities for the issuance of mortgage bonds. If an issuer that receives an allocation for mortgage bonds under this subdivision fails to notify the department of energy and economic development before the last Monday in December of issuance of obligations pursuant to all or a portion of the allocation, any remaining allocation pursuant to which obligations have not been issued is canceled and the bonding authority is allocated to the department of finance for reallocation under section 29, subdivision 6."

Page 14, delete lines 33 to 35

Page 14, line 36, delete "4" and insert "5"

Page 15, line 22, delete "5" and insert "6" and before "Any" insert "\$20,000,000 or"

Page 15, line 24, after "*December*" insert "*, whichever is less,*" and after "*the*" insert "*higher education coordinating board. Any bonding authority remaining after the deduction for the higher education coordinating board allocation is allocated to the*"

Page 15, line 26, delete everything after the period

Page 15, delete lines 27 to 29

Page 16, line 6, delete "*, when*" and strike "added to" and delete "(1)" and strike "the aggregate"

Page 16, line 7, strike the old language and delete the new language

Page 16, line 8, delete "*have been*" and strike "issued and not" and delete "*returned for reallocation*" and strike the semicolon

Page 16, line 9, delete "(2) *the*" and strike "remaining" and delete "*amount of annual volume cap*" and strike "available"

Page 16, line 10, strike "to be allocated" and strike "; and" and delete "(3)"

Page 16, line 11, strike "entitlement" and delete "*bonding*" and strike "authority allocated"

Page 16, line 12, delete "*to entitlement issuers that has*" and strike "not" and delete "*been*" and strike "returned"

Page 16, line 13, strike "for reallocation"

Page 16, line 35, delete "*bonding*" and strike "authority" and insert "*allocation received*"

Page 17, line 1, delete "*bonding*" and strike "authority" and insert "*allocation*"

Page 18, line 33, strike "a"

Page 19, line 1, strike "of the department"

Page 19, lines 12 and 14, delete "ALLOCATIONS" and insert "ALLOCATION"

Page 22, line 6, delete "*and*" and after "25" insert "*, 27, 28 and 29*"

Amend the title as follows:

Page 1, line 14, delete "and" and after "25" insert "*, 27, 28 and 29*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 599: A bill for an act relating to human services; authorizing the department of human services to enter into shared service agreements; amending Minnesota Statutes 1986, section 246.57, subdivisions 1, 2, and by adding a subdivision; repealing Minnesota Statutes 1986, sections 246.57, subdivision 3; 246.61; 246.62; and 246.63.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 8, after "*agreement*" insert "*and approved by the commissioner of human services*"

Page 2, line 22, delete "*account*" and insert "*fund*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 673: A bill for an act relating to human services; allowing the use of certain professional standards for chemical dependency professionals; amending Minnesota Statutes 1986, section 254A.16, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, after the period, insert "*The commissioner may also by rule provide that persons certified by the Institute for Chemical Dependency Professionals of Minnesota, Inc., are deemed competent to perform the functions of chemical dependency professionals.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 414: A bill for an act relating to children; regulating the trust fund for prevention of child abuse; continuing an advisory council; appropriating money; amending Minnesota Statutes 1986, sections 299A.23, subdivision 2; 299A.25, subdivisions 3 and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 4, before the stricken "*Matching*" insert "*Priority must be given to applicants whose*"

Page 2, line 4, reinstate the stricken "*Matching funds*" and after the stricken "*must*" insert "*do*" and reinstate the stricken "*not consist,*"

Page 2, line 5, reinstate the stricken language

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 342: A bill for an act relating to human services; authorizing grants for programs that provide perishable food to nonprofit organizations providing on-site food programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, after the second comma, insert "*food handler training.*"

Page 1, line 22, delete everything after the period

Page 1, delete lines 23 and 24

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 586: A bill for an act relating to corrections; clarifying the commissioner of corrections authority in licensing and supervising institutions and facilities; providing for restitution by inmates for destruction of state property; clarifying terminology; authorizing the commissioner to adopt rules relating to payment of restitution by inmates; authorizing the forfeiture of contraband money or property; clarifying provisions relating to county probation reimbursement; providing a penalty for assaults on correctional employees; amending Minnesota Statutes 1986, sections 241.021, subdivision 1; 241.08, subdivision 1; 241.26, subdivision 5; 241.69, subdivision 2; 243.23, subdivision 3; 243.24, subdivision 1, and by adding a subdivision; 260.311, subdivision 4; and 609.2231, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 12, strike the comma

Page 7, line 23, after "sale" insert "*or money seized under this subdivision*"

Page 9, delete section 10 and insert:

"Sec. 10. Minnesota Statutes 1986, section 641.264, subdivision 2, is amended to read:

Subd. 2. [TAX LEVIES; APPORTIONMENT OF COSTS.] The county board of each cooperating county shall annually levy a tax in an amount necessary to defray its proportion of the net costs of maintenance and operation of the regional jail after deduction of payments for the care of inmates, and in addition shall levy a tax to repay the cost of construction or acquisition, equipping, and any subsequent improvement of the regional jail and for the retirement of any bonds issued for these purposes. The county board may levy these taxes without limitation as to the rate or amount, and the levy of these taxes shall not cause the amount of other taxes levied or to be levied by the county, which are subject to any such limitation, to be reduced in any amount whatsoever. The regional jail board shall apportion the costs of maintenance and operation, and of construction or acquisition, equipping, and improvement of the jail to each county, *either (1) on the basis of the proportion that the population in that county bears to the total population in all of the cooperating counties, the population figures to be determined by the last previous federal census; or (2) according to a formula mutually agreed upon by the county boards of all the cooperating counties.*"

Amend the title as follows:

Page 1, line 16, delete "and" and before the period, insert "; and 641.264, subdivision 2"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1: A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; appropriating money; amending Minnesota Statutes 1986, sections 41A.01; 41A.02, subdivisions 3, 4, 6, and 11; 41A.05, subdivisions 1 and 2; 116.16, subdivisions 2 and 5; 116J.955, subdivisions 1 and 2; 116L.03, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; and 462.398; proposing coding for new law in Minnesota Statutes, chapters 41A; 84; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; amending Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, sections 41A.06, subdivision 2; 116.18, subdivision 3a; 116J.951; 116J.961; and 116J.965.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

RURAL DEVELOPMENT BOARD

Section 1. [116N.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 7, the following terms have the meaning given them.

Subd. 2. [BOARD.] "Board" means the rural development board.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of energy and economic development.

Subd. 4. [LOW INCOME.] "Low income" means equal to or below the nonmetropolitan median household income.

Subd. 5. [PRINCIPALLY.] "Principally" means at least 51 percent.

Sec. 2. [116N.02] [RURAL DEVELOPMENT BOARD.]

Subdivision 1. [MEMBERSHIP.] The rural development board consists of the commissioner of energy and economic development, the commissioner of jobs and training, the commissioner of agriculture, the chair of the greater Minnesota corporation board, the state director of vocational technical education, the chancellor of the state university board, the chancellor of the state board for community colleges, the president of the University of Minnesota or the president's designee, and seven members from the general public appointed by the governor, with at least one public

member from each of the regions established in section 7. Two of the public members must be local elected officials. Two of the public members must be members of farm organizations. One public member must represent the interests of business, and one public member must represent the interests of organized labor.

Subd. 2. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575.

Subd. 3. [CHAIR; OTHER OFFICERS.] The commissioner of energy and economic development shall serve as chair of the board. The board may elect other officers as is necessary from its members.

Subd. 4. [ADVISORY TASK FORCES.] The board may establish advisory task forces under section 15.014 to advise or assist the board in identifying and working with rural development issues.

Subd. 5. [STAFF] The commissioner of energy and economic development shall provide staff, consultant support, materials, and administrative services necessary for the board's activities. The services must include personnel, budget, payroll, and contract administration. The board may request and require staff support from other agencies of state government as needed for the execution of the responsibilities of the board.

Subd. 6. [EXPENSES.] The commissioner shall pay the expenses of the board and the costs of the board's programs from the rural rehabilitation revolving fund established in section 116J.955.

Sec. 3. [116N.03] [POWERS.]

Subdivision 1. [CONTRACTS.] The board may enter into contracts and grant agreements necessary to carry out its responsibilities.

Subd. 2. [GIFTS; GRANTS.] The board may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private foundations, or any other source. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, loan, or agreement. Money received by the board under this subdivision must be deposited in the state treasury. The amount deposited is appropriated to the board to carry out its duties.

Sec. 4. [116N.04] [DUTIES.]

Subdivision 1. [GENERAL DUTIES.] The board shall investigate and evaluate new methods to enhance rural development, particularly methods relating to economic diversification through private enterprises, including technologically innovative industries, value-added manufacturing, agri-processing, information industries, and agricultural marketing.

Subd. 2. [ESTABLISH PROGRAMS.] The board shall establish and administer a rural rehabilitation pilot project program to award grants on a competitive basis to public, nonprofit, or private organizations to support farm-related pilot projects for rural development. Projects must be designed to principally benefit low-income persons. Rural rehabilitation pilot projects must be coordinated, if possible, with the soil and water conservation districts and other state and federal agencies and programs.

Subd. 3. [PROGRAM REVIEW.] The board shall review and comment on the mineral resources program to the commissioner of natural resources.

Subd. 4. [TECHNICAL ASSISTANCE.] The board shall provide technical assistance and rural development information services to state agencies, regional agencies, special districts, local governments, and the public.

Subd. 5. [BUDGET.] The board shall adopt an annual budget and work program and a biennial budget.

Subd. 6. [LEGISLATIVE REPORT.] The board shall submit an annual report to the legislature by January 31 of each year. The report shall include a review of rural development in the state, an accounting of all loans made under the challenge grant program, an evaluation of rural development initiatives, and recommendations concerning state support for rural development.

Sec. 5. [116N.056] [RURAL INVESTMENT GUIDE.]

The board, after appropriate study and public hearings as necessary, shall adopt a comprehensive state rural investment guide consisting of policy statements, objectives, standards, and program criteria to guide state agencies in establishing and implementing programs relating to rural development. The guide must: (1) recognize community and economic needs and resources of rural Minnesota; (2) be consistent with food and agriculture policy in Minnesota Statutes as reviewed by the standing committees on agriculture in the legislature; and (3) provide a plan to coordinate and allocate public and private resources to the rural areas of the state.

Sec. 6. [116N.06] [BOARD REVIEW.]

The board may require state agencies to submit for review any state program relating to rural development. The board may comment on any such program and may recommend changes consistent with the rural development guide.

Sec. 7. [116N.07] [CHALLENGE GRANT PROGRAM.]

Subdivision 1. [ORGANIZATION.] The challenge grant program shall make challenge grants to regional organizations selected by the board under subdivision 4 to encourage private investment, to provide jobs for low-income persons, and to promote economic development in the rural areas of the state. The board shall establish the program as provided in this section.

Subd. 2. [FUNDING REGIONS.] The board shall divide the part of the state located outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the development regions established under section 462.385.

Subd. 3. [CHALLENGE GRANT PROGRAM ADMINISTRATION.] The board shall establish a challenge grant program for each of the six regions. The board shall designate up to \$_____ for each region, to be awarded over a period of three years. The money designated to each region must be used for revolving loans and equity investments authorized under this section. The board shall select nonprofit corporations to administer the challenge grant program for each region, using the selection criteria in subdivision 4.

Subd. 4. [SELECTION OF ORGANIZATION TO ADMINISTER CHALLENGE GRANT PROGRAM.] The board shall select the organizations responsible for administering the challenge grant program for each

region and shall enter into grant agreements with the organizations. An organization is eligible to administer a challenge grant program if it is a nonprofit corporation and it can demonstrate that:

- (1) its board of directors includes citizens experienced in rural development and representatives from all geographic areas in a challenge grant program region;
- (2) it has the technical skills to analyze projects;
- (3) it is familiar with other available public and private funding sources and economic development programs;
- (4) it can initiate and implement economic development projects; and
- (5) it can establish and administer a revolving loan program.

Subd. 5. [REVOLVING LOAN FUND.] An organization responsible for administering a challenge grant program shall provide subordinated loans from the challenge grant fund to new and expanding businesses in rural Minnesota to promote economic development through such enterprises as technologically innovative industries, value added manufacturing, agri-processing, information industries, and agricultural marketing. Each organization shall establish a board-certified revolving loan fund and shall process loan applications under subdivision 6. Loan applications given preliminary approval by the organization must be forwarded to the commissioner for final approval. The amount of state money allocated for each revolving loan is appropriated from the rural rehabilitation revolving fund established in section 116J.955 to the organization's regional revolving loan fund when the commissioner gives final approval for each loan.

Subd. 6. [LOAN CRITERIA AND PRIORITY.] (a) In processing a loan application, an organization responsible for administering a challenge grant program shall give priority to proposed borrowers who are not likely to undertake the project for which the loan is sought without assistance from the challenge grant program. A loan must be used for a project designed principally to benefit low-income persons through the creation of job opportunities for such persons. A loan may be used for capital assets and working capital. Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving loan. The minimum revolving loan is \$5,000 and the maximum is \$100,000. The amount of state money appropriated from the challenge grant fund may not exceed 50 percent for each revolving loan. The amount of nonpublic money must equal at least 50 percent for each revolving loan. With the approval of the commissioner, a revolving loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery fund. A revolving loan may not exceed 25 percent of the total cost of an individual project. A revolving loan may not be used for a retail development project.

(b) The board shall establish a minimum interest rate for revolving loans to ensure that necessary management costs are covered.

(c) Money repaid to the challenge grant program must be deposited in the regional revolving loan fund for further distribution by the organization responsible for administering the challenge grant program.

(d) Administrative expenses of each organization must be paid out of the interest earned on revolving loans.

(e) A business applying for a loan must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located. For purposes of this paragraph, "local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area and a county when the project is located in an unincorporated area.

Subd. 7. [RULES.] The board may adopt rules to implement this section.

Subd. 8. [EQUITY INVESTMENTS.] The board may allow a specific amount of the money designated for each region to be used to acquire equity interests in businesses located in rural Minnesota. An organization responsible for administering a challenge grant program may acquire equity investments in businesses located in rural Minnesota. An organization may also invest in regional investment organizations.

Subd. 9. [DUTIES OF CHALLENGE GRANT ADMINISTRATION ORGANIZATION.] An organization responsible for administering a challenge grant program may contract with other regional development authorities to carry out all or part of its duties. The organization shall:

(1) submit an annual report to the board by February 15 of each year that includes, at least, a description of projects supported by the program, an account of all loans made during the calendar year, the source and amount of all money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the board.

Sec. 8. [REPEALER.]

Minnesota Statutes 1986, sections 116J.951; 116J.961; and 116J.965 are repealed.

ARTICLE 2

GREATER MINNESOTA CORPORATION

Section 1. [116P01] [CITATION.]

Sections 1 to 9 may be cited as the "greater Minnesota corporation act."

Sec. 2. [116P02] [DEFINITIONS.]

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

Subd. 2. [BOARD.] "Board" means the board of directors of the greater Minnesota corporation.

Subd. 3. [CORPORATION.] "Corporation" means the greater Minnesota corporation.

Subd. 4. [FUND.] "Fund" means the greater Minnesota fund.

Sec. 3. [116P03] [CORPORATION; BOARD OF DIRECTORS; POWERS.]

Subdivision 1. [NAME.] The greater Minnesota corporation is a public corporation of the state and is not a state agency. All business of the corporation must be conducted under the name "greater Minnesota

corporation.”

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors appointed by the governor to six-year terms. The governor shall make the initial appointments. As the terms of the initial appointees expire, appointments must be made by the board. The board may determine the compensation of its members.

Subd. 3. [ARTICLES AND BYLAWS.] The board of directors shall adopt articles of incorporation and bylaws necessary for the conduct of the business of the corporation, consistent with the provisions of this chapter. The articles and bylaws must be filed with the secretary of state.

Subd. 4. [PLACES OF BUSINESS.] The board shall locate and maintain the corporation's places of business within the state.

Subd. 5. [MEETINGS AND ACTIONS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving notice in accordance with the bylaws of the corporation. Board meetings are not subject to section 471.705.

Sec. 4. [116P04] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] (a) The board shall appoint and set the compensation for a president, who serves as chief executive officer of the corporation, and who may appoint subordinate officers. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees and agents the president considers necessary.

(b) The board shall define the duties and designate the titles of the employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans.

Sec. 5. [116P05] [POWERS OF THE CORPORATION.]

In addition to other powers granted by this chapter, the corporation may:

- (1) sue and be sued;*
- (2) have a seal and alter it at will;*
- (3) acquire and dispose of personal property, including inchoate and intellectual property, royalties, stock, and stock warrants;*
- (4) enter into contracts or agreements with a federal or state agency, person, business, or other organization;*
- (5) acquire and dispose of real property or an interest in real property;*
- (6) obtain insurance;*
- (7) sell, at public or private sale, any note, mortgage, or other instrument or obligation;*
- (8) consent to the modification of a contract or agreement to which the corporation is a party;*

(9) borrow money to carry out its purposes and issue negotiable notes, which it may refund, guarantee, or insure in whole or in part with money from the fund, other assets of the corporation, or an account created by the corporation for that purpose;

(10) provide general consulting or technical services to businesses to which loans or grants may be made;

(11) develop, buy, and possess financial and technical information, including credit reports and financial statements;

(12) accept gifts, grants, and bequests and use or dispose of them for its purposes;

(13) receive payments in the form of royalties, dividends, or other proceeds in connection with the ownership, license, or lease of products or businesses; and

(14) spend money to cover expenses of consultants and speakers hired by the board and for publications, advertising, and promotional activities.

Sec. 6. [116P06] [ACTIVITIES.]

Subdivision 1. [GRANTS.] The corporation may make matching grants for applied research and development to the University of Minnesota, a state university, a community college, a Minnesota private college or university, or an area vocational technical institute.

Subd. 2. [LOANS.] The corporation may make loans to corporations, partnerships, sole proprietorships, or other business entities to promote development in the state of new products or processes with potential commercial value.

Subd. 3. [EQUITY INVESTMENTS.] The corporation may acquire an interest in a product or a private business entity located or intending to locate in an enterprise zone as defined in section 273.1312 or a distressed county as defined in section 297A.257. The corporation may enter into joint venture agreements with other private corporations to promote economic development and job creation, not limited to enterprise zones or distressed counties.

Subd. 4. [PRIVATE CAPITAL.] The corporation may solicit and obtain private capital to be available for the activities in subdivisions 1 to 3.

Subd. 5. [CONSULTING AND TECHNICAL SERVICES.] The corporation may provide general consulting and technical services to colleges or universities or to businesses and may set fees or charges for the services.

Subd. 6. [RESEARCH.] The corporation may identify opportunities for scientific research and technological innovation and advise colleges and universities of the research needs of private business.

Sec. 7. [116P07] [GREATER MINNESOTA FUND.]

(a) The greater Minnesota fund is a separate account in the state treasury. The board may create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund may be deposited in an institution designated as a depository for state funds under section 9.031. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund may be used as provided in this chapter.

(b) The fund consists of:

- (1) appropriations made to the corporation;*
- (2) fees and charges collected by the corporation;*
- (3) income from investments and purchases;*
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and*
- (5) gifts, donations, and bequests made to the corporation.*

Sec. 8. [116P08] [AUDITS.]

The board shall contract with a certified public accounting firm to audit the corporation and any subsidiary annually in accordance with generally accepted accounting standards.

Sec. 9. [116P09] [REPORTS.]

The board shall report to the legislature and the governor on the activities of the corporation by January 1 of each year.

Sec. 10. [INITIAL APPOINTMENTS.]

Notwithstanding section 3, subdivision 2, the governor shall appoint the initial members of the board of directors of the greater Minnesota corporation as follows: four to six-year terms, four to four-year terms, and three to two-year terms.

Sec. 11. [DEVELOPMENT PLAN.]

The board of directors of the greater Minnesota corporation shall prepare a comprehensive development plan and submit it to the governor and the legislature by November 15, 1987. The development plan must include at least the following:

- (1) operating procedures;*
- (2) accounting procedures;*
- (3) grant procedures;*
- (4) loan procedures;*
- (5) personnel procedures;*
- (6) investment procedures; and*
- (7) board conduct and ethics.*

In addition, the development plan must include a budget proposal and a five-year plan. It must identify sources and amounts of available non-governmental money and the purposes for which that money may be used, and it must suggest any further legislation that may be necessary to carry out the development plan.

Sec. 12. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the greater Minnesota corporation established by section 3. This appropriation is available until expended.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 3

MINNESOTA PUBLIC FACILITIES AUTHORITY

Section 1. Minnesota Statutes 1986, section 116.16, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section and sections 116.17 and 116.18:

(1) Agency means the Minnesota pollution control agency created by this chapter;

(2) Municipality means any county, city, and town, the metropolitan waste control commission established in chapter 473 and the metropolitan council when acting under the provisions of that chapter or an Indian tribe or an authorized Indian tribal organization, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state;

(3) Pollution control fund means the Minnesota state water pollution control fund created by subdivision 1;

(4) Bond account means the Minnesota state water pollution control bond account created in the state bond fund by section 116.17, subdivision 4;

(5) Terms defined in section 115.01 have the meanings therein given them;

(6) The eligible cost of any municipal project, except as otherwise provided in clauses (7) and (8), includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension of disposal systems; (e) inspection and supervision of construction; and (f) all other expenses of the kinds enumerated in section 475.65.

(7) For state independent grant and matching grant purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal Water Pollution Control Act, ~~as amended,~~ United States Code, title 33, ~~section 1314, et seq sections 1281 to 1299.~~

(8) Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost includes the acquisition of land for stabilization ponds, the construction of collector sewers for totally unsewered statutory and home rule charter cities and towns described under section 368.01, subdivision 1 or 1a, that are in existence on January 1, 1985, and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost does not include the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs.

(9) Authority means the Minnesota public facilities authority established

in section 10.

Sec. 2. Minnesota Statutes 1986, section 116.16, subdivision 5, is amended to read:

Subd. 5. [RULES.] (a) The agency shall promulgate permanent rules and may promulgate emergency rules for the administration of grants and loans authorized to be made from the fund or from federal funds under the Federal Water Pollution Control Act, ~~as amended~~, which rules, however, shall not be applicable to the issuance of bonds by the commissioner of finance as provided in section 116.17. The rules shall contain as a minimum:

- (1) procedures for application by municipalities;
- (2) conditions for the administration of the grant or loan;
- (3) criteria for the ranking of projects in order of priority for grants or loans, based on factors including the extent and nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multimunicipal systems; and
- (4) such other matters as the agency and the director find necessary to the proper administration of the grant program.

(b) Except as otherwise provided in sections 116.16 to 116.18, the rules for the administration of state independent grants must comply, to the extent practicable, with provisions relating directly to protection of the environment contained in the Federal Water Pollution Control Act, as amended, and regulations and guidelines of the United States environmental protection agency promulgated under the act, except provisions regarding allocation contained in section 205 of the act and regulations and guidelines promulgated under section 205 of the act. This provision does not require approval from federal agencies for the issuance of grants or for the construction of projects under the state independent grants program.

(c) *For purposes of awarding independent state grants, the agency may exempt municipalities with a population of less than 1,500 from state and federal regulations and guidelines relating to facilities planning and procurement under sections 116.16 to 116.18, except regulations and guidelines applicable to the issuance of a national pollutant discharge elimination system permit or state disposal permit.*

Sec. 3. Minnesota Statutes 1986, section 116.16, subdivision 9, is amended to read:

Subd. 9. [APPLICATIONS.] Applications by municipalities for grants or loans from the fund shall be made to the ~~director of the agency authority~~ on forms requiring information prescribed by rules of the agency. *The authority shall send the application to the agency within ten days of receipt.* The director shall certify to the ~~agency authority~~ those applications which appear to meet the criteria set forth in sections 116.16 to 116.18 and the rules promulgated hereunder, and the ~~agency authority~~ shall award the grants or loans on the basis of the criteria and priorities established by the agency in its rules and in sections 116.16 to 116.18. A municipality that is designated under agency rules to receive state or federal funding for a project and that does not make a timely application for or that refuses the funding is not eligible for either state or federal funding for that project in that fiscal year or the subsequent year.

Sec. 4. Minnesota Statutes 1986, section 116.16, subdivision 10, is

amended to read:

Subd. 10. [COSTS.] To the extent the agency administers or engages in activities necessary for administering any aspects of the federal water pollution control act as amended, United States Code, title 33, section 1251 et seq., the agency may assess the costs of such administrative activities, ~~in an amount not to exceed that allowed by five percent of the federal law grant,~~ against the federal construction grant funds allotted to the state.

Sec. 5. Minnesota Statutes 1986, section 116.16, is amended by adding a subdivision to read:

Subd. 11. [AWARDS OF GRANTS AND LOANS.] The agency shall inform the authority as decisions are made on municipalities that are entitled to the award of a grant or loan. The authority shall notify the municipalities that are to receive a grant or loan and advise the municipality of the grant agreement or loan form or other document that must be executed to complete the grant or loan. Upon certification from the agency that the work has been completed and that payment is proper, the authority shall pay to the municipality the periodic grant or loan payment.

Sec. 6. Minnesota Statutes 1986, section 116.16, is amended by adding a subdivision to read:

Subd. 12. [AMENDMENTS.] A municipality that seeks an amendment to a previously awarded grant or loan shall follow the same procedure contained in subdivision 9 for applying to the authority. The request for a grant or loan amendment shall be forwarded by the authority to the agency for consideration, and the authority shall process a grant or loan amendment that is approved by the agency.

Sec. 7. Minnesota Statutes 1986, section 116.18, subdivision 3a, is amended to read:

Subd. 3a. [STATE INDEPENDENT GRANTS PROGRAM.] (a) The ~~agency~~ *Minnesota public facilities authority established in section 10* may award independent grants for projects *selected by the agency* for 50 percent or, if the agency requires advanced treatment, 65 percent of the eligible cost of construction. The ~~agency~~ *authority* may award independent grants for up to an additional 30 percent or, if the agency requires advanced treatment, up to an additional 25 percent of the eligible cost of construction to municipalities *selected by the agency* for which the construction would otherwise impose significant financial hardship; the amounts of the additional grants shall be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

(b) Up to ten percent of the money to be awarded as grants under this subdivision in any single fiscal year shall be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the commissioner of energy and economic development at the beginning of each fiscal year, and the commissioner shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with

agency priorities, the set-aside shall be used by the agency authority to award grants to remaining municipalities that have been identified.

(c) Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the agency authority may commit in any single fiscal year is equal to the amount newly appropriated to the state grants programs for that year.

(d) A municipality that applies for a state independent grant to be reimbursed for a project shall receive an additional five percent of the total eligible cost of construction beyond the normal percentage to which the municipality is entitled under paragraph (a).

Sec. 8. [446A.01] [MINNESOTA PUBLIC FACILITIES AUTHORITY ACT.]

Sections 1 to 17 may be cited as the "Minnesota public facilities authority act."

Sec. 9. [446A.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 17, the terms in this section have the meanings given them.

Subd. 2. [AUTHORITY.] "Authority" means the Minnesota public facilities authority.

Subd. 3. [FEDERAL WATER POLLUTION CONTROL ACT.] "Federal Water Pollution Control Act" means the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1281 to 1299.

Subd. 4. [GOVERNMENTAL UNIT.] "Governmental unit" means a state agency, home rule charter or statutory city, county, sanitary district, or other governmental subdivision.

Subd. 5. [INFRASTRUCTURE CAPITAL PROJECT.] "Infrastructure capital project" or "project" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of any structure, facility, or equipment necessary for a wastewater treatment system, water supply system, or any system which may be authorized and designated by the legislature as an infrastructure capital project.

Subd. 6. [TREATMENT WORKS.] "Treatment works" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of any structure, facility, or equipment necessary for a wastewater treatment or water supply system.

Sec. 10. [446A.03] [MINNESOTA PUBLIC FACILITIES AUTHORITY.]

Subdivision 1. [MEMBERSHIP] The Minnesota public facilities authority consists of the commissioner of energy and economic development, the commissioner of finance, the commissioner of revenue, the director of the pollution control agency, and three additional members appointed by the governor from the general public with the advice and consent of the senate.

Subd. 2. [CHAIR; OTHER OFFICERS.] The commissioner of energy and economic development shall serve as the chair and chief executive officer of the authority. The authority may elect other officers as necessary from its members.

Subd. 3. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of public members of the authority are as provided in section 15.0575.

Subd. 4. [BOARD ACTIONS.] A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

Subd. 5. [ADMINISTRATIVE SERVICES.] The community development division of the department of energy and economic development shall provide administrative services to the authority.

Subd. 6. [PERSONAL LIABILITY.] Members and officers of the authority are not liable personally for any debt or obligation created or incurred by the authority.

Sec. 11. [446A.04] [POWERS; DUTIES.]

Subdivision 1. [BYLAWS; RULES.] The authority shall adopt bylaws for its organization and internal management and may adopt rules covering its operations, properties, and facilities.

Subd. 2. [POWER TO SUE; ENTER CONTRACTS.] The authority may sue and be sued. The authority may make and enter into contracts, leases, and agreements necessary to perform its duties and exercise its powers.

Subd. 3. [GIFTS; GRANTS.] The authority may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private sources, or any other source for any of its purposes. Money received by the authority under this subdivision must be deposited in the state treasury. The amount deposited is appropriated to the authority to carry out its duties.

Subd. 4. [PROPERTY ACQUISITION.] The authority may through any means acquire, encumber, hold, and convey real or personal property.

Subd. 5. [CONTRACT FOR SERVICES.] The authority may retain or contract for the services of attorneys, accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.

Subd. 6. [LOANS AND GRANTS.] The authority may make and contract to make loans and grants to governmental units and acquire and contract to acquire notes and bonds issued by governmental units to evidence those loans.

Subd. 7. [FEES.] The authority may set and collect fees for costs incurred by the authority for its financings and the establishment and maintenance of reserve funds.

Sec. 12. [446A.05] [INFRASTRUCTURE CAPITAL PROJECT LOANS.]

The authority may make and contract to make loans to governmental units to finance infrastructure capital projects that the governmental unit may construct or acquire. A loan may not be used to pay current expenses or obligations, except for temporary financing. A loan must be secured by notes or bonds of the borrowing governmental unit.

Sec. 13. [446A.06] [INDEPENDENT WASTEWATER TREATMENT GRANTS.]

Subdivision 1. [AWARD OF GRANTS.] The authority may award in-

dependent state grants to municipalities selected by the pollution control agency in accordance with sections 116.16 to 116.18.

Subd. 2. [RULES.] The authority may adopt rules containing procedures for the award of independent state grants to municipalities selected by the pollution control agency in accordance with sections 116.16 to 116.18.

Sec. 14. [446A.07] [WATER POLLUTION CONTROL REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT OF FUND.] The authority shall establish a water pollution control revolving fund to provide loans to governmental units for the planning and construction of publicly owned treatment works. The fund must be credited with repayments.

Subd. 2. [STATE ACCOUNT.] The authority shall establish a separate state account within the water pollution control revolving fund to be used in compliance with federal matching requirements specified in the Federal Water Pollution Control Act. The authority may also provide grants and loans to governmental units from the state account for the planning and construction of treatment works, the acquisition of land for stabilization ponds, and the provision of reserve capacity sufficient to serve the reasonable needs of the governmental unit for 20 years in the case of treatment works and 40 years in the case of sewer systems.

Subd. 3. [CAPITALIZATION GRANT AGREEMENT.] The authority shall enter an agreement with the administrator of the United States Environmental Protection Agency to receive capitalization grants. The authority may exercise powers necessary to comply with the requirements specified in the Federal Water Pollution Control Act.

Subd. 4. [LOAN CONDITIONS.] (a) The authority shall comply with the conditions of this subdivision when making loans from the revolving fund.

(b) Loans must be made at or below market interest rates, including interest-free loans, at terms not to exceed 20 years.

(c) The annual principal and interest payments must begin no later than one year after completion of a project. Loans must be fully amortized no later than 20 years after project completion.

(d) A loan recipient must establish a dedicated source of revenue for repayment of the loan.

(e) The fund must be credited with all payments of principal and interest on all loans.

Subd. 5. [OTHER USES OF REVOLVING FUND.] The authority may also use the revolving fund:

(1) to buy or refinance the debt obligation of governmental units for treatment works incurred after March 7, 1985, at or below market rates;

(2) to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loan guarantees for similar revolving funds established

by a governmental unit other than state agencies;

(5) to earn interest on fund accounts; and

(6) for the reasonable costs of administering the fund and conducting activities required under the Federal Water Pollution Control Act.

Amounts spent under clause (6) may not exceed four percent of all federal grant awards to the fund under the Federal Water Pollution Control Act.

Subd. 6. [FINANCIAL ASSISTANCE REQUIREMENTS.] The authority may provide financial assistance from the revolving fund only to a project that:

(1) is consistent with plans, if any, developed under the Federal Water Pollution Control Act; and

(2) is on the state pollution control agency municipal needs list.

Subd. 7. [DISBURSEMENTS.] Disbursements from the revolving fund must be made in accordance with the applicable state and federal law governing the disbursements; except that no disbursement for any project may be made to any governmental unit until and unless the authority has by resolution determined the total estimated cost of the project and ascertained that financing of the project is assured by:

(1) a loan authorized by state law or the appropriation of proceeds of bonds or other funds of the governmental unit to a fund for the construction of the project;

(2) an irrevocable undertaking, by resolution of the governing body of the governmental unit, to use all funds so made available exclusively for the construction of the project, and to pay any additional amount by which the cost of the project exceeds the estimate, by the appropriation to the construction fund of additional funds or the proceeds of additional bonds to be issued by the governmental unit; and

(3) conformity of the project and of the loan application with the state water pollution control plan as certified to the federal government and with all other conditions under applicable state and federal law, including rules established by the pollution control agency under subdivision 8.

Subd. 8. [RULES.] The authority may adopt rules containing procedures for the award of loans to municipalities for activities selected by the pollution control agency in accordance with sections 116.16 to 116.18.

Sec. 15. [446A.08] [TAX EXEMPT STATUS.]

The authority is exempt from taxation under chapters 290 and 297A.

Sec. 16. [446A.09] [RULES.]

The authority may adopt rules governing loans.

Sec. 17. [446A.10] [REPORT; AUDIT.]

The authority shall report to the legislature and the governor by January 1 of each year. The report must include a complete operating and financial statement covering the authority's operations during the year, including amounts of income from all sources. Books and records of the authority are subject to audit by the legislative auditor in the manner prescribed for state agencies.

Sec. 18. [GOVERNOR'S ACTION.]

The governor may request the administrator of the environmental protection agency to make available to the state, capitalization grants to be deposited in the water pollution control revolving fund established under section 14, for the fiscal year beginning October 1, 1987. The governor may request that up to 75 percent of the amount allotted to the state for the fiscal year beginning October 1, 1987, be made available for deposit in the water pollution control revolving fund.

Sec. 19. [TRANSFER OF AUTHORITY.]

(a) Any continuing obligation with respect to grants made before September 30, 1984, under section 116.18, subdivision 2, remains with the pollution control agency.

(b) Of the amount appropriated in Laws 1985, First Special Session chapter 14, article 19, section 37, subdivision 2, for wastewater treatment grants, that unexpended 30 percent shall remain with the pollution control agency to cover obligations it has incurred under section 116.18, subdivisions 2 and 2a.

(c) The pollution control agency shall continue to administer the combined sewer overflow program under Minnesota Statutes, section 116.162, and the appropriations for the program.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective the day following final enactment.

ARTICLE 4

EDUCATION AND TRAINING PROGRAMS

Section 1. Minnesota Statutes 1986, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] Members shall be appointed as follows: four members appointed by the speaker of the house; one member appointed by the minority leader of the house; four members appointed by the majority leader of the senate; one member appointed by the minority leader of the senate; eight members appointed by the governor; and the ~~commissioners of the departments commissioner~~ of energy and economic development, ~~education, and jobs and training~~ the commissioner of jobs and training, and the state director of vocational technical education.

Sec. 2. [116L.06] [RURAL TRAINING PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "low-income" means equal to or below the nonmetropolitan median household income. "Principally" means at least 51 percent. "Rural Minnesota" means the part of the state outside the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 2. [TRAINING PROGRAM.] The partnership may provide grants to educational or other nonprofit institutions for training for new or expanding businesses located in rural Minnesota. Grants must be awarded only for training projects designed principally to benefit low-income persons. The partnership shall follow the criteria and guidelines in sections 116L.02 and 116L.04 to establish and administer the program.

Subd. 3. [NEW BUSINESS SET-ASIDE.] The partnership may set aside up to 50 percent of the amount available for the rural training program to provide grants for new businesses locating in rural Minnesota. A set-

aside grant may not be made for an existing business located in the metropolitan area as defined in section 473.121, subdivision 2, that relocates to rural Minnesota. The partnership shall use the guidelines in section 116L.04 to establish and administer the program, except that a committee consisting of the commissioner of energy and economic development, the executive director of the Minnesota job skills partnership board, and the state director of vocational technical education may give final approval for training applications by a majority vote of the committee. Any amount left in the set-aside program at the end of the 1988 fiscal year may be used for the rural training program established by subdivision 2.

Sec. 3. [136A.134] [GRANTS TO DISLOCATED RURAL WORKERS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The higher education coordinating board shall develop policies and procedures for the administration of a dislocated rural worker grant program and the allocation of the program funds to eligible institutions and shall supervise the operation of the program.

Subd. 2. [ELIGIBLE INSTITUTIONS.] For purposes of this section, "eligible institution" has the meaning given it in section 136A.101.

Subd. 3. [APPLICANTS.] An applicant may be considered for a dislocated rural worker grant if the applicant:

(1) is a resident of the area of the state located outside of the metropolitan area defined in section 473.121, subdivision 2;

(2) is enrolled in an adult farm management program or a program designed to provide preparation for available employment within the local labor market or in an area to which the individual is willing to relocate;

(3) has met the financial need criteria established by the board; and

(4) can demonstrate that one of the following criteria has been met:

(i) the applicant or applicant's spouse has been separated from employment or has received a notice of separation from employment as a result of job obsolescence, plant shutdown, regional decline in the applicant's customary occupation, or industry slowdown, and the applicant or the applicant's spouse is unlikely to return to work for that employer or in that occupation within 12 months following separation from employment;

(ii) the applicant is a displaced homemaker; or

(iii) the applicant or the applicant's spouse is a farmer who can demonstrate severe household financial need.

Subd. 4. [PROGRAM RECIPIENTS.] An eligible institution shall select a recipient of a dislocated rural worker grant in accordance with guidelines, policies, and rules established by the board. The board may adopt emergency rules for awarding grants only for the fiscal year beginning July 1, 1987.

Subd. 5. [PROGRAM COORDINATION; INFORMATION.] The board shall develop and provide information to dislocated workers in rural areas about post-secondary education opportunities and student financial aid programs. The board shall also provide for the coordination of dislocated rural worker grants with other available student financial aid programs. Dislocated rural worker grants must be awarded in a manner that maximizes the use of existing federal and state student financial aid programs.

Sec. 4. Laws 1983, chapter 334, section 7, is amended to read:

Sec. 7. [REPEALER.]

Sections 1 to 6 are repealed June 30, 1987 1991.

Sec. 5. [APPROPRIATION.]

§ _____ is appropriated from the rural rehabilitation revolving fund to the Minnesota job skills partnership board for the customized rural training program established in section 2. This appropriation is available until expended.

Sec. 6. [SUPPLEMENTAL EDUCATION GRANT PROGRAM FUNDING.]

§ _____ is appropriated from the general fund and § _____ is appropriated from the rural rehabilitation revolving fund to the higher education coordinating board for the dislocated rural worker grant program established in section 3, to be available until June 30, 1988.

ARTICLE 5

MISCELLANEOUS

Section 1. [93.001] [POLICY FOR MINERAL DEVELOPMENT.]

It is the policy of the state to provide a long-term commitment to mineral exploration evaluation, development, production, and commercialization to provide a diversified mineral economy in the state.

Sec. 2. [93.002] [MINERAL COORDINATING COMMITTEE.]

Subdivision 1. [ESTABLISHMENT.] The mineral coordinating committee is established to provide planning and assistance for diversified mineral development. The mineral coordinating committee shall consist of the director of the minerals division of the department of natural resources, the director of the Minnesota geological survey, the director of the University of Minnesota mineral resources research center, and the director of the natural resources research institute. The director of the minerals division of the department of natural resources shall serve as chair. A member of the committee may designate another person of the member's organization to act in the member's place.

Subd. 2. [MINERAL DIVERSIFICATION PLAN.] The mineral coordinating committee shall prepare and adopt a ten-year plan for mineral diversification. The plan must:

- (1) increase the knowledge of the state's mineral potential;*
- (2) stimulate the development of mineral resources in the state;*
- (3) provide for basic minerals research; and*
- (4) prioritize minerals programs under subdivision 3.*

Subd. 3. [MINERALS PROGRAMS.] The mineral diversification plan must consider at least the following: aeromagnetic surveys, glacial till geochemistry surveys, geologic drilling and mapping, LMIC minerals data base, drill core examination and assay, industrial minerals characterization and research, bedrock geochemistry, nonferrous minerals research, reclamation studies, economic evaluation of mineral resources, improved geophysical and remote sensing base, acquisition of sampling equipment and analyses, determination of mineral rights ownership, ferrous minerals

research, evaluation of mineral resource occurrence, evaluation of value added processes, ore deposit modeling, and basic mineral research.

Subd. 4. [SUBMISSION OF PLAN AND FUNDING PRIORITIES.] (a) The minerals coordinating committee shall submit the minerals diversification plan to the legislature by December 31, 1987.

(b) In the first year of each biennium, the minerals coordinating committee must submit recommendations for funding priorities of the minerals diversification plan to the chairs of the house appropriations and environment and natural resources committees and the chairs of the senate finance and environment and natural resources committees.

Subd. 5. [AMENDMENTS AND TEMPORARY PLANS.] The minerals coordinating committee may amend the minerals diversification plan or adopt temporary priority plans for spending on minerals programs.

Sec. 3. [116J.874] [COMMUNITY DEVELOPMENT DIVISION.]

Subdivision 1. [DUTIES.] The community development division is a division within the department of energy and economic development. It shall:

(1) be responsible for administering all state community development and assistance programs, including the economic recovery fund, the outdoor recreation grant program, the rural development board programs, and the Minnesota public facilities authority loan and grant programs;

(2) be responsible for state administration of federally funded community development and assistance programs, including the small cities development grant program and land and water conservation program;

(3) be responsible for state administration of the regional development commissions;

(4) provide technical assistance to rural communities with respect to community development;

(5) coordinate the development and review of state rural development policies;

(6) provide staff and consultant services to the rural development board; and

(7) be responsible for coordinating community assistance and development programs.

Sec. 4. Minnesota Statutes 1986, section 116J.955, subdivision 1, is amended to read:

116J.955 [RURAL REHABILITATION REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT.] The rural rehabilitation revolving fund is established as an account in the state treasury. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation revolving fund. ~~The principal amount of the rural rehabilitation revolving fund, \$9,300,000, may not be spent and must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the activities of the rural development council.~~

Sec. 5. Minnesota Statutes 1986, section 116J.955, subdivision 2, is

amended to read:

Subd. 2. [EXPENDITURE OF INVESTMENT INCOME FUND.] The commissioner may ~~only use the income from the investment of up to \$_____ from the rural rehabilitation revolving fund for the purposes that are allowed under the Minnesota rural rehabilitation corporation's charter and agreement with the United States Secretary of Agriculture as provided in Public Law Number 499, 81st Congress, enacted May 3, 1950 and as allowed under section 116J.961, subdivision 8 article 1, sections 2 and 7, and article 4, sections 5 and 6.~~ Not more than three percent of the book value of the Minnesota rural rehabilitation corporation's assets may be used for administrative purposes in a year without approval of the United States Secretary of Agriculture. *The commissioner may create separate accounts within the fund for use in accordance with the fund's purposes.*

Sec. 6. Minnesota Statutes 1986, section 462.384, subdivision 7, is amended to read:

Subd. 7. ~~"Director"~~ "Commissioner" means the ~~director commissioner of state planning agency exercising the authority conferred by sections 116K.01 to 116K.13~~ energy and economic development.

Sec. 7. Minnesota Statutes 1986, section 462.385, subdivision 1, is amended to read:

Subdivision 1. Development regions for the state shall be those regions so designated by the governor by executive order. The order shall provide for public hearings within each proposed region after which any county may request assignment to a region other than that proposed by the order. If a request for reassignment is unacceptable to the ~~director commissioner~~, the county shall remain in the originally designated region until the next session of the legislature for its review and final assignment.

Sec. 8. Minnesota Statutes 1986, section 462.385, subdivision 3, is amended to read:

Subd. 3. The ~~director commissioner~~ shall conduct continuous studies and analysis of the boundaries of regions and shall make recommendations for their modification where necessary. Modification may be initiated by a county, a commission, or by the ~~director commissioner~~ and will be accomplished in accordance with this section as in the case of initial designation.

Sec. 9. Minnesota Statutes 1986, section 462.386, subdivision 1, is amended to read:

Subdivision 1. All coordination, planning, and development regions assisted or created by the state of Minnesota or pursuant to federal legislation shall conform to the regions designated by the executive order except where, after review and approval by the ~~director commissioner~~, nonconformance is clearly justified. The ~~director commissioner~~ shall develop working agreements with state and federal departments and agencies to insure conformance with this subdivision.

Sec. 10. Minnesota Statutes 1986, section 462.387, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Any combination of counties or municipalities representing a majority of the population of the region for which a commission is proposed may petition the ~~director commissioner~~ by formal resolution setting forth its desire to establish, and the need for, the estab-

lishment of a regional development commission. For purposes of this section the population of a county does not include the population of a municipality within the county.

Sec. 11. Minnesota Statutes 1986, section 462.387, subdivision 3, is amended to read:

Subd. 3. [ESTABLISHMENT.] Upon receipt of a petition as provided in subdivision 1 a regional development commission shall be established by the ~~director~~ *commissioner* and the notification of all local government units within the region for which the commission is proposed. The notification shall be made within 60 days of the director's receipt of a petition under subdivision 1.

Sec. 12. Minnesota Statutes 1986, section 462.387, subdivision 4, is amended to read:

Subd. 4. [SELECTION OF MEMBERSHIP.] The ~~director~~ *commissioner* shall call together each of the membership classifications except citizen groups, defined in section 462.388, within 60 days of the establishment of a regional development commission for the purpose of selecting the commission membership.

Sec. 13. Minnesota Statutes 1986, section 462.39, subdivision 2, is amended to read:

Subd. 2. [FEDERAL PROGRAMS.] The commission is the authorized agency to receive state and federal grants for regional purposes from the following programs:

(1) Section 403 of the Public Works and Economic Development Act of 1965 (economic development districts);

(2) Section 701 of the Housing Act of 1954, as amended (multicounty comprehensive planning);

(3) Omnibus Crime Control Act of 1968;

and for the following to the extent feasible as determined by the governor:

(a) Economic Opportunity Act of 1964;

(b) Comprehensive Health Planning Act of 1965;

(c) Federal regional manpower planning programs;

(d) Resource, conservation, and development districts; or

(e) Any state and federal programs providing funds for multicounty planning, coordination, and development purposes. The ~~director~~ *commissioner* shall, where consistent with state and federal statutes and regulations, review applications for all state and federal regional planning and development grants to a commission.

Sec. 14. Minnesota Statutes 1986, section 462.39, subdivision 3, is amended to read:

Subd. 3. [PLANNING.] The commission shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development plan for the region. The plan shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for an orderly and economic development, public and private, of the region. The comprehensive development plan shall recognize

and encompass physical, social, or economic needs of the region, and those future developments which will have an impact on the entire region including but not limited to such matters as land use, parks and open space land needs, access to direct sunlight for solar energy systems, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, public and private, housing, and other public buildings. In preparing the development plan the commission shall use to the maximum extent feasible the resources studies and data available from other planning agencies within the region, including counties, municipalities, special districts, and subregional planning agencies, and it shall utilize the resources of the ~~director~~ commissioner to the same purpose. No development plan or portion thereof for the region shall be adopted by the commission until it has been submitted to the ~~director~~ commissioner for review and comment and a period of 60 days has elapsed after such submission. When a development plan has been adopted, the commission shall distribute it to all local government units within the region.

Sec. 15. Minnesota Statutes 1986, section 462.391, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF INDEPENDENT AGENCIES.] The commission shall review all long term comprehensive plans of each independent commission, board, or agency prepared for its operation and development within the region but only if the plan is determined by the commission to have a regional effect, a multicommunity effect, or to have a substantial effect on regional development. Each plan shall be submitted to the commission before any action is taken to place the plan or any part thereof, into effect. No action shall be taken to place any plan or any part thereof into effect until 60 days have elapsed after the date of its submission to the commission or until the commission finds and notifies the submitting commission, board, or agency that the plan is consistent with its development plan for the region and the orderly and economic development of the region, whichever first occurs. If, within 60 days after the date of submission, the commission finds that a plan, or any part thereof, is inconsistent with its comprehensive plan for the region or detrimental to the orderly and economic development of the region, or any part thereof, the plan shall be indefinitely suspended. An affected independent commission, board, or agency may appeal the decision of the commission suspending a plan, or part thereof, to the commission, and if the commission and the affected independent commission, board, or agency are unable to agree as to an adjustment of the plan, so that it may receive the commission's approval, then a record of the disagreeing positions shall be made and presented for consideration and disposition by the ~~director~~ commissioner.

Sec. 16. Minnesota Statutes 1986, section 462.391, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF FEDERAL AND STATE AID PROGRAMS.] The commission shall review all applications of governmental units, independent commissions, boards, or agencies operating in the region for a loan or grant from the United States of America or any agency, including state agencies and colleges or universities, for public facilities, studies, or any other purpose if the application clearly is related to the region, whether or not the review is required by the federal government. The review shall advise the granting authority as to relationship of the application to the comprehensive plans and priorities of the region as established by the region. All review actions together with copies of applications shall be

submitted on a regular basis for informational purposes to the ~~director~~ *commissioner*. The requirements of this subdivision do not apply to applications of governmental units or other political subdivisions which have been reviewed by a subregion or subdistrict which has been designated by the United States government as an authorized areawide review agency under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. All review actions, together with copies of applications, shall be submitted by the subregion on a regular basis to the commission for informational purposes.

Sec. 17. Minnesota Statutes 1986, section 462.391, subdivision 4, is amended to read:

Subd. 4. [REVIEW PROCEDURES.] The commission shall develop, in consultation with the ~~director~~ *commissioner*, formal procedures for the review of plans, applications, and other matters required to be submitted to it by sections 462.381 to 462.398. The procedures shall be embodied in a formal resolution adopted after public hearing. After adoption the resolution shall be transmitted to each governmental unit and independent agency, board, or commission within the region.

Sec. 18. Minnesota Statutes 1986, section 462.395, is amended to read:

462.395 [DUTIES OF STATE AGENCIES.]

All state departments and agencies shall cooperate with regional development commissions established under sections 462.381 to 462.398 and shall make available to them studies, reports, data, and other informational and technical assistance within financial and personnel limitations. The ~~director~~ *commissioner* shall coordinate the state's assistance programs to regional planning and development commissions.

Sec. 19. Minnesota Statutes 1986, section 462.396, subdivision 1, is amended to read:

Subdivision 1. The ~~director~~ *commissioner* shall determine the amount of and make grants to any commission created under sections 462.381 to 462.398 from appropriations made available for those purposes, provided a work program is submitted acceptable to the ~~director~~ *commissioner*. Any regional commission may levy a tax on all taxable property in the region to provide money for the purposes of sections 462.381 to 462.398.

Sec. 20. Minnesota Statutes 1986, section 462.398, is amended to read:

462.398 [TERMINATION OF COMMISSION.]

Subdivision 1. Any combination of counties or municipalities representing a majority of the population of the region for which a commission exists may petition the ~~director~~ *commissioner* by formal resolution stating that the existence of the commission is no longer in the public welfare and interest and is not needed to accomplish the purposes of the regional development act of 1969. For purposes of this section the population of a county does not include the population of a municipality within the county. Any formal resolution adopted by the governing body of a county or municipality for the termination of a commission shall be effective for a period of one year for the purpose of determining the requisite population of the region needed to petition the ~~director~~ *commissioner*.

Subd. 2. Within 35 days of the receipt of the petition, the ~~director~~ *commissioner* shall fix a time and place within the region for a hearing. The

~~director~~ commissioner shall give notice of the hearing by publication once each week for two successive weeks before the date of the hearing in a legal newspaper in each of the counties which the commission represents. The hearing shall be conducted by members of the commission. If the commission determines that the existence of the commission is no longer in the public welfare and interest and that it is not needed to accomplish the purposes of the regional development act of 1969, the commission shall recommend to the ~~director~~ commissioner that the ~~director~~ commissioner terminate the commission. Within 60 days after receipt of the recommendation, the ~~director~~ commissioner shall terminate the commission by giving notice of the termination to all government units within the region for which the commission was established. Unless otherwise provided by this subdivision, the hearing shall be in accordance with sections 14.01 to 14.70.

Subd. 3. The ~~director~~ commissioner shall not accept a petition for termination more than once in 30 months for each regional development commission.

Sec. 21. [APPROPRIATION.]

Subdivision 1. [MINERALS PROGRAMS.] §_____ is appropriated from the general fund to the commissioner of natural resources for acceleration of geological mapping of the state, acceleration of the evaluation of the state's mineral potential and other natural resources, and provide analytical support for the minerals industry according to the mineral diversification plan or a minerals industry acceleration plan developed by the minerals coordinating committee.

Subd. 2. [COUNTY FORESTRY ASSISTANCE PROGRAMS.] §_____ is appropriated from the general fund to the commissioner of natural resources for grants to counties or groups of counties for county forestry assistance programs. The commissioner of natural resources shall make the appropriation available to counties with the amount proportional to the acreage of forested tax-forfeited land managed by the county. As a condition of receiving funds, the commissioner of natural resources must require work plans, semiannual progress reports, and final project reports.

Subd. 3. [FORESTRY MANAGEMENT.] §_____ is appropriated from the general fund to the commissioner of natural resources for implementation of the forestry management plan required in Minnesota Statutes, section 89.011, on land that is not managed for the school trust fund.

Sec. 22. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the words "commissioner of energy and economic development" and "department of energy and economic development" whenever they appear in Minnesota Statutes to "commissioner of community and economic development" and "department of community and economic development" in Minnesota Statutes 1988, and subsequent editions of the statutes.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 6

AGRICULTURAL DEVELOPMENT PROGRAM

Section 1. Minnesota Statutes 1986, section 41A.01, is amended to read:
41A.01 [PURPOSE.]

Sections 41A.01 to ~~41A.06~~ 41A.08 provide a framework for an agricultural ~~resource loan guaranty~~ *development* program, the purposes of which are to further the development of the state's agricultural resources and improve the market for its agricultural products. All credit advanced pursuant to loan guaranty commitments is to be secured by subrogation of the state to mortgage security and other security interests granted to the private lender, in proportion to the amount advanced by the state. A ~~loan guaranty~~ board is established to investigate the feasibility of each project, its conformity to public policy and to environmental standards, the qualifications of the owners, operators, and lenders, and the nature and extent of the security, prior to commitment. The board shall also seek to secure financial participation by private persons not supported by the guaranty, to assure that in these respects each project satisfies and will continue to satisfy criteria which are adequate in the judgment of the board.

Sec. 2. Minnesota Statutes 1986, section 41A.02, subdivision 3, is amended to read:

Subd. 3. [~~AGRICULTURAL RESOURCE LOAN GUARANTY DEVELOPMENT BOARD; BOARD.~~] "Agricultural ~~resource loan guaranty~~ *development* board" or "board" means the commissioner of finance as chair, the commissioner of agriculture, the commissioner of commerce, the commissioner of energy and economic development, and the director of the pollution control agency.

Sec. 3. Minnesota Statutes 1986, section 41A.02, subdivision 4, is amended to read:

Subd. 4. [~~AGRICULTURAL RESOURCE LOAN GUARANTY DEVELOPMENT FUND; GUARANTY DEVELOPMENT FUND.~~] "Agricultural ~~resource loan guaranty~~ *development* fund" or "~~guaranty~~ *development* fund" means the fund created by section 41A.05.

Sec. 4. Minnesota Statutes 1986, section 41A.02, subdivision 6, is amended to read:

Subd. 6. [~~AGRICULTURAL RESOURCE PROJECT; PROJECT.~~] "Agricultural resource project" or "project" means (1) any facility, or portion of a facility, located in the state which is operated or to be operated primarily for the production from agricultural resources of marketable products, (2) *buildings, equipment, and land used for the commercial production of turkeys or turkey products, or (3) a facility or portion of a facility used for the commercial production of fish or of products made from commercially-produced fish. The land in clause (2) is limited to land on which buildings and equipment are situated and immediately surrounding land used for storage, waste disposal, or other functions directly related to the commercial production of turkeys or turkey products at that project site.* A project includes a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Sec. 5. Minnesota Statutes 1986, section 41A.02, subdivision 11, is

amended to read:

Subd. 11. [LENDER.] "Lender" means a corporation or any investment or commercial banking institution, savings and loan institution, insurance company, investment company, or other financial institution or institutional investor making, purchasing, or participating in a loan or any part of a loan, or a public entity authorized to make agricultural loans.

Sec. 6. [41A.021] [SUCCESSOR STATUS.]

The board is the legal successor in all respects of the agricultural resource loan guaranty board established by Laws 1984, chapter 502, article 10, and all bonds, resolutions, contracts, and liabilities of the agricultural resource loan guaranty board are the bonds, resolutions, contracts, and liabilities of the board as renamed and reconstituted by section 41A.02, subdivision 3.

Sec. 7. [41A.022] [POWERS.]

In addition to other powers granted by this chapter, the board may:

- (1) sue and be sued;*
- (2) acquire, hold, lease, and transfer any interest in real and personal property for its corporate purposes;*
- (3) sell at public or private sale any instrument or obligation evidencing a loan;*
- (4) obtain insurance on its property;*
- (5) obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions;*
- (6) enter into other agreements or transactions, without regard to chapter 16B, that the board considers necessary or appropriate to carry out the purposes of this chapter with federal or state agencies, political subdivisions of the state, or other persons, firms, or corporations;*
- (7) establish and collect fees without regard to chapter 14 or section 16A.128;*
- (8) accept appropriations, gifts, grants, and bequests;*
- (9) use money received from any source for any legal purpose; and*
- (10) participate in loans for agricultural resource projects in accordance with section 8.*

Sec. 8. [41A.035] [LOAN PARTICIPATION.]

The board may participate in loans made to finance agricultural resource projects by purchasing from a lender up to 75 percent of the amount of each eligible loan. If the participation loan is in an amount of \$500,000 or less, the loan may be for 100 percent of the cost of the project. If the participation loan exceeds \$500,000, the loan may not exceed 80 percent of the cost of the project. The lender shall service the loan or cause it to be serviced in a manner that equally protects the lender's and the board's interests.

Sec. 9. Minnesota Statutes 1986, section 41A.05, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF FUND.] For the purpose of de-

veloping the state's agricultural resources by extending credit on real estate security, the agricultural resource loan guaranty development fund is established as a special and dedicated fund to be held and invested separately from all other funds of the state. All money appropriated to the fund, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the fund pursuant to law or pursuant to the terms of grants, contributions, or contracts are appropriated and shall remain available for the purposes of the fund until those purposes have been fully accomplished. The board may establish within the guaranty agricultural development fund reserve funds, project accounts, or other restrictions it determines necessary or appropriate to carry out the purposes of this chapter. ~~Except as otherwise provided in this section, the fund may be used only for paying amounts due under loan guaranties and principal and interest assistance contracts entered into by the state, pursuant to the agricultural resource loan guaranty program.~~

Sec. 10. Minnesota Statutes 1986, section 41A.05, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] (a) ~~Subject to section 16A.80, upon application pursuant to section 41A.04,~~ The board by resolution may exercise the powers of a rural development authority under sections 362A.01 to 362A.05 and the powers of a municipality under chapter 474 for the purposes of providing money to pay the costs of financing a project, including the issuance of bonds and the loan application of the bond proceeds pursuant to a lease, loan, loan guaranty, loan participation, or other agreement. The bonds must be issued, sold, and secured on the terms and conditions and in the manner determined by resolution of the board. ~~Sections 16A.80 and 474.23 do~~ does not apply to the bonds. Notwithstanding subdivision 1, a reserve established for the bonds provided by the borrower, including out of bond proceeds, may be deposited and held in a separate account in the guaranty agricultural development fund and applied to the last installments of principal or interest on the bonds, subject to the reserves being withdrawn for any purpose permitted by subdivision 1. The board may by resolution or indenture pledge any or all amounts in the guaranty fund, including any reserves and investment income on amounts in the fund, to secure the payment of principal and interest on any or all series of bonds, upon the terms and conditions as provided in the resolution or indenture. To the extent the board deems necessary or desirable to prevent interest on bonds from becoming subject to federal income taxation, (1) the amounts in the guaranty fund shall be invested in obligations or securities with restricted yields and (2) the investment income on the amounts are released from the pledge securing the bonds or loan guaranty and appropriately applied to prevent taxation.

(b) Bonds issued pursuant to this chapter are not general obligations of the state or the board. The full faith and credit and taxing powers of the state and the board are not and may not be pledged for the payment of the bonds. No person may compel the levy of a tax for the payment or compel the appropriation of money of the state or the board for the payment of the bonds, except as specifically provided in this chapter.

(c) The issuance of bonds pursuant to this subdivision is subject to sections ~~474.18 to 474.25~~ 474A.11 and 474A.13. For purposes of sections ~~474.16 474A.01 to 474.20~~ 474A.21, the board is a local issuer and may apply for allocations of authority to issue private activity obligations and may enter into an agreement for the issuance of obligations by another

issuer.

Sec. 11. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the phrase "agricultural resource loan guaranty board" wherever it appears in Minnesota Statutes to "agricultural development board" in the next and subsequent editions of the statutes.

Sec. 12. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the phrase "agricultural resource loan guaranty fund" wherever it appears in Minnesota Statutes to "agricultural development fund" in the next and subsequent editions of the statutes.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, section 41A.06, subdivision 2, is repealed."

Amend the title as follows:

Page 1, line 20, delete the second "and" and insert a comma and after "5" insert ", 9, and 10, and by adding subdivisions; 116.18, subdivision 3a"

Page 1, line 27, delete "84" and insert "93"

Page 1, lines 31 and 32, delete "116.18, subdivision 3a;"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 130 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		130		193	

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 23 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
23	86				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 23 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 23 and insert the language after the enacting clause of S.F. No. 86, the first engrossment; further, delete the title of H.F. No. 23 and insert the title of S.F. No. 86, the first engrossment.

And when so amended H.F. No. 23 will be identical to S.F. No. 86, and further recommends that H.F. No. 23 be given its second reading and substituted for S.F. No. 86, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 27 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
27		272			

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 470, 480, 291, 49, 128, 406, 377, 529, 457, 482 and 673 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 130, 23 and 27 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Peterson, R.W. moved that the name of Mr. Morse be added as a co-author to S.F. No. 166. The motion prevailed.

Mr. Freeman moved that the names of Messrs. Purfeerst and Anderson be added as co-authors to S.F. No. 203. The motion prevailed.

Ms. Berglin moved that her name be stricken as a co-author to S.F. No. 437. The motion prevailed.

Ms. Piper moved that the name of Mr. Solon be added as a co-author to S.F. No. 673. The motion prevailed.

Ms. Berglin moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 681. The motion prevailed.

Mr. Merriam moved that the names of Messrs. Pehler and Wegscheid be

added as co-authors to S.F. No. 708. The motion prevailed.

Mr. Cohen moved that the name of Mr. Freeman be added as a co-author to S.F. No. 720. The motion prevailed.

Mr. Lessard moved that the names of Messrs. Solon; Johnson, D.J.; Purfeerst and Wegscheid be added as co-authors to S.F. No. 727. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 729. The motion prevailed.

Mr. Davis moved that the name of Mr. Morse be added as a co-author to S.F. No. 755. The motion prevailed.

Mr. Marty moved that the name of Ms. Piper be added as a co-author to S.F. No. 780. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 786. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 789. The motion prevailed.

Mr. Dahl moved that the names of Messrs. Freeman, Willet, Solon and Moe, R.D. be added as co-authors to S.F. No. 793. The motion prevailed.

Mr. Berg moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 801. The motion prevailed.

Mr. Freeman moved that the name of Mr. Luther be added as a co-author to S.F. No. 803. The motion prevailed.

Mr. Bertram moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 804. The motion prevailed.

Mr. Brandl moved that S.F. No. 744 be withdrawn from the Committee on Taxes and Tax Laws and returned to its author. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Brandl be added as a co-author to S.F. No. 525. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Brandl be added as a co-author to S.F. No. 526. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1: A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 3, subdivision 5.

Mr. Benson moved to amend H.F. No. 1, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Laws 1986, chapter 398, article 23, section 1, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer who applies to a lender for a farm operating loan ~~between the dates January 1, 1986, and December 30, 1986,~~ and who meets all qualifications established in section 2 and any further qualifications that may be established in the program year guidelines adopted by the commissioner under section 4, subdivision 1. *Controlling dates for the definition of "eligible borrower" during each interest buy-down program year include the following:*

<i>For Program Year</i>	<i>Earliest Loan Application Date</i>	<i>Latest Loan Application Date</i>	<i>Latest Maturity Date</i>
1985	March 5, 1985	December 31, 1985	March 1, 1986
1986	January 1, 1986	December 31, 1986	June 30, 1987
1987	January 1, 1987	December 31, 1987	June 30, 1988

Sec. 2. Laws 1986, chapter 398, article 23, section 1, subdivision 6, is amended to read:

Subd. 6. [FARM OPERATING LOAN.] "Farm operating loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm operating loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm operating loan eligible for interest rate buy-down must ~~have a meet application and maturity date of June 30, 1987, or earlier dates specified in subdivision 5.~~

Sec. 3. Laws 1986, chapter 398, article 23, section 1, is amended by adding a subdivision to read:

Subd. 11. [PROGRAM YEAR.] "Program year" means the calendar year or other time period as specified in subdivision 5 within which a farmer may make application to a lender for a farm operating loan eligible for interest buy-down.

Sec. 4. Laws 1986, chapter 398, article 23, section 4, subdivision 5, is amended to read:

Subd. 5. [REVIEW OF APPLICATIONS FOR BUY-DOWN PAYMENT.] The commissioner must review within five working days of submission by a participating lender a properly completed application for interest rate buy-down payments on a farm operating loan made to a farmer. ~~If a qualified lender does not receive written notice that the commissioner has denied interest rate buy-down payments within seven working days, the farmer is an eligible borrower and interest rate buy-down payments on the farm operating loan are approved by the commissioner.~~ *All applications received by the commissioner after appropriated interest rate buy-down program funds have been encumbered must be returned immediately to the lender with an explanation that interest buy-down payments are denied due to prior commitment of available program funds.*

Sec. 5. [LIFETIME LIMIT ON INTEREST BUY-DOWN PAYMENTS.]

The commissioner shall not make farm operating loan interest buy-down payments on behalf of an eligible borrower that total more than \$12,500 for program years 1985, 1986, 1987, and any future program years. In any program year in which an eligible borrower would exceed the lifetime limit on interest buy-down payments, the commissioner shall make buy-

down payments only to the limit regardless of interest rates specified in the program year guidelines.

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [INTEREST RATE BUY-DOWN.] Notwithstanding any law to the contrary, the following amounts are appropriated from the general fund for fiscal year 1987 to the commissioner of commerce for purposes of the interest rate buy-down program established in Laws 1986, chapter 398, article 23:

- (1) *for deficits incurred during program year 1986* \$14,000,000
Any portion of this amount that remains unexpended on August 1, 1987, is added to the amount appropriated for interest buy-down payments in program year 1987
- (2) *for interest buy-down payments in program year 1987* \$20,000,000
- (3) *for costs of administering the interest buy-down program in program year 1987* \$ 60,000

These amounts shall not cancel but remain available until expended.

Sec. 7. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 4, subdivision 5."

CALL OF THE SENATE

Mr. Davis imposed a call of the Senate for the balance of the proceedings on H.F. No. 1. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the Benson amendment.

The roll was called, and there were yeas 17 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson, D.R.	Knutson	Mehrkens	Vickerman
Belanger	Gustafson	Laidig	Olson	
Benson	Johnson, D.E.	Larson	Renneke	
Bernhagen	Knaak	McQuaid	Taylor	

Those who voted in the negative were:

Adkins	Chmielewski	Dicklich	Hughes	Lantry
Beckman	Cohen	Diessner	Johnson, D.J.	Lessard
Berglin	Dahl	Frank	Jude	Marty
Bertram	Davis	Frederickson, D.J.	Kroening	Merriam
Brandl	DeCramer	Freeman	Langseth	Metzen

Moe, D.M.	Pehler	Pogemiller	Spear	Willet
Moe, R.D.	Peterson, D.C.	Reichgott	Stumpf	
Morse	Peterson, R.W.	Samuelson	Waldorf	
Novak	Piper	Schmitz		

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

H.F. No. 1 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Metzen	Reichgott
Anderson	Davis	Johnson, D.J.	Moe, D.M.	Samuelson
Beckman	DeCramer	Jude	Moe, R.D.	Schmitz
Belanger	Dicklich	Knaak	Morse	Solon
Benson	Diessner	Kroening	Novak	Spear
Berglin	Frank	Laidig	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lantry	Peterson, R.W.	Vickerman
Brandl	Freeman	Lessard	Piper	Willet
Chmielewski	Gustafson	Marty	Pogemiller	
Cohen	Hughes	Merriam	Ramstad	

Those who voted in the negative were:

Knutson	McQuaid	Olson	Renneke	Waldorf
Larson	Mehrkens			

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

S.F. No. 89: A bill for an act relating to agriculture; clarifying and amending the farmer-lender mediation act; amending Minnesota Statutes 1986, sections 336.9-501; 550.365; 559.209; 581.015; 583.22, subdivisions 2 and 8, and by adding a subdivision; 583.24, subdivisions 1, 3, and by adding a subdivision; 583.26, subdivisions 1, 2, 3, 4, 5, 6, 8, 9, and by adding a subdivision; 583.27, subdivisions 1, 3, and 4; 583.28; and 583.285; proposing coding for new law in Minnesota Statutes, chapter 583.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Luther	Pehler
Anderson	DeCramer	Jude	Marty	Peterson, D.C.
Belanger	Dicklich	Knaak	McQuaid	Peterson, R.W.
Benson	Diessner	Knutson	Mehrkens	Piper
Berglin	Frank	Kroening	Merriam	Pogemiller
Bernhagen	Frederickson, D.R.	Laidig	Metzen	Ramstad
Bertram	Freeman	Langseth	Moe, D.M.	Reichgott
Brandl	Gustafson	Lantry	Moe, R.D.	Renneke
Chmielewski	Hughes	Larson	Novak	Samuelson
Cohen	Johnson, D.E.	Lessard	Olson	Schmitz

Solon	Stumpf	Taylor	Waldorf	Willet
Spear				

Those who voted in the negative were:

Beckman	Davis	Frederickson, D.J.	Morse	Vickerman
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So the bill passed and its title was agreed to.

H.F. No. 92: A bill for an act relating to taxation; providing for expenditure of proceeds of the taconite production tax; amending Minnesota Statutes 1986, sections 298.292; 298.293; 298.294; and 298.296, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 298; repealing Laws 1986, chapter 441, section 14.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 36 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Langseth	Novak	Solon
Beckman	Diessner	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Lessard	Peterson, D.C.	Vickerman
Bertram	Freeman	Luther	Piper	Willet
Chmielewski	Gustafson	Marty	Pogemiller	
Cohen	Hughes	Metzen	Reichgott	
Dahl	Johnson, D.E.	Moe, R.D.	Samuelson	
Davis	Johnson, D.J.	Morse	Schmitz	

Those who voted in the negative were:

Anderson	Frank	Laidig	Moe, D.M.	Spear
Belanger	Frederickson, D.R.	Larson	Olson	Taylor
Benson	Jude	McQuaid	Peterson, R.W.	Waldorf
Bernhagen	Knaak	Mehrkens	Ramstad	
Brandl	Knutson	Merriam	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

S.F. No. 279: A bill for an act relating to the city of Brook Park; raising the city debt limit.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Moe, D.M.	Renneke
Anderson	Diessner	Knutson	Moe, R.D.	Samuelson
Beckman	Frank	Kroening	Novak	Schmitz
Belanger	Frederickson, D.J.	Langseth	Olson	Solon
Benson	Frederickson, D.R.	Lantry	Pehler	Spear
Bernhagen	Freeman	Lessard	Peterson, D.C.	Stumpf
Bertram	Gustafson	Luther	Peterson, R.W.	Taylor
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 296: A bill for an act relating to eminent domain; regulating relocation benefits for displaced persons; amending Minnesota Statutes 1986, section 117.52, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Renneke
Anderson	Dicklich	Knutson	Moe, D.M.	Samuelson
Beckman	Frank	Kroening	Novak	Schmitz
Belanger	Frederickson, D.J.	Langseth	Olson	Solon
Benson	Frederickson, D.R.	Lantry	Pehler	Spear
Berglin	Freeman	Lessard	Peterson, D.C.	Stumpf
Bernhagen	Gustafson	Luther	Peterson, R.W.	Taylor
Bertram	Hughes	Marty	Piper	Vickerman
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Ramstad	Willet
Dahl	Jude	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 191: A bill for an act relating to the city of St. Stephen; authorizing the issuance of bonds for the construction of a city civic building.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Laidig	Morse	Schmitz
Anderson	Frederickson, D.J.	Langseth	Novak	Solon
Beckman	Frederickson, D.R.	Lantry	Olson	Spear
Belanger	Freeman	Lessard	Pehler	Stumpf
Benson	Gustafson	Luther	Peterson, D.C.	Taylor
Berglin	Hughes	Marty	Peterson, R.W.	Vickerman
Bertram	Johnson, D.E.	McQuaid	Piper	Waldorf
Chmielewski	Johnson, D.J.	Mehrkens	Pogemiller	Willet
Cohen	Jude	Merriam	Ramstad	
Dahl	Knaak	Metzen	Reichgott	
Davis	Knutson	Moe, D.M.	Renneke	
Diessner	Kroening	Moe, R.D.	Samuelson	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Marty moved that S.F. No. 377, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Davis introduced—

S.F. No. 806: A bill for an act relating to public finance; changing the rural finance administration's qualified agricultural loan program and name; clarifying the duties and powers of the administration; amending Minnesota Statutes 1986, sections 41B.01; 41B.02; 41B.03; 41B.035; 41B.04, subdivisions 1, 7, 8, 9, 10, 11, and 12; 41B.19, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1986, sections 41B.04, subdivisions 6, 13, 14, 15, and 16; and 41B.05.

Referred to the Committee on Agriculture.

Messrs. Stumpf and Merriam introduced—

S.F. No. 807: A bill for an act relating to agriculture; changing certain bonding provisions of grain storage laws; authorizing a hearing and rule-making; amending Minnesota Statutes 1986, sections 232.21, subdivision 11; 232.22, subdivisions 4 and 6; 236.01, by adding a subdivision; and 236.02; proposing coding for new law in Minnesota Statutes, chapter 223.

Referred to the Committee on Agriculture.

Mr. Stumpf introduced—

S.F. No. 808: A bill for an act relating to natural resources; revising the boundary of Lost River State Forest; amending Minnesota Statutes 1986, section 89.021, subdivision 59.

Referred to the Committee on Environment and Natural Resources.

Messrs. Wegscheid; Vickerman; Frederickson, D.R. and Knutson introduced—

S.F. No. 809: A bill for an act relating to human services; allowing certain exceptions to the moratorium on nursing home beds; allowing upgrading of certified boarding care beds to skilled nursing beds; requiring the development of criteria to determine the need for additional nursing home beds; allowing nursing homes to reduce the number of beds in each room; providing for relocation procedures for a nursing home terminated from participation in the medical assistance program; amending Minnesota Statutes 1986, section 144A.071, subdivisions 2, 3, 4, and by adding a subdivision; and 256B.48, subdivision 1a.

Referred to the Committee on Health and Human Services.

Mrs. Lantry, Mr. Spear and Ms. Berglin introduced—

S.F. No. 810: A bill for an act relating to human services; requiring court-ordered group health insurance benefits be paid to providers; requiring all parties to sign workers' compensation settlement agreements; requiring notification to commissioner regarding workers' compensation payments; establishing a public assistance lien; establishing third party payer liability; requiring reporting of group insurance coverage; providing for reimbursement of benefits from programs with federal participation; amending Minnesota Statutes 1986, sections 62A.046; 176.191, subdivision 4; 176.521, subdivisions 1, 3, and by adding a subdivision; 256B.02, by adding a subdivision; 256B.042, subdivisions 2, 3, and by adding subdivisions; 256B.37, subdivisions 1, 2, and by adding subdivisions; 256D.03, by adding a subdivision; 268.121; 473.405, subdivision 13; and 514.69; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 811: A bill for an act relating to taxation; providing that railroad retirement benefits are exempt from taxation; amending Minnesota Statutes 1986, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Johnson, D.J.; Willet; Berg; Bernhagen and Lessard introduced—

S.F. No. 812: A bill for an act relating to game and fish; authorizing contributions for game and fish improvement; amending Minnesota Statutes 1986, section 97A.481; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Knutson, Knaak, Ramstad, Storm and Taylor introduced—

S.F. No. 813: A bill for an act relating to health; requiring training for certain employees exposed to infectious agents; amending Minnesota Statutes 1986, section 144.802, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Pehler and Taylor introduced—

S.F. No. 814: A bill for an act relating to human services; providing that nursing home reimbursement rates for cities of the second class shall equal the rate for the metropolitan area; amending Minnesota Statutes 1986, section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

Messrs. Pehler, Laidig, Samuelson and Bertram introduced—

S.F. No. 815: A bill for an act relating to retirement; directing a transfer of contributions and service credit for certain special teachers at adult correctional facilities.

Referred to the Committee on Governmental Operations.

Messrs. Gustafson and Johnson, D.J. introduced—

S.F. No. 816: A bill for an act relating to retirement; Clifton independent nonprofit firefighting corporation; Duluth township; providing for the transfer of assets and service credit upon the dissolution of the Clifton volunteer firefighters relief association.

Referred to the Committee on Governmental Operations.

Mrs. Lantry, Messrs. Taylor, Spear, Mses. Berglin and Piper introduced—

S.F. No. 817: A bill for an act relating to human services; providing a grant program for on-site employer child care services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Dahl introduced—

S.F. No. 818: A bill for an act relating to environment; providing criminal penalties for violation of laws and rules relating to hazardous waste; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, sections 115.071, subdivision 2; 115B.20, subdivisions 2, 3, and 4; and 609.531; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b.

Referred to the Committee on Environment and Natural Resources.

Messrs. Hughes; DeCramer; Johnson, D.E.; Dahl and Dicklich introduced—

S.F. No. 819: A bill for an act relating to education; authorizing a study of a state savings incentive program to provide money for post-secondary education; appropriating money.

Referred to the Committee on Education.

Mr. Pogemiller introduced—

S.F. No. 820: A bill for an act relating to the department of administration; amending, creating, and deleting various duties of the commissioner of administration; creating the productivity loan fund; providing definitions; amending Minnesota Statutes 1986, sections 4.31, subdivisions 1 and 5; 14.04; 16B.08, subdivisions 3 and 7; 16B.09, subdivision 1; 16B.24, subdivision 6; 16B.29; 16B.51, subdivision 3; 138.17, subdivision 7; and 139.19; amending Laws 1979, chapter 333, section 18; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, section 138.22.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller and Ms. Reichgott introduced—

S.F. No. 821: A bill for an act relating to public finance; authorizing compliance with federal tax laws to secure tax exemption for certain bonds and other obligations; authorizing the issuance of taxable bonds and other obligations; appropriating money; amending Minnesota Statutes 1986, sec-

tion 16A.641, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller; Frederickson, D.J.; Freeman; Taylor and Morse introduced—

S.F. No. 822: A bill for an act relating to human services; providing that interest earned by the revolving fund for vocational rehabilitation of the blind be credited to the fund by the state treasurer; amending Minnesota Statutes 1986, section 248.07, subdivision 8.

Referred to the Committee on Governmental Operations.

Messrs. Solon and Gustafson introduced—

S.F. No. 823: A bill for an act relating to the city of Duluth; authorizing the acquisition of banks for operation as detached banking facilities in the city of Duluth and adjacent municipalities.

Referred to the Committee on Commerce.

Messrs. Pehler, Wegscheid, Mrs. Adkins and Mr. Taylor introduced—

S.F. No. 824: A bill for an act relating to retirement; public employees retirement association; permitting the purchase of prior service credits by certain employees; amending Minnesota Statutes 1986, section 353.36, subdivision 2b, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Pehler, Ms. Berglin, Mrs. Adkins, Messrs. Vickerman and Taylor introduced—

S.F. No. 825: A bill for an act relating to human services; removing the sunset on certain day care exclusions; repealing Laws 1986, chapter 395, section 17.

Referred to the Committee on Health and Human Services.

Messrs. Novak, Dahl, Marty and Freeman introduced—

S.F. No. 826: A bill for an act relating to health; requiring mosquito research and management activities to be ecologically nondisruptive; amending Minnesota Statutes 1986, section 144.95, subdivisions 1, 2, 3, 7, 9, and 10.

Referred to the Committee on Health and Human Services.

Messrs. Stumpf and Moe, R.D. introduced—

S.F. No. 827: A bill for an act relating to public improvements; appropriating money for a Red Lake tribal archives, library, and interpretive center.

Referred to the Committee on Education.

Mses. Reichgott, Berglin, Piper, Messrs. Wegscheid and Knutson introduced—

S.F. No. 828: A bill for an act relating to human services; requiring certain written reports of abuse within 72 hours; requiring county attorneys to be on child protection teams; requiring specific investigations of certain abuse cases; amending Minnesota Statutes 1986, sections 626.556, subdivisions 7, 10, and 10a; and 626.558, subdivision 1.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Dahl, DeCramer and Johnson, D.E. introduced—

S.F. No. 829: A bill for an act relating to education; requiring the higher education coordinating board to provide education and training information; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Education.

Messrs. Pehler, Luther and Spear introduced—

S.F. No. 830: A bill for an act relating to commerce; franchises; regulating nonrenewals; requiring prior notice of nonrenewal; amending Minnesota Statutes 1986, section 80C.14.

Referred to the Committee on Commerce.

Mr. Pehler introduced—

S.F. No. 831: A bill for an act relating to education; requiring districts to cooperatively offer academic programs after cooperatively offering sports programs; proposing coding for new law in Minnesota Statutes, chapter 122.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 832: A bill for an act relating to agriculture; clarifying certain appropriations; prohibiting importation of certain bees; changing certain milk inspection fees and requirements; changing time for sale of certain state-owned property; eliminating certain requirements for grain buyers licenses; amending Minnesota Statutes 1986, sections 17B.15, subdivision 1; 19.58, subdivision 1; 32.394, subdivisions 8, 8b, and 9; 41.56, subdivision 4; and 223.17, subdivision 1.

Referred to the Committee on Agriculture.

Mr. Solon introduced—

S.F. No. 833: A bill for an act relating to insurance; regulating trade practices; authorizing the payment of differing amounts of reimbursement to insured under individual policies; amending Minnesota Statutes 1986, section 72A.20, subdivision 15.

Referred to the Committee on Commerce.

Mr. Wegscheid introduced—

S.F. No. 834: A bill for an act relating to human services; establishing the office of assistant commissioner of mental health; establishing a state advisory council on mental health; creating a mental health division in the department of human services; amending Minnesota Statutes 1986, section 245.69; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Messrs. Kroening, Frederickson, D.R.; Solon; Willet and Freeman introduced—

S.F. No. 835: A bill for an act relating to public employees; creating a statewide public employees insurance plan; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations.

Messrs. Pehler, Morse and Taylor introduced—

S.F. No. 836: A bill for an act relating to education; changing funding and construction of new facilities on state university campuses; giving the state university board greater flexibility to purchase and trade land; allowing the board to keep litigation proceeds; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Governmental Operations.

Messrs. DeCramer, Pehler, Morse and Taylor introduced—

S.F. No. 837: A bill for an act relating to education; allowing direct procurement of science and technology supplies and equipment by the state university board; amending Minnesota Statutes 1986, section 136.24, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Bertram, Moe, D.M. and Wegscheid introduced—

S.F. No. 838: A bill for an act relating to retirement; establishing a voluntary retirement plan for certain qualified employees of public and private ambulance services; proposing coding for new law as Minnesota Statutes, chapter 353A.

Referred to the Committee on Governmental Operations.

Messrs. Pehler, Stumpf, Samuelson, Langseth and Larson introduced—

S.F. No. 839: A bill for an act relating to education; adjusting funding for post-secondary enrollment changes of more than three percent one year rather than two years after the change; amending Minnesota Statutes 1986, section 135A.03, subdivisions 2, 3, and by adding a subdivision.

Referred to the Committee on Education.

Messrs. DeCramer; Bertram; Bernhagen; Johnson, D.E. and Moe, R.D. introduced—

S.F. No. 840: A bill for an act relating to human services; allowing certain facilities to choose higher payment limits; requiring a study of geographic groups; amending Minnesota Statutes 1986, section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

Messrs. Novak; Willet; Peterson, R.W.; Benson and Lessard introduced—

S.F. No. 841: A bill for an act relating to natural resources; conservation reserve program; definitions, eligibility for inclusion, applications, agreements, payments, and other terms and conditions; appropriating funds; amending Minnesota Statutes 1986, sections 40.41; 40.42, subdivision 5, and by adding a subdivision; 40.43, subdivisions 2, 5, 6, and 7; 40.44, subdivisions 2 and 3; 40.45; 84.943, subdivision 1; 84.944, subdivision 1; 84.95, by adding a subdivision; 105.391, subdivision 3; and 105.392, subdivisions 1, 2, 3, 4, 5, and 6.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin, Messrs. Moe, R.D.; Wegscheid; Cohen and Willet introduced—

S.F. No. 842: A bill for an act relating to Indian child welfare; establishing direct grants to tribal governments, Indian social service organizations, and local social service agencies to fund Indian child welfare programs; establishing an Indian child welfare advisory council; amending Minnesota Statutes 1986, sections 257.35; and 257.351, subdivision 15, and by adding subdivisions; 257.354, subdivision 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 257; repealing Minnesota Statutes 1986, section 245.76.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich and Solon introduced—

S.F. No. 843: A bill for an act relating to human services; allowing local agencies to make additional payments to certain assistance recipients; amending Minnesota Statutes 1986, section 256D.03, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Lessard; Frederickson, D.J.; Vickerman; Renneke and Mehrkens introduced—

S.F. No. 844: A bill for an act relating to local government; providing notice conditions for town road contracts; amending Minnesota Statutes 1986, section 160.17, subdivision 2.

Referred to the Committee on Local and Urban Government.

Messrs. Stumpf, Berg, Langseth, Renneke and Vickerman introduced—

S.F. No. 845: A bill for an act relating to agriculture; establishing a windbreak management program; exempting certain windbreaks from property taxes; providing a state-paid windbreak credit; appropriating money; amending Minnesota Statutes 1986, section 272.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 40 and 273.

Referred to the Committee on Agriculture.

Mr. Jude introduced—

S.F. No. 846: A bill for an act relating to drivers' licenses; increasing age from 19 to 21 for provisional driver's license; imposing fees; amending Minnesota Statutes 1986, sections 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivision 1; and 171.27.

Referred to the Committee on Transportation.

Mr. Peterson, R.W. introduced—

S.F. No. 847: A bill for an act relating to real property; requiring certain instruments filed with the county recorder to include a legal description; proposing coding for new law in Minnesota Statutes, chapters 507 and 514.

Referred to the Committee on Judiciary.

Mr. Benson introduced—

S.F. No. 848: A bill for an act relating to education; authorizing a fund transfer in the Wykoff school district.

Referred to the Committee on Education.

Mr. Diessner introduced—

S.F. No. 849: A bill for an act relating to insurance; automobile; regulating the classification of risks of certain cities; amending Minnesota Statutes 1986, section 70A.05.

Referred to the Committee on Local and Urban Government.

Mr. Davis introduced—

S.F. No. 850: A bill for an act relating to taxation; allocating the proceeds of forfeited tax sales; providing for reimbursement of certain tax increment expenses; amending Minnesota Statutes 1986, sections 273.75, subdivision 1; and 282.08.

Referred to the Committee on Economic Development and Housing.

Messrs. Davis, DeCramer and Peterson, R.W. introduced—

S.F. No. 851: A bill for an act relating to real property; changing certain restrictions on corporate ownership of agricultural land; amending Minnesota Statutes 1986, section 500.24, subdivision 3.

Referred to the Committee on Agriculture.

Messrs. Metzen; Johnson, D.J.; Schmitz; Stumpf and Laidig introduced—

S.F. No. 852: A bill for an act relating to taxes; exempting from gasoline excise tax propane fuel for vehicles operating under permit; amending Minnesota Statutes 1986, sections 296.01, subdivision 25; 296.02, subdivision 1a; 296.025, subdivision 1a; 296.026; and 296.028.

Referred to the Committee on Taxes and Tax Laws.

Mr. Cohen introduced—

S.F. No. 853: A bill for an act relating to public safety; establishing the "McGruff" symbol as the sign for a safe house for children; creating a safe house program; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Cohen, Bernhagen, Frank, Marty and Spear introduced—

S.F. No. 854: A bill for an act relating to government data practices; giving the department of energy and economic development access to certain employment data; amending Minnesota Statutes 1986, section 268.12, subdivision 12.

Referred to the Committee on Economic Development and Housing.

Ms. Berglin introduced—

S.F. No. 855: A bill for an act relating to retirement; various public employee pension plans; specifying that exemptions from legal process do not include marital property divisions; requiring the provision of certain public pension plan information in marriage dissolution actions; providing for court appointed actuaries in marriage dissolution actions; amending Minnesota Statutes 1986, sections 69.51; 352.15, subdivision 1; 352B.071; 353.15; 354.10; 354A.11; 422A.24; 423.39; 423.61; 423.813; 424.27; 518.54, subdivision 5, and by adding subdivisions; and 518.58; proposing coding for new law in Minnesota Statutes, chapters 356 and 518.

Referred to the Committee on Judiciary.

Messrs. Pehler, Beckman, Davis and Stumpf introduced—

S.F. No. 856: A bill for an act relating to unemployment compensation; regulating benefits and contribution rates; amending Minnesota Statutes 1986, sections 268.04, subdivisions 2, 4, 24, 25, and by adding subdivisions; 268.06, subdivisions 2, 3a, 8, and by adding a subdivision; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.08, subdivision 1; 268.09, subdivisions 1 and 2; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121; 268.16, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1986, section 268.04, subdivisions 8, 29, and 30.

Referred to the Committee on Employment.

Mr. Dahl introduced—

S.F. No. 857: A bill for an act relating to public employees; providing for the seniority of certain employees whose position is removed from a supervisory unit; amending Minnesota Statutes 1986, section 179A.10, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Freeman, Samuelson and Ms. Berglin introduced—

S.F. No. 858: A bill for an act relating to health and environment; providing for asbestos regulation; directing the commissioner of health to regulate and license persons or entities enclosing, removing, or encapsulating asbestos; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 160.

Referred to the Committee on Health and Human Services.

Mrs. McQuaid introduced—

S.F. No. 859: A bill for an act relating to taxation; income; providing a credit for home care of the elderly; amending Minnesota Statutes 1986, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mrs. McQuaid, Mr. Storm, Ms. Peterson, D.C. and Mr. Knaak introduced—

S.F. No. 860: A bill for an act relating to school districts; authorizing a capital expenditure levy for surplus school buildings used for community purposes; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Mr. Wegscheid introduced—

S.F. No. 861: A bill for an act relating to commerce; authorizing the commissioner to delegate duties to certain employees of the department; amending Minnesota Statutes 1986, section 45.024, subdivision 2.

Referred to the Committee on Commerce.

Mr. Wegscheid introduced—

S.F. No. 862: A bill for an act relating to public safety; school buses; requiring training for school bus drivers; providing for transitional requirements; appropriating money; amending Minnesota Statutes 1986, section 171.321, subdivision 2, and by adding subdivisions.

Referred to the Committee on Transportation.

Messrs. Wegscheid, Merriam, Berg, Benson and Mrs. Lantry introduced—

S.F. No. 863: A bill for an act relating to horse racing; requiring the assigning of suitable racing days for standard-bred racing; authorizing the racing commission to issue an additional license for a racetrack located

within the seven-county metropolitan area under certain circumstances; amending Minnesota Statutes 1986, sections 240.06, subdivision 5; and 240.14, by adding a subdivision.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Frederick, Benson, Mrs. McQuaid, Messrs. Bernhagen and Anderson introduced—

S.F. No. 864: A bill for an act relating to transportation; providing for the deposit of motor vehicle excise tax revenues in fiscal year 1987; amending Minnesota Statutes 1986, section 297B.09, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Dahl, Willet and Luther introduced—

S.F. No. 865: A bill for an act relating to environment; authorizing an assessment against public utilities to finance the state costs of controlling acid deposition; amending Minnesota Statutes 1986, section 116C.69, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Jude introduced—

S.F. No. 866: A bill for an act relating to taxation; corporate income; providing quick refunds of overpayments of estimated tax; amending Minnesota Statutes 1986, section 290.936; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Willet; Dahl; Fredrickson, D.J.; Davis and Marty introduced—

S.F. No. 867: A bill for an act relating to environment; creating the clean water partnership program for the control of nonpoint source water pollution and providing for administration by the pollution control agency; requiring a state water quality assessment; authorizing technical and financial assistance to local governments; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

Referred to the Committee on Environment and Natural Resources.

Messrs. Spear, Marty, Ms. Peterson, D.C.; Messrs. Knaak and Luther introduced—

S.F. No. 868: A bill for an act relating to public guardianship; modifying standards and procedures for the appointment of public guardians for mentally retarded persons; providing for powers and duties of public guardians; amending Minnesota Statutes 1986, sections 252.291, subdivision 3; 252A.01; 252A.02, subdivisions 2, 4, 6, 7, 8, 11, 12, and by adding subdivisions; 252A.03, subdivisions 2 and 3; 252A.04, subdivisions 1 and 3; 252A.05; 252A.06; 252A.07, subdivisions 1 and 3; 252A.14; 252A.16; 252A.17; 252A.19, subdivisions 1, 2, and 3, and by adding a subdivision; 252A.20, subdivision 1; 252A.21, subdivision 2; 253B.03, subdivisions 1 and 6; and 525.56, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 252A; repealing Minnesota Statutes 1986, sections

252A.08; 252A.10; 252A.11; 252A.13; 252A.15; and 252A.18.

Referred to the Committee on Judiciary.

Messrs. Freeman, Solon, Stumpf and Luther introduced—

S.F. No. 869: A bill for an act relating to financial institutions; regulating interstate branching by certain savings and loan associations; regulating certain acquisitions by savings and loan holding companies headquartered in Minnesota; amending Minnesota Statutes 1986, section 51A.58.

Referred to the Committee on Commerce.

Mr. Dicklich introduced—

S.F. No. 870: A bill for an act relating to education; increasing the special operating debt levy in independent school district No. 712, Mountain Iron-Buhl; amending Laws 1984, chapter 463, article 6, section 15, subdivision 1.

Referred to the Committee on Education.

Mr. Merriam introduced—

S.F. No. 871: A bill for an act relating to collection and dissemination of data; clarifying when an individual must be given information relating to the individual's rights when supplying private or confidential data; classifying welfare data as public, private, confidential, or protected nonpublic; amending Minnesota Statutes 1986, sections 13.04, subdivision 2; and 13.46, subdivisions 3 and 4.

Referred to the Committee on Judiciary.

Mr. Brandl, Mrs. Lantry and Mr. Vickerman introduced—

S.F. No. 872: A bill for an act relating to human services; regulating medical assistance payments for therapies provided to nursing home residents; permitting sanctions for unnecessary services; providing for monitoring of therapy costs; setting payment criteria; setting recordkeeping and cost-allocation requirements; providing penalties; amending Minnesota Statutes 1986, sections 256B.064, subdivision 1a; 256.421, subdivision 1; 256.433; 256B.47, subdivision 1, and by adding subdivisions; and 256B.48, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.J. introduced—

S.F. No. 873: A bill for an act relating to liquor; authorizing Lake county to issue seasonal on-sale licenses.

Referred to the Committee on Commerce.

Messrs. Johnson, D.J.; Dicklich; Solon and Gustafson introduced—

S.F. No. 874: A bill for an act relating to education; conditioning University of Minnesota appropriations on its regents' transferring the Duluth campus to the state for the creation of the University of Northern Minnesota.

Referred to the Committee on Education.

Messrs. Marty, Solon, Mrs. Lantry, Messrs. Dicklich and Johnson, D.E. introduced—

S.F. No. 875: A bill for an act relating to energy conservation; appropriating certain funds to the department of jobs and training for low-income energy conservation programs; appropriating money.

Referred to the Committee on Public Utilities and Energy.

Mr. Wegscheid, Ms. Berglin and Mr. Jude introduced—

S.F. No. 876: A bill for an act relating to child abuse; defining abuse and neglect for child abuse reporting; providing for notification and review of investigations of abuse by a parent or guardian; providing for a human services ombudsman; amending Minnesota Statutes 1986, section 626.556, subdivision 2, and by adding subdivisions.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich and Marty introduced—

S.F. No. 877: A bill for an act relating to civil actions; adopting the discovery rule for statute of limitations in tort or malpractice actions; amending Minnesota Statutes 1986, section 541.07.

Referred to the Committee on Judiciary.

Messrs. Stumpf, DeCramer and Gustafson introduced—

S.F. No. 878: A bill for an act relating to taxation; property; providing a tax base equalization credit for certain property; providing a small business property tax refund; providing a distressed region industrial property tax refund; providing for the valuation adjustment of agricultural land for purposes of school aids; imposing penalties; appropriating money; amending Minnesota Statutes 1986, sections 124.2137, subdivision 1; 273.1393; and 276.04; proposing coding for new law in Minnesota Statutes, chapters 124 and 273.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Willet, Samuelson, DeCramer, Stumpf and Wegscheid introduced—

S.F. No. 879: A bill for an act relating to natural resources; providing for the deposit of receipts from private forest management services into the forest management fund; appropriating money; amending Minnesota Statutes 1986, sections 88.79, subdivision 2; and 89.04.

Referred to the Committee on Environment and Natural Resources.

Messrs. Freeman, Dicklich, Novak, Frank and Ms. Olson introduced—

S.F. No. 880: A bill for an act relating to utilities; providing for the establishment of flexible gas utility rates for certain customers subject to effective competition; amending Minnesota Statutes 1986, sections 216B.02, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Public Utilities and Energy.

Ms. Piper, Mrs. Lantry, Messrs. Vickerman, Storm and Ms. Berglin introduced—

S.F. No. 881: A bill for an act relating to human services; clarifying rulemaking authority concerning occupancy rates in intermediate care facilities for persons with mental retardation or related conditions; amending Minnesota Statutes 1986, section 256B.501, subdivision 10.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 882: A bill for an act relating to eminent domain; authorizing court having jurisdiction over an eminent domain proceeding to compel occupants of condemned real estate to deliver possession; proposing coding for new law in Minnesota Statutes, chapter 117.

Referred to the Committee on Judiciary.

Messrs. Langseth; DeCramer; Moe, R.D.; Mehrkens and Wegscheid introduced—

S.F. No. 883: A bill for an act relating to education; providing for disparity reduction aid and levies; amending Minnesota Statutes 1986, section 124A.01; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Messrs. Morse; Davis; Moe, R.D.; Renneke and Beckman introduced—

S.F. No. 884: A bill for an act relating to appropriations; appropriating money for demonstration project involving production of butanol and ethanol from sweet sorghum.

Referred to the Committee on Agriculture.

Messrs. Waldorf, Chmielewski, Jude, Taylor and Pehler introduced—

S.F. No. 885: A bill for an act relating to education; establishing a demonstration voucher program for pupils; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 16, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWENTY-SECOND DAY

St. Paul, Minnesota, Monday, March 16, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Philip J. Weiler.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knutson	Moe, R.D.	Schmitz
Anderson	DeCramer	Kroening	Morse	Solon
Beckman	Dicklich	Laidig	Novak	Spear
Belanger	Diessner	Langseth	Olson	Storm
Benson	Frank	Lantry	Pehler	Stumpf
Berg	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Freeman	Luther	Piper	Waldorf
Bertram	Gustafson	Marty	Pogemiller	Wegscheid
Brandl	Hughes	McQuaid	Purfeerst	Willet
Brataas	Johnson, D.E.	Mehrkens	Ramstad	
Chmielewski	Johnson, D.J.	Merriam	Reichgott	
Cohen	Jude	Metzen	Renneke	
Dahl	Knaak	Moe, D.M.	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Ms. Berglin was excused from the Session of today at 3:15 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

December 10, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Chair of the Metropolitan Council is hereby respectfully submitted to the Senate for confirmation as required by law:

Steve Keefe, 1639 S. Cedar Lake Pkwy., Minneapolis, Hennepin County, has been appointed by me, effective December 1, 1986, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Local and Urban Government.)

February 25, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of Iron Range Resources and Rehabilitation is hereby respectfully submitted to the Senate for confirmation as required by law:

Jack DeLuca, 1001 E. Howard St., Hibbing, St. Louis County, has been appointed by me, effective March 2, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Economic Development and Housing.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 208 and 258.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1987

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1:

H.F. No. 1: A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 3, subdivision 5.

The House respectfully requests that a Conference Committee of five members be appointed thereon.

Olson, K.; Anderson, G.; Wenzel; Schoenfeld and Johnson, V. have been appointed as such committee on the part of the House.

House File No. 1 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1987

Mr. Davis moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 152, 334, 400, 202, 369, 493 and 502.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 152: A bill for an act relating to utilities; providing that telephone companies provide location for customers to pay telephone service bills; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Public Utilities and Energy.

H.F. No. 334: A bill for an act relating to elections; changing registration, absentee ballot, filing, training, administrative, electronic voting, ballot preparation, canvassing, and election contest provisions; amending Minnesota Statutes 1986, sections 201.071, subdivision 4; 201.091, subdivision 4; 203B.03, subdivision 1; 203B.06, subdivision 3; 204B.11, subdivision 1; 204B.27, subdivision 1; 204B.40; 204C.24, subdivision 1; 204C.27; 204C.31, subdivision 1; 204D.04, subdivision 2; 204D.11, subdivision 6; 206.61, subdivision 5; 206.82, subdivision 2; 206.90, subdivision 3; and 209.021, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 351.

Referred to the Committee on Elections and Ethics.

H.F. No. 400: A bill for an act relating to game and fish; authorizing commissioner to allow a person to take two deer; amending Minnesota Statutes 1986, section 97B.301, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 334.

H.F. No. 202: A bill for an act relating to corporations; providing for modification of the personal liability of directors; amending Minnesota Statutes 1986, sections 300.45; and 300.64, by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 369: A bill for an act relating to human rights; changing certain requirements related to disabled persons; amending Minnesota Statutes 1986, sections 363.01, subdivision 25; 363.02, subdivision 3; and 363.03, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 264, now on General Orders.

H.F. No. 493: A bill for an act relating to transportation; commercial motor vehicles; mandating development of a testing and licensing program for commercial motor vehicle drivers; requiring a report to the legislature.

Referred to the Committee on Transportation.

H.F. No. 502: A bill for an act relating to counties; allowing counties to charge fees for services; providing conditions for emergency contracts; amending Minnesota Statutes 1986, sections 375.21, subdivision 1; and 375.48, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373; repealing Minnesota Statutes 1986, section 375A.07.

Referred to the Committee on Local and Urban Government.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 69: A bill for an act relating to agriculture; establishing a commercial fish raising program; proposing coding for new law in Minnesota Statutes, chapter 17.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [17.40] [COMMERCIAL FISH FARMS.]

Subdivision 1. [PROGRAM ESTABLISHMENT.] The commissioner shall establish and promote a program for the commercial raising of fish on fish farms. The program must allow raising commercial fish.

Subd. 2. [COMMERCIAL FISH.] Commercial fish are limited to tilapia, crappies, largemouth bass, perch, trout, and walleyes, and include the fry and eggs of commercial fish.

Subd. 3. [FISH FARMS.] A fish farm for tilapia must be completely contained and may not have a physical connection to public waters. If the commissioner of natural resources determines that fish farms for other commercial fish should be contained without a physical connection to public waters, the commissioner of natural resources must notify the commissioner of agriculture. After being notified, the commissioner of agriculture must include the restriction as a condition of a fish farm license.

Subd. 4. [FISH RAISING AS AN AGRICULTURAL PURSUIT.] Commercial fish raising on fish farms is an agricultural pursuit, and the commercially raised fish are agricultural products. Commercial fish and commercial fish raising under this section are the exclusive jurisdiction of the commissioner of agriculture except as provided in this section.

Subd. 5. [ACQUISITION OF FISH.] A person may not obtain commercial fish outside of the state unless the fish are approved by the commissioner of natural resources. The commissioner of natural resources must approve or deny approval of acquiring the fish by 30 days after receiving a written request for approval. If the commissioner of natural resources denies approval, the commissioner must state the reason why, and designate

approved sources to obtain the fish; or for commercial fish except tilapia, the commissioner may sell the fish needed from state fish hatcheries at the same price as the fish could be obtained from outside the state.

Subd. 6. [LICENSE REQUIRED.] A person may not commercially raise fish without a commercial fish farm license. The commissioner of agriculture shall issue commercial fish farm licenses on an individual basis and, after consulting with the commissioner of natural resources, shall include conditions that protect the waters of this state.

Subd. 7. [LICENSE FEE.] The fee for a commercial fish farm license is \$50.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F No. 333: A bill for an act relating to game and fish; allowing raccoon dog field trials to tree raccoons during certain periods by permit; amending Minnesota Statutes 1986, section 97B.621, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F No. 334: A bill for an act relating to game and fish; authorizing commissioner to allow a person to take two deer; amending Minnesota Statutes 1986, section 97B.301, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 2

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

H.F No. 166: A bill for an act relating to real property; authorizing conveyance of state interest in certain land in St. Louis county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, after "94.16" insert ", section 282.018,"

Page 1, line 8, delete "state" and insert "commissioner of revenue"

Page 1, line 13, delete "not more than"

And when so amended the bill do pass and be placed on the Consent

Calendar. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 73: A bill for an act relating to game and fish; authorizing deer bow and arrow licenses for nonresident students at resident fees; amending Minnesota Statutes 1986, section 97A.455.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97A.455, is amended to read:

97A.455 [NONRESIDENT STUDENTS; FISHING AND, SMALL GAME, AND DEER.]

(a) A nonresident that is a full-time student at an educational institution in the state and resides in the state during the school year may obtain a resident license to take fish or small game by providing proof of student status as prescribed by the commissioner.

(b) A nonresident that is a full-time foreign exchange student at a high school in the state and resides with persons in the state may obtain a resident license to take deer by archery by providing proof of foreign exchange student status as prescribed by the commissioner."

Delete the title and insert:

"A bill for an act relating to game and fish; authorizing nonresident high school foreign exchange students to obtain resident licenses to take deer by archery; amending Minnesota Statutes 1986, section 97A.455."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 250: A bill for an act relating to game and fish; requiring a firearm safety certificate to hunt with firearms; amending Minnesota Statutes 1986, section 97B.015, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 97B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97A.451, subdivision 3, is amended to read:

Subd. 3. [PERSONS UNDER AGE 16; SMALL GAME.] (a) A person resident under age 16 may not obtain a small game license but may take small game by firearms or ~~bow and arrow~~ by archery without a license if the person is a resident as provided in paragraph (c).

(b) A nonresident under age 16 may take small game by firearms or by archery as provided in paragraph (c) with a license.

(c) A person under paragraph (a) or (b) may take small game if the person is:

- (1) age 14 or 15 and possesses a firearms safety certificate;*
- (2) age 13, possesses a firearms safety certificate, and is accompanied by a parent or guardian; or*
- (3) age 12 or under and is accompanied by a parent or guardian.*

~~*(b)*~~ *(d) A resident under age 16 may take small game by trapping without a small game license, but a resident over age 13 must have a trapping license. A resident under age 14 may trap without a trapping license.*

Sec. 2. Minnesota Statutes 1986, section 97B.015, subdivision 5, is amended to read:

Subd. 5. [FIREARMS SAFETY CERTIFICATE.] *(a) The commissioner shall issue a firearms safety certificate to a person that satisfactorily completes the required course of instruction or provides documentation of having completed a course of instruction approved by the commissioner. The commissioner shall maintain a list of approved firearms safety courses from other jurisdictions.*

(b) A certificate may not be issued to a person under age 12. A person that is age 11 may take the firearms safety course and may receive a firearms safety certificate at age 12.

(c) The form and content of the firearms safety certificate shall be prescribed by the commissioner. The certificate must be of a permanent material except that temporary certificates may be issued until the permanent certificates are prepared.

(d) The commissioner shall maintain a record of all persons who have been issued firearms safety certificates.

Sec. 3. [97B.023] [HUNTING WITH FIREARMS BY PERSONS AGE 16 OR OLDER.]

(a) A person age 16 or older and born after December 31, 1972, must have a firearms safety certificate to purchase a license to take big game with firearms or by archery.

(b) The person does not have to personally possess the firearms safety certificate to hunt with a firearm or by archery. A firearms safety certificate must be presented before purchasing a license to take big game with firearms or by archery."

Delete the title and insert:

"A bill for an act relating to game and fish; requiring a firearms safety certificate to hunt big game with firearms and by archery; amending Minnesota Statutes 1986, sections 97A.451, subdivision 3; and 97B.015, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 97B."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 397: A bill for an act relating to elections; setting times for changing election precincts and reapportioning certain election districts; amending Minnesota Statutes 1986, sections 204B.14, subdivision 3; and 375.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 339: A bill for an act relating to public improvements; providing for loans for firefighting facilities; providing for a state bond issue; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, delete "*nine percent*" and insert "*at a rate sufficient to cover the cost to the state of borrowing the money*"

Page 1, line 25, delete "*disregarded*" and insert "*included*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 403: A bill for an act relating to newspapers; providing that only qualified newspapers may accept legal notices for publication; amending Minnesota Statutes 1986, section 331A.02, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 13 and 14, delete the new language and insert "*A newspaper that is not qualified must inform a public body that presents a public notice for publication that it is not qualified.*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 533: A bill for an act relating to the city of Hermantown; extending the period that land held by the city for economic development is exempt from tax.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred.

S.F. No. 324: A bill for an act relating to traffic regulations; removing exemptions regarding alcohol- or controlled substance-related activities of persons engaged in work upon the highway; amending Minnesota Statutes 1986, section 169.03, subdivision 6.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 90: A bill for an act relating to public safety; pipelines and underground facilities; enacting the Minnesota pipeline safety act; requiring a routing permit to construct a new pipeline; creating the office of pipeline safety and providing for its powers and duties; authorizing rulemaking for purposes of delegation of federal authority; creating the pipeline safety advisory commission; regulating the operation of certain pipelines; requiring the adoption of pipeline setback ordinances; providing for notification of excavation in the area of underground facilities; providing for a pipeline inspection fee; establishing the pipeline safety fund; requiring a study; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 1161.02, subdivisions 2 and 3; 216B.16, by adding a subdivision; 299F.56, by adding a subdivision; 299F.57; 299F.58; 299F.60; 299F.61; 299F.62; 299F.63; and 299F.64; proposing coding for new law in Minnesota Statutes, chapter 1161; proposing coding for new law as Minnesota Statutes, chapters 216C and 299J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 18, line 24, after "*release*" insert "*of a quantity of hazardous liquid or gas*" and delete "*poses*" and insert "*is great enough to pose*"

Page 19, delete lines 7 and 8

Page 19, after line 17, insert:

"*Subd. 12. [PIPELINE OPERATOR.] "Pipeline operator" means a person who owns or operates a pipeline.*"

Re-number the subdivisions in sequence

Page 23, delete section 26 and insert:

"*Sec. 26. [299J.07] [PENALTIES FOR FAILING TO REPORT EMERGENCY RELEASE.]*

Subdivision 1. [DUTY TO REPORT.] A pipeline operator must immediately report by telephone to the emergency response center established by the department of public safety an emergency release from the operator's pipeline.

Subd. 2. [CRIMINAL LIABILITY.] (a) An employee of a pipeline operator who has responsibility to make the report under subdivision 1 is guilty of a felony if:

(1) the employee knows or has reason to know that an emergency release exists;

(2) the employee does not immediately report the release to the department of public safety; and

(3) *the emergency release causes the death of an individual or great bodily harm as defined in section 609.02, subdivision 8.*

(b) *A person convicted under this subdivision may be sentenced to imprisonment for not more than seven years or payment of a fine of not more than \$14,000, or both."*

Page 26, delete lines 31 to 36

Page 27, delete line 1

Page 29, line 11, after "*recovered*" insert "*from a person who has been found liable under section 26, 34, or 35, or any other law relating to the operation of a pipeline*" and delete "*an*" and insert "*a separate*"

Page 29, line 12, delete everything after "*general*"

Page 29, line 13, delete everything before the period and insert "*or in connection with an action under section 35*"

Page 29, line 30, after "*operator*" insert "*, or its employee or agent,*"

Page 29, line 31, delete "*pipeline or*"

Page 30, line 4, delete "*pipeline operator*" and insert "*person*" and after "*who*" insert "*knowingly*"

Page 30, line 5, delete everything after the comma

Page 30, line 6, delete everything before the first "*or*"

Page 30, delete lines 11 to 14

Page 30, line 17, before "*28*" insert "*26, subdivision 1,*" and after "*28*" insert a comma and after "*34*" insert "*, or the rules of the commissioner implementing those sections,*"

Page 30, line 18, delete "*of*" and insert "*as follows:*"

(1) *for a violation of section 28, up to \$10,000 for each day that the operator remains in violation; and*

(2) *for a violation of section 26, subdivision 1, or 34, up to \$100,000 for each violation."*

Page 30, delete lines 19 and 20

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 240 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
240			49		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 240 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 240 and insert the language after the enacting clause of S.F. No. 49, the first engrossment; further, delete the title of H.F. No. 240 and insert the title of S.F. No. 49, the first engrossment.

And when so amended H.F. No. 240 will be identical to S.F. No. 49, and further recommends that H.F. No. 240 be given its second reading and substituted for S.F. No. 49, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 688 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		688	659		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred the following appointment as reported in the Journal for February 16, 1987:

PUBLIC UTILITIES COMMISSION
Darrel L. Peterson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 333, 334, 73, 250, 397, 403 and 324 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 166, 240 and 688 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Bertram moved that the name of Mr. Beckman be added as a co-author to S.F. No. 313. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Moe, R.D. be added as a co-

author to S.F. No. 520. The motion prevailed.

Mr. Merriam moved that the name of Mr. Davis be added as a co-author to S.F. No. 708. The motion prevailed.

Mr. Berg moved that the names of Messrs. Davis; Frederickson, D.R. and Stumpf be added as co-authors to S.F. No. 717. The motion prevailed.

Mr. Freeman moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 748. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 761. The motion prevailed.

Mr. Freeman moved that the name of Mr. Dahl be added as a co-author to S.F. No. 858. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Luther be added as a co-author to S.F. No. 862. The motion prevailed.

Mr. Stumpf moved that the names of Messrs. Pehler and Bernhagen be added as co-authors to S.F. No. 878. The motion prevailed.

Mr. Ramstad introduced—

Senate Resolution No. 35: A Senate resolution commending George W. Griebenow of Edina, Minnesota, for his years of effective service and volunteerism.

Referred to the Committee on Rules and Administration.

Mr. Metzen introduced—

Senate Resolution No. 36: A Senate resolution congratulating the Spartans Wrestling Team from Simley High School, Inver Grove Heights, for winning the 1987 Class AA State High School Wrestling Tournament Championship.

Referred to the Committee on Rules and Administration.

Mr. Metzen introduced—

Senate Resolution No. 37: A Senate resolution congratulating the South Saint Paul Debate Team for participating in the Minnesota State High School Debate Tournament.

Referred to the Committee on Rules and Administration.

Mr. Dahl introduced—

Senate Concurrent Resolution No. 6: A Senate concurrent resolution honoring paramedics and other emergency personnel for their service and dedication.

Referred to the Committee on Rules and Administration.

Mrs. Lantry moved that S.F. No. 182, No. 1 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

Mr. Marty moved that S.F. No. 780 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Finance. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 92 be recalled from the House of Representatives for further consideration.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 51 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Merriam	Renneke
Anderson	DeCramer	Knutson	Moe, D.M.	Spear
Belanger	Diessner	Kroening	Moe, R.D.	Storm
Benson	Frank	Laidig	Morse	Stumpf
Berg	Frederickson, D.J.	Langseth	Olson	Taylor
Berglin	Frederickson, D.R.	Lantry	Pehler	Waldorf
Bernhagen	Freeman	Larson	Peterson, D.C.	Wegscheid
Bertram	Gustafson	Luther	Peterson, R.W.	
Brandl	Hughes	Marty	Piper	
Brataas	Johnson, D.E.	McQuaid	Ramstad	
Cohen	Jude	Mehrkens	Reichgott	

Those who voted in the negative were:

Beckman	Dicklich	Metzen	Purfeerst	Solon
Chmielewski	Johnson, D.J.	Novak	Samuelson	Vickerman
Davis	Lessard	Pogemiller	Schmitz	Willet

The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 130: A bill for an act relating to local government; authorizing Ramsey county to transfer land to the city of Shoreview; authorizing Ramsey county to use certain land dedicated as open space for highway purposes.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, R.D.	Schmitz
Anderson	DeCramer	Kroening	Morse	Solon
Beckman	Dicklich	Laidig	Novak	Spear
Belanger	Diessner	Langseth	Olson	Storm
Benson	Frank	Lantry	Pehler	Stumpf
Berg	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Freeman	Luther	Piper	Waldorf
Bertram	Gustafson	Marty	Pogemiller	Wegscheid
Brandl	Hughes	McQuaid	Purfeerst	Willet
Brataas	Johnson, D.E.	Mehrkens	Ramstad	
Chmielewski	Johnson, D.J.	Merriam	Reichgott	
Cohen	Jude	Metzen	Renneke	
Dahl	Knaak	Moe, D.M.	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 480: A bill for an act relating to the city of Duluth; authorizing the city to prepare, adopt, and amend design districts and a design frame-

work to establish a design advisory committee, and to establish design review procedures to preserve and enhance the city's appearance and environmental quality.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Moe, D.M.	Renneke
Anderson	Davis	Knutson	Moe, R.D.	Samuelson
Beckman	DeCramer	Laidig	Morse	Schmitz
Belanger	Dicklich	Langseth	Novak	Solon
Benson	Diessner	Lantry	Olson	Spear
Berg	Frank	Larson	Pehler	Storm
Berglin	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Bertram	Freeman	Marty	Piper	Vickerman
Brandl	Gustafson	McQuaid	Pogemiller	Waldorf
Brataas	Hughes	Mehrkens	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Willet
Cohen	Jude	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 529: A bill for an act relating to human services; regulating work activities of handicapped persons in state facilities; amending Minnesota Statutes 1986, section 246.56, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	DeCramer	Knutson	Moe, D.M.	Renneke
Beckman	Dicklich	Kroening	Moe, R.D.	Samuelson
Belanger	Diessner	Laidig	Morse	Schmitz
Benson	Frank	Langseth	Novak	Solon
Berg	Frederickson, D.J.	Lantry	Olson	Spear
Bernhagen	Frederickson, D.R.	Larson	Pehler	Storm
Bertram	Freeman	Lessard	Peterson, D.C.	Stumpf
Brandl	Gustafson	Luther	Peterson, R.W.	Taylor
Brataas	Hughes	Marty	Piper	Vickerman
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid
Dahl	Jude	Merriam	Ramstad	Willet

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 365, 306, 131, 456, 653, 409, 499, 470, 406, 482, 457, 673, 282 and H.F. Nos. 127 and 27, which the committee recommends to pass.

S.F. No. 322, which the committee recommends to pass with the following amendment offered by Mr. Peterson, R.W.:

Page 1, delete lines 13 to 15

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1: Messrs. Davis, Stumpf, DeCramer, Langseth and Berg.

S.F. No. 168: Ms. Reichgott, Messrs. Spear and Storm.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the return of House File No. 92 for further consideration.

H.F. No. 92: A bill for an act relating to taxation; providing for expenditure of proceeds of the taconite production tax; amending Minnesota Statutes 1986, sections 298.292; 298.293; 298.294; and 298.296, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 298; repealing Laws 1986, chapter 441, section 14.

House File No. 92 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 16, 1987

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby H.F. No. 92 was passed by the Senate on March 12, 1987, be now reconsidered. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 92 be re-referred to the Committee on Economic Development and Housing. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Knaak, Mrs. McQuaid, Ms. Reichgott, Messrs. Belanger and Cohen introduced—

S.F. No. 886: A bill for an act relating to housing; landlord and tenant; requiring heating standards; requiring notice by landlords before entering leased premises; amending Minnesota Statutes 1986, section 504.18, subdivisions 1 and 6; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Economic Development and Housing.

Ms. Berglin introduced—

S.F. No. 887: A bill for an act relating to human services; clarifying inpatient hospital rate determinations; amending Minnesota Statutes 1986, section 256.969, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.E. introduced—

S.F. No. 888: A bill for an act relating to the city of Melrose; regulating the stopping of school buses at certain railroad grade crossings.

Referred to the Committee on Transportation.

Mr. Johnson, D.J. introduced—

S.F. No. 889: A bill for an act relating to taxation; changing certain property tax refund definitions; changing the eligibility for property tax refund claimant to only homeowners; providing new property tax refund benefit schedules; directing the commissioner to reduce certain renter's credit; changing and eliminating property tax classifications; eliminating homestead credit, local government aid, agricultural school credit, native prairie credit and reimbursement, wetlands credit and reimbursement, attached machinery aid, supplemental homestead credit, taconite aid reimbursement, and regional transit board reimbursement; providing a state education property tax credit; transferring duties to the commissioner of energy and economic development; abolishing certain levy limits; requiring a referendum on certain levy authorizations; abolishing the equalization aid review committee; transferring responsibilities to commissioner of rev-

enue; eliminating the rental factor in determining adjusted assessed value of agricultural lands; imposing and increasing fees; making administrative, technical, and miscellaneous property tax changes; amending Minnesota Statutes 1986, sections 6.62, subdivision 1; 13.58; 16B.60, subdivision 5; 18.023, subdivision 8; 38.27, subdivision 3; 41.62, subdivision 6; 41B.19, subdivision 8; 47.58, subdivisions 2 and 3; 84.0895, subdivision 2; 88.49, subdivision 6; 110A.28, subdivisions 11 and 12; 110B.15, subdivision 4; 115.34, subdivision 1; 115A.191, subdivisions 2 and 4; 116C.63, subdivision 4; 124.155; 124.2131, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, and 11; 124.38, subdivision 8; 124A.02, subdivisions 3a, 8, 11, and 12; 124A.03, by adding a subdivision; 124A.035, subdivision 5; 124A.08, subdivision 5; 129A.06, subdivision 2; 134.33, subdivision 1; 134.34, subdivisions 1, 2, and 5; 164.041; 169.86, by adding a subdivision; 270.12, subdivision 3; 272.02, subdivision 1a; 272.115, subdivisions 2 and 4; 272.67, subdivision 7; 273.01; 273.1102; 273.1103; 273.1104, subdivision 1; 273.119, subdivision 1; 273.123, subdivisions 4, 5, and 7; 273.124, subdivision 11; 273.1311; 273.1313, subdivisions 1, 2, and 3; 273.133, subdivisions 1 and 3; 273.1392; 273.1393; 273.165, subdivision 2; 273.40; 273.42, subdivision 2; 275.125, subdivisions 9, 9b, and 15; 275.14; 275.15; 275.16; 275.51, subdivision 3i; 275.55; 276.04; 277.01; 278.01, subdivision 2; 278.05, subdivisions 4 and 5; 279.01; 279.06; 279.37, subdivision 1a; 282.01, subdivision 1; 282.014; 282.02; 282.241; 282.33, subdivision 1; 290A.02; 290A.03, subdivisions 3, 6, 8, and 14; 290A.04, subdivisions 1 and 2; 290A.05; 290A.06; 290A.07, subdivision 3; 290A.08; 290A.09; 290A.18; 297A.01, subdivision 14; 298.28, subdivision 12; 298.282, subdivisions 2 and 3; 298.39; 298.396; 360.037, subdivision 2; 375.167, subdivision 1; 383C.55; 412.251; 414.01, subdivision 15; 423.376, subdivision 3; 426.04; 444.075, subdivision 4; 447.34, subdivision 1; 447.35; 458C.22; 465.73; 471.1921; 471.572, subdivision 2; 471.74, subdivision 2; 471A.03, subdivision 4; 473.446, subdivision 1; 473.844, subdivision 5; 473.87; 473.882, subdivision 3; 473F02, subdivisions 3, 4, and 12; 473F08, subdivision 3a; 473H.04, subdivision 1; 473H.10, subdivision 3; 474A.04, subdivision 4; 474A.08, subdivision 1; 475.53, subdivision 4; 475.56; 475.74; 475.754; 514.03, subdivision 3; 583.02; proposing coding for new law in Minnesota Statutes, chapters 272; and 273; repealing Minnesota Statutes 1986, sections 121.904, subdivision 11c; 124.2137; 124.2139; 124.38, subdivision 10; 256E.06, subdivision 9; 273.115; 273.116; 273.13; 273.1315; 273.138; 273.1391; 275.11; 275.50; 275.51; 275.54; 275.55; 275.56; 275.561; 275.58; 282.021; 290A.03, subdivisions 11, 12, and 13; 290A.04, subdivisions 2e and 2g; 290A.07, subdivision 2a; 290A.19; 383C.552; 471A.04; 477A.011; 477A.012; 477A.013; 477A.014; 477A.015; 477A.017, subdivisions 1 and 3; 477A.03, subdivision 1; and 477A.15.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bernhagen, Merriam, Wegscheid and Morse introduced—

S.F. No. 890: A bill for an act relating to wild animals; use of dogs in taking bear; amending Minnesota Statutes 1986, section 97B.205.

Referred to the Committee on Environment and Natural Resources.

Messrs. Wegscheid, Willet and Dahl introduced—

S.F. No. 891: A bill for an act relating to education; excluding community education fund balances from calculations of second tier levy fund balances;

restoring aids and levies lost because of earlier inclusions; amending Minnesota Statutes 1986, section 124A.08, subdivision 5, and by adding a subdivision.

Referred to the Committee on Education.

Messrs. Chmielewski, Marty, Dicklich, Frank and Kroening introduced—

S.F. No. 892: A bill for an act relating to employment; providing for severance pay and insurance coverage to certain terminated employees; requiring employers to provide notice of certain actions related to work force reductions; appropriating money; amending Minnesota Statutes 1986, section 268.07, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 268A.

Referred to the Committee on Employment.

Mr. Cohen, Ms. Peterson, D.C.; Messrs. Freeman and Brandl introduced—

S.F. No. 893: A bill for an act relating to environment; requiring the pollution control agency to finance its aircraft noise control program by an assessment against the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.612.

Referred to the Committee on Local and Urban Government.

Ms. Peterson, D.C.; Messrs. Solon and Luther introduced—

S.F. No. 894: A bill for an act relating to insurance; accident and health; providing group coverage for ambulatory mental health services; amending Minnesota Statutes 1986, sections 62A.152; and 62E.06, subdivision 1.

Referred to the Committee on Commerce.

Mr. Vickerman, Mrs. Lantry, Messrs. Pehler, Dicklich and Johnson, D.E. introduced—

S.F. No. 895: A bill for an act relating to human services; creating a new chapter establishing a single, unitary process for the determination of residence and financial responsibility for all human service programs; amending Minnesota Statutes 1986, section 253B.23, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 256G; repealing Minnesota Statutes 1986, sections 256.73, subdivision 4; 256.76, subdivision 2; 256.79; 256B.02, subdivisions 1, 2, and 3; 256D.18; 256D.37, subdivision 3; and 256E.08, subdivision 7.

Referred to the Committee on Health and Human Services.

Mr. Luther introduced—

S.F. No. 896: A bill for an act relating to probate; providing for the award of sentimental property to the decedent's children; amending Minnesota Statutes 1986, sections 525.15; and 525.151; proposing coding for new law in Minnesota Statutes, chapter 525.

Referred to the Committee on Judiciary.

Messrs. Solon; Luther; Johnson, D.J.; Freeman and Taylor introduced—

S.F. No. 897: A bill for an act relating to liquor; repealing the law requiring filing and maintenance of lists of wholesale prices; repealing Minnesota Statutes 1986, section 340A.313.

Referred to the Committee on Commerce.

Messrs. Chmielewski; Johnson, D.J.; Dicklich and Bertram introduced—

S.F. No. 898: A bill for an act relating to economic development; creating the rural initiatives program; providing for a mineral development program; creating the greater Minnesota corporation and providing for its powers and duties; creating the rural initiatives revolving funds program; providing for grants to displaced workers; extending the interest rate buy-down programs; providing mediation services for rural small businesses; providing for rural telecommunications grants; appropriating money; amending Minnesota Statutes 1986, sections 256D.051, subdivision 4; 583.22, subdivision 2, and by adding a subdivision; 583.24, subdivision 2; Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapters 84; 129B; and 268; proposing coding for new law as Minnesota Statutes, chapter 116N.

Referred to the Committee on Economic Development and Housing.

Mr. Chmielewski introduced—

S.F. No. 899: A bill for an act relating to education; establishing the Fond du Lac Higher Education Center; appropriating money.

Referred to the Committee on Education.

Messrs. Beckman and Frank introduced—

S.F. No. 900: A bill for an act relating to collection and dissemination of public safety data; classifying as private data the identities of individuals who serve on the medical review and alcohol review panels; amending Minnesota Statutes 1986, section 13.69, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Peterson, R.W. introduced—

S.F. No. 901: A bill for an act relating to income taxation; providing for an exemption for dividends of an investment company whose assets consist entirely of United States obligations; amending Minnesota Statutes 1986, section 290.01, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Peterson, R.W. introduced—

S.F. No. 902: A bill for an act relating to education; removing references to repealed statutes; removing obsolete language; amending Minnesota Statutes 1986, section 123.36, subdivision 13.

Referred to the Committee on Education.

Mr. Johnson, D.E. introduced—

S.F. No. 903: A bill for an act relating to retirement; authorizing certain members of the Minnesota state retirement system to purchase service credit for a period of authorized educational leave.

Referred to the Committee on Governmental Operations.

Messrs. Metzen and Knutson introduced—

S.F. No. 904: A bill for an act relating to the metropolitan government; authorizing municipalities in the metropolitan area to adopt ordinances related to aircraft noise; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Urban Government.

Messrs. Lessard; Stumpf; Johnson, D.J. and Moe, R.D. introduced—

S.F. No. 905: A bill for an act relating to appropriations; appropriating money to the commissioner of natural resources to replace income lost to state trust funds when certain timber permits were canceled.

Referred to the Committee on Environment and Natural Resources.

Mr. Anderson introduced—

S.F. No. 906: A bill for an act relating to economic development; creating an enterprise zone to be designated by the city of Wadena.

Referred to the Committee on Economic Development and Housing.

Messrs. Bernhagen; Mehrkens; Frederickson, D.R.; Johnson, D.E. and Anderson introduced—

S.F. No. 907: A bill for an act relating to agriculture; appropriating money for aid to county and district agricultural societies.

Referred to the Committee on Finance.

Mr. Beckman introduced—

S.F. No. 908: A bill for an act relating to human services; establishing a community services conversion project; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health and Human Services.

Messrs. Stumpf, Willet, Mrs. Adkins and Mr. Moe, R.D. introduced—

S.F. No. 909: A bill for an act relating to natural resources; establishing a state flood hazard mitigation grant program; authorizing grants-in-aid to local government units; appropriating money; amending Minnesota Statutes 1986, section 104.02; proposing coding for new law in Minnesota Statutes, chapter 104.

Referred to the Committee on Environment and Natural Resources.

Mr. Frederickson, D.J. introduced—

S.F. No. 910: A bill for an act relating to retirement; refunds of contributions to employees of the Canby community hospital district.

Referred to the Committee on Governmental Operations.

Mr. Hughes, Ms. Peterson, D.C.; Messrs. Brandl and Pehler introduced—

S.F. No. 911: A bill for an act relating to education; requiring school districts to teach Braille to blind pupils; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Messrs. Hughes, DeCramer, Dahl, Bernhagen and Dicklich introduced—

S.F. No. 912: A bill for an act relating to education; providing for expanded offerings at Metropolitan State University; appropriating money.

Referred to the Committee on Education.

Mr. Ramstad and Ms. Olson introduced—

S.F. No. 913: A bill for an act relating to food; authorizing certain cities and counties to administer the Minnesota consolidated food licensing law as it affects certain food handlers; proposing coding for new law in Minnesota Statutes, chapter 28A.

Referred to the Committee on Agriculture.

Ms. Reichgott, Messrs. Larson; Morse; Peterson, R. W. and Frederickson, D.J. introduced—

S.F. No. 914: A bill for an act relating to education; requiring a school district to consider consumer education periodically in formulating its planning, evaluation and reporting policy; amending Minnesota Statutes 1986, section 126.66, subdivision 1.

Referred to the Committee on Education.

Ms. Reichgott, Messrs. Ramstad and Jude introduced—

S.F. No. 915: A bill for an act relating to crime; prohibiting harassment on private property; prohibiting following and stalking with intent to harass, abuse, or threaten; removing requirement that caller not disclose identity for purposes of misdemeanor harassing telephone calls; making it a misdemeanor to intentionally harass another by delivering a letter or object; providing penalties; amending Minnesota Statutes 1986, sections 609.746; 609.79, subdivision 1; and 609.795.

Referred to the Committee on Judiciary.

Messrs. Belanger, Chmielewski, Mrs. Adkins, Messrs. Kroening and Gustafson introduced—

S.F. No. 916: A bill for an act relating to workers' compensation; providing a permanent partial disability rating for certain losses; proposing coding

for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Employment.

Messrs. Diessner; Ramstad; Johnson, D.E.; Chmielewski and Solon introduced—

S.F. No. 917: A bill for an act relating to human services; requiring director of state planning agency to contract for development of client advisory committees; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health and Human Services.

Messrs. Solon and Gustafson introduced—

S.F. No. 918: A bill for an act relating to port authorities; appropriating money for the Seaway port authority of Duluth.

Referred to the Committee on Economic Development and Housing.

Messrs. Samuelson, Pogemiller, Willet, Dicklich and Solon introduced—

S.F. No. 919: A bill for an act relating to game and fish; establishing a limit for the taking of crappies; proposing coding for new law in Minnesota Statutes, chapter 97C.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C.; Messrs. Pogemiller; Peterson, R.W.; Dicklich and Ms. Olson introduced—

S.F. No. 920: A bill for an act relating to education; requiring school districts to establish local literacy policies and standards for high school graduation; amending Minnesota Statutes 1986, section 126.66, by adding a subdivision.

Referred to the Committee on Education.

Ms. Piper, Messrs. Beckman and Benson introduced—

S.F. No. 921: A bill for an act relating to local government; allocating community service block grant discretionary funds; designating certain counties eligible entities for community action funds; amending Minnesota Statutes 1986, sections 268.52, subdivision 2; and 268.53, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Lessard, Schmitz, Novak, Stumpf and Johnson, D.E. introduced—

S.F. No. 922: A bill for an act relating to horse racing; regulating license suspensions and revocations of class C licenses; modifying the time periods and dollar limitations used to trigger contested case hearings; requiring rules that prohibit horses from carrying foreign substances when they race; requiring medical testing fee rules; making permanent the statutory provisions authorizing the use of certain medications; amending Minnesota Statutes 1986, sections 240.08, subdivision 5; 240.16, subdivision 1; 240.22;

240.24, subdivisions 1 and 3; and Laws 1985, chapter 211, section 5.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Freeman, Brandl, Ms. Peterson, D.C. and Mr. Cohen introduced—

S.F. No. 923: A bill for an act relating to metropolitan government; providing for the composition of the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.604, subdivision 1.

Referred to the Committee on Local and Urban Government.

Mr. Freeman, Ms. Berglin and Mr. Wegscheid introduced—

S.F. No. 924: A bill for an act relating to human services; creating the office of ombudsman for older Minnesotans; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Marty and Mrs. Lantry introduced—

S.F. No. 925: A bill for an act relating to Ramsey county; authorizing the issuance of bonds for capital improvements and an annual levy for capital improvements and debt retirement; proposing coding for new law in Minnesota Statutes, chapter 383A.

Referred to the Committee on Local and Urban Government.

Mr. Taylor introduced—

S.F. No. 926: A bill for an act relating to retirement; public employees retirement association; permitting the purchase of prior service by certain public elected officials; amending Minnesota Statutes 1986, section 353.36, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Schmitz, Mmes. Adkins, McQuaid, Messrs. Vickerman and Frederickson, D.J. introduced—

S.F. No. 927: A bill for an act relating to driver's licenses; providing for a medical alert identifier; amending Minnesota Statutes 1986, section 171.07, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Merriam and Peterson, R.W. introduced—

S.F. No. 928: A bill for an act relating to medical records; providing for patient access to medical records; amending Minnesota Statutes 1986, section 144.335, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Morse; Vickerman; Frederickson, D.J.; Johnson, D.E. and Mrs. Lantry introduced—

S.F. No. 929: A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; authorizing certain state board of vocational technical education powers; changing certain state director duties; clarifying school days; amending Minnesota Statutes 1986, sections 121.901, subdivision 1; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 136C.04, subdivision 12, and by adding a subdivision; 136C.13, by adding a subdivision; 136C.15; 136C.29, subdivision 5; and 136C.35; repealing Minnesota Statutes 1986, section 136C.32.

Referred to the Committee on Education.

Mr. Renneke introduced—

S.F. No. 930: A bill for an act relating to trap and skeet clubs or ranges; prohibiting the commissioner of natural resources and the pollution control agency from imposing a ban on lead shot; amending Minnesota Statutes 1986, section 116.53, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Wegscheid, Pogemiller and Renneke introduced—

S.F. No. 931: A bill for an act relating to retirement; judges' retirement benefits; amending Minnesota Statutes 1986, sections 490.123, subdivision 1; and 490.129.

Referred to the Committee on Governmental Operations.

Messrs. Bernhagen and Renneke introduced—

S.F. No. 932: A bill for an act relating to education; appropriating money for a grant for the Little Crow tele-media network; authorizing a levy by its district participants.

Referred to the Committee on Education.

Mr. Dahl introduced—

S.F. No. 933: A bill for an act relating to insurance; establishing the insurance consumers board; giving the board authority to collect and disseminate information; establishing a surcharge on insurance contracts; appropriating money collected by the surcharge to the board; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce.

Mr. Dahl introduced—

S.F. No. 934: A bill for an act relating to natural resources; providing a program for the control of noxious weeds; appropriating money; amending Minnesota Statutes 1986, sections 18.291; and 18.311; proposing coding for new Law in Minnesota Statutes, chapter 86.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Morse, Frank and Mrs. McQuaid introduced—

S.F. No. 935: A bill for an act relating to public safety; manufactured homes; requiring manufactured home park owners to provide underground shelter for residents during severe weather; amending Minnesota Statutes 1986, section 327.20, subdivision 1.

Referred to the Committee on Economic Development and Housing.

Messrs. Bernhagen, Renneke and Stumpf introduced—

S.F. No. 936: A bill for an act relating to education; providing for technology revenue; appropriating money; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Diessner, Mrs. Lantry, Messrs. Morse, Samuelson and Ms. Piper introduced—

S.F. No. 937: A bill for an act relating to lotteries; establishing a state lottery board; prescribing its powers and duties; authorizing the operation of a state lottery by an independent contractor; appropriating money; providing penalties; amending Minnesota Statutes 1986, sections 290.09, by adding a subdivision; and 609.761; proposing coding for new law as Minnesota Statutes, chapter 349A.

Referred to the Committee on General Legislation and Public Gaming.

Ms. Berglin introduced—

S.F. No. 938: A bill for an act relating to human services; allowing certain facilities to reduce licensed bed capacity to aggregate per bed investment limit prior to the reduction; amending Minnesota Statutes 1986, section 256B.432, subdivision 3a.

Referred to the Committee on Health and Human Services.

Messrs. Johnson, D.J. and Dicklich introduced—

S.F. No. 939: A bill for an act relating to employment; prohibiting residency requirements for employees; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mr. Johnson, D.J. introduced—

S.F. No. 940: A bill for an act relating to state lands; authorizing a private sale of certain tax-forfeited land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 941: A bill for an act relating to taxation; property; eliminating the open space property tax benefits to certain recreational property; amending Minnesota Statutes 1986, section 273.112, subdivisions 3, 6, and 7a.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dicklich and Johnson, D.J. introduced—

S.F. No. 942: A bill for an act relating to education; providing aid to school districts that consolidate; appropriating money.

Referred to the Committee on Education.

Mr. Johnson, D.J. introduced—

S.F. No. 943: A bill for an act relating to parks; extending the term of the citizen's council on Voyageurs National Park; amending Laws 1975, chapter 235, section 2, as amended.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin introduced—

S.F. No. 944: A bill for an act relating to human services; improving the availability of special needs payments for child care provided to AFDC recipients; amending Minnesota Statutes 1986, section 256.736, subdivision 8.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 945: A bill for an act relating to health; requiring transfers from the special revenue account to the public health fund; amending Minnesota Statutes 1986, section 214.06, subdivision 1.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 946: A bill for an act relating to human services; altering allocation of federal fiscal disallowances based on error rates; amending Minnesota Statutes 1986, section 256.01, subdivision 2.

Referred to the Committee on Health and Human Services.

Mses. Berglin; Peterson, D.C.; Messrs. Spear, Pogemiller and Marty introduced—

S.F. No. 947: A bill for an act relating to crimes; dictating circumstances in which the court may stay execution of sentence following conviction for a second or subsequent offense relating to criminal sexual conduct; providing that information regarding a sexual assault victim is private; amending Minnesota Statutes 1986, sections 609.346, subdivisions 2 and 3; and 611A.06.

Referred to the Committee on Judiciary.

Mses. Berglin; Peterson, D.C.; Mr. Spear, Ms. Reichgott and Mr. Pogemiller introduced—

S.F. No. 948: A bill for an act relating to crimes; permitting evidence showing a tendency to fabricate allegations of sexual assault; requiring

three days' notice of intent to introduce evidence of victim's prior sexual conduct; amending Minnesota Statutes 1986, section 609.347, subdivisions 3, 4, and 6.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 949: A bill for an act relating to natural resources; changing the conditions of appropriations for construction and facilities at certain conservation facilities; amending Laws 1984, chapter 597, section 5, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Mr. Spear, Mses. Reichgott, Berglin and Mr. Ramstad introduced—

S.F. No. 950: A bill for an act relating to the legislature; providing for a study by the commission on the economic status of women of gender bias in the courts; providing for direction of the study and appointment of an advisory task force by the supreme court; appropriating money.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 951: A bill for an act relating to health; authorizing the commissioner of health to issue subpoenas in certain instances; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 952: A bill for an act relating to education; appropriating money to the department of education for the Tri-County Telecomm Project.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 953: A bill for an act relating to real property; taxation; requiring real property taxes payable for the year in which the property was conveyed to be paid before deed may be recorded; amending Minnesota Statutes 1986, section 272.12.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 954: A bill for an act relating to agriculture; appropriating money to the commissioner of agriculture for use in the marketing and promotion of peat.

Referred to the Committee on Agriculture.

Mr. Chmielewski introduced—

S.F. No. 955: A bill for an act relating to natural resources; authorizing sale of certain land owned by department of natural resources.

Referred to the Committee on Environment and Natural Resources.

Mr. DeCramer introduced—

S.F. No. 956: A bill for an act relating to natural resources; providing eligibility requirements for waterbank agreements; providing requirements for the director of the division of waters; requiring the director to maintain current wetland values; authorizing wetland authorities to establish, maintain, and develop wetlands; amending drainage law definitions; prescribing payment of attorney fees on certain drainage issues appealed by the commissioner; prescribing general provisions for petitions; amending petition requirements; allowing drainage proceedings to be delayed; prescribing conditions for assessments against property within a municipality; prescribing extent of benefits and damages; requiring a benefits and damages statement and a property owner's report; providing drainage liens to be recorded against tracts of property; changing rates of interest to be paid during drainage proceedings; amending definition of repair; authorizing conditions for repair if design elevation is different than original construction elevation; providing easement for drainage authority to inspect drainage system; requiring permanent grass strips; apportioning repair costs; renumbering sections; providing penalties; amending Minnesota Statutes 1986, sections 40.072, subdivisions 3 and 6; 105.392; 105.40; 106A.005, subdivisions 2, 3, 4, 9, 10, 11, 12, 13, 14, 19, and by adding subdivisions; 106A.011, subdivisions 3 and 4; 106A.015; 106A.021, by adding subdivisions; 106A.031; 106A.051; 106A.055; 106A.081, subdivisions 2 and 3; 106A.091, subdivision 4; 106A.095, subdivisions 1, 3, and 4; 106A.101, subdivisions 2 and 4; 106A.215, subdivisions 4 and 5; 106A.221; 106A.225; 106A.231; 106A.235, subdivisions 1 and 2; 106A.241, subdivisions 1, 2, and 5; 106A.245; 106A.251; 106A.261, subdivisions 1, 3, 4, 5, 6, and 7; 106A.265, subdivision 1; 106A.271, subdivision 1; 106A.275; 106A.281; 106A.285, subdivisions 2, 4, 5, 6, 9, and 10; 106A.295; 106A.301; 106A.305, subdivision 1; 106A.311; 106A.315, subdivisions 1, 2, 5, 6, and by adding subdivisions; 106A.321, subdivision 1, and by adding a subdivision; 106A.325, subdivisions 2 and 3; 106A.335, subdivisions 1 and 3; 106A.341; 106A.345; 106A.351; 106A.401, subdivisions 2 and 6; 106A.405; 106A.411, subdivisions 3 and 4; 106A.501, subdivisions 4, 6, and 7; 106A.505, subdivisions 1, 2, 3, 7, and 8; 106A.511, subdivisions 1, 2, 3, and 5; 106A.515; 106A.525, subdivisions 2, 3, and 4; 106A.541; 106A.555, subdivision 2; 106A.601; 106A.605; 106A.611, subdivisions 2, 3, 6, and 7; 106A.615, subdivisions 4 and 7; 106A.635, subdivisions 1 and 10; 106A.645, subdivision 7; 106A.651, subdivision 1; 106A.655, subdivision 1; 106A.701, subdivision 1, and by adding a subdivision; 106A.705; 106A.715, subdivision 6; 106A.731, subdivision 1; 106A.741, subdivision 5; 106A.811, subdivisions 2, 4, and 5; 112.431, subdivision 2; 112.48, subdivision 1; 112.59; 112.60, subdivision 1; and 112.65, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 105A; proposing coding for new law in Minnesota Statutes, chapter 106A; repealing Minnesota Statutes 1986, sections 106A.005, subdivision 25; 106A.201; 106A.205; 106A.211; and 111.01 to 111.421.

Referred to the Committee on Agriculture.

Messrs. Moe, D.M. and Wegscheid introduced—

S.F. No. 957: A bill for an act relating to retirement; Minnesota postretirement investment fund; providing a special postretirement adjustment;

clarifying the process for transferring required reserve amounts; clarifying the treatment of certain optional annuity forms for postretirement adjustment purposes; increasing certain postretirement interest assumptions; amending Minnesota Statutes 1986, sections 11A.18, subdivisions 6 and 9; and 356.215, subdivision 4d.

Referred to the Committee on Governmental Operations.

Messrs. Moe, D.M.; Waldorf; Pogemiller; Renneke and Wegscheid introduced—

S.F. No. 958: A bill for an act relating to state government; establishing a public pension plan bureau within the department of employee relations; requiring continuing monitoring and oversight of public employee pension plans; amending Minnesota Statutes 1986, sections 43A.03, subdivisions 2, 3, and 4; and 43A.04, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations.

Messrs. Marty, Dahl and Willet introduced—

S.F. No. 959: A bill for an act relating to solid waste; requiring payment of a refund on nonrefillable beverage containers; authorizing counties to license redemption centers; imposing duties on the commissioner of revenue and the pollution control agency; imposing penalties; establishing a dedicated fund in the state treasury; requiring reports and emergency rules; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116F.

Referred to the Committee on Environment and Natural Resources.

Messrs. Wegscheid and Pehler introduced—

S.F. No. 960: A bill for an act relating to libraries; establishing the public library automation grant program; granting emergency rulemaking authority; appropriating money; amending Minnesota Statutes 1986, section 134.32, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 134.

Referred to the Committee on Education.

Messrs. Laidig, Bernhagen, Lessard, Wegscheid and Frederickson, D.R. introduced—

S.F. No. 961: A bill for an act relating to game and fish; use of mechanical release bows during archery seasons; amending Minnesota Statutes 1986, section 97B.035, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Marty, Ms. Berglin and Mr. Luther introduced—

S.F. No. 962: A bill for an act relating to health; prohibiting smoking in day care homes and centers, schools, and health care facilities; prohibiting free distribution of smoking tobacco products; restricting sales and advertising of tobacco products; amending Minnesota Statutes 1986, sections 144.412; 144.414; and 325F77, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Mr. Marty, Ms. Berglin and Mr. Luther introduced—

S.F. No. 963: A bill for an act relating to taxation; limiting the sales tax exemption for publications to those publications that do not advertise tobacco products; amending Minnesota Statutes 1986, section 297A.25, subdivision 10.

Referred to the Committee on Taxes and Tax Laws.

Mr. Marty and Ms. Berglin introduced—

S.F. No. 964: A bill for an act relating to children; requiring that a notice be placed on a child's birth record when parental rights to the child are terminated; permitting the juvenile court to transfer legal custody of a dependent or neglected child to a relative or foster parent under certain circumstances; providing a procedure for the adoption of a child by a foster parent at the same time that parental rights to the child are voluntarily terminated; requiring custody investigations in family court when a person other than a parent seeks custody of the child; amending Minnesota Statutes 1986, sections 144.219; 259.22, subdivision 2; 259.40, subdivisions 1 and 4; 260.191, subdivisions 1 and 2; 260.241, by adding a subdivision; and 518.167, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144 and 260.

Referred to the Committee on Judiciary.

Mr. Wegscheid introduced—

S.F. No. 965: A bill for an act relating to occupations and professions; board of accountancy; providing for experience and education requirements; authorizing a program of quality review as a condition of relicensure; eliminating the licensure of cooperative auditing services; amending Minnesota Statutes 1986, sections 326.19, subdivisions 1, 2, and 4; and 326.20, subdivisions 1 and 2.

Referred to the Committee on Commerce.

Mr. Wegscheid introduced—

S.F. No. 966: A bill for an act relating to unclaimed property; enacting the Uniform Unclaimed Property Act (1981); amending Minnesota Statutes 1986, sections 80C.03; 149.12; 198.231; 345.25; 356.65, subdivision 2; and 624.68; proposing coding for new law in Minnesota Statutes, chapter 345; repealing Minnesota Statutes 1986, sections 345.31 to 345.60.

Referred to the Committee on Commerce.

Messrs. Luther, Freeman, Wegscheid and Anderson introduced—

S.F. No. 967: A bill for an act relating to financial institutions; providing for acquisition of banks for operation as detached facilities; amending Minnesota Statutes 1986, sections 49.34, subdivision 2; and 49.36, subdivisions 1, 3, and by adding a subdivision.

Referred to the Committee on Commerce.

Mrs. Lantry introduced—

S.F. No. 968: A bill for an act relating to human services; creating a child care grant program; establishing an AFDC employment and training program; coordinating administration of the programs; providing for allocation of administrative costs and use of funds for work readiness program; exempting all educational grants and loans for purposes of AFDC eligibility; designating priority groups for receipt of AFDC; establishing conditions under which certain welfare recipients must participate in employment or training; establishing a pilot program for obtaining and enforcing child and medical support; amending Minnesota Statutes 1986, sections 245.83; 256.01, subdivision 2; 256.736, subdivisions 3, 4, and by adding subdivisions; 256.74, subdivision 1; 256D.051, subdivisions 1, 6, and by adding subdivisions; 267.02, by adding subdivisions; 267.03, subdivision 2; 267.04, subdivisions 1, 3, and 4; 268.0111, by adding subdivisions; 268.0122, subdivisions 2 and 3; 268.673, subdivisions 3 and 5; 268.6751, subdivisions 1, 2, and by adding a subdivision; 268.676; 268.677, subdivisions 2 and 3; 268.678; 268.679, subdivision 3; 268.681, subdivisions 1, 2, and 3; 268.682, subdivision 3; 268.85, subdivision 2; 268.86, subdivision 1; 268.871; 268.872, subdivisions 2 and 3; 268.88; 268.89, subdivision 3; 268.90, subdivision 4; 268.91, subdivisions 1, 2, 3, 4, 5, 6, 7, and by adding subdivisions; 268.911, subdivision 1; 518.551, by adding a subdivision; and 518.611, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 136A; 256; and 268; repealing Minnesota Statutes 1986, sections 256D.05, subdivisions 4, 5, and 11; 267.02, subdivision 5; 268.0111, subdivisions 6 and 8; and 268.672.

Referred to the Committee on Health and Human Services.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 19, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWENTY-THIRD DAY

St. Paul, Minnesota, Thursday, March 19, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Margaret Thomas.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Jude	Merriam	Reichgott
Anderson	Davis	Knaak	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R.D.	Schmitz
Benson	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederickson, D.I.	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Bertram	Freeman	Lessard	Peterson, R.W.	Taylor
Brandl	Gustafson	Luther	Piper	Vickerman
Brataas	Hughes	Marty	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.I.	Mehrkens	Ramstad	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

December 23, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Environmental Quality Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Robert Dunn, 708 - 4th St. S., Princeton, Mille Lacs County, has been appointed by me, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Environment and Natural Resources.)

September 2, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Pollution Control Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Arnold Onstad, 204 - 2nd St. S.E., Spring Grove, Houston County, has been appointed by me, effective September 2, 1986, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Environment and Natural Resources.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Director of the Minnesota Pollution Control Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Thomas Kalitowski, 7456 Quadrant Ave. S., Hastings, Dakota County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Environment and Natural Resources.)

March 5, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Charitable Gambling Control Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Raymond J. Joachim, 109 - 6th St. W., Jordan, Scott County, has been appointed by me, effective March 5, 1987, for a term expiring June 30, 1988.

(Referred to the Committee on General Legislation and Public Gaming.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 87, 302 and 402.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 16, 1987

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 6: A House concurrent resolution adopting permanent joint rules of the Senate and House of Representatives.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 16, 1987

Mr. Moe, R.D. moved that House Concurrent Resolution No. 6 be laid on the table and printed in the Journal. The motion prevailed.

House Concurrent Resolution No. 6: A House concurrent resolution adopting permanent joint rules of the Senate and House of Representatives.

BE IT RESOLVED, by the House of Representatives of the State of Minnesota, the Senate concurring that the Joint Rules of the Senate and House of Representatives for the 75th Legislature shall be the Joint Rules of the 74th Legislature but amended as follows:

(1) Rule 2.02 is amended to read:

APPROPRIATING MONEY

Rule 2.02. The same bill shall not appropriate public money or property to more than one local or private purpose.

No clause appropriating money for a local or private purpose shall be contained in a bill appropriating money for the State government or public institutions. All resolutions authorizing the issuing of abstracts by the Secretary of the Senate or the Chief Clerk of the House for the payment of money shall be upon the call of "yeas" and "nays."

In odd-numbered years, at least twenty calendar days prior to the last day the Legislature can meet in regular session [~~April 30, 1985~~ Tuesday, April 28, 1987], the Committee on Finance of the Senate and the Committee on Appropriations of the House shall report to their respective houses, unless directed by concurrent resolution to report different appropriation bills, eight separate appropriation bills as follows:

(a) A bill appropriating money for the general administrative and judicial expenses of the State government for the succeeding two fiscal years including salaries, office expenses and supplies and other necessary expenses connected therewith;

(b) A bill covering all appropriations relating to public welfare, health and corrections for the support and maintenance of all State penal and charitable institutions, and other institutions of the State except educational for the two succeeding fiscal years;

(c) A bill appropriating money for the support and maintenance of all State educational institutions for the two succeeding fiscal years;

(d) A bill covering all appropriations providing for the payment of claims against the State of Minnesota which may have been allowed by the Finance Committee of the Senate or the Appropriations Committee of the House;

(e) A bill covering all appropriations made for semi-state activities;

(f) A bill covering all appropriations for construction and major rehabilitation of public buildings to be financed by issuance of bonds;

(g) A bill covering all appropriations for maintenance, repair, and minor rehabilitation and construction of public buildings; and

(h) A bill covering appropriations for the department of transportation.

No other appropriations shall be contained in any of said bills but all other appropriations shall be contained in separate bills.

(2) Rule 2.03 is amended to read:

Rule 2.03. (a) In odd-numbered years, committee reports on bills favorably acted upon by a committee in the house of origin after ~~April 4, 1985~~ *April 10, 1987*, and committee reports on bills originating in the other house favorably acted upon by a committee after ~~April 19, 1985~~ *April 28, 1987*, shall be referred in the Senate to the Committee on Rules and Administration, and in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. Referral is not required when a committee after the earlier date and by the later date set by this paragraph acts on a bill that is a companion to a bill that has met the earlier deadline in the other house. This rule does not apply to the Senate Committees on Finance and on Taxes and Tax Laws, and the House Committees on Appropriations and on Taxes.

Conference committees on the major appropriation bills specified in Joint Rule 2.02 shall have their reports on the members' desks by the last Thursday on which the Legislature can meet in regular session [~~May 16, 1985~~ *May 14, 1987*]. After the last Friday on which the Legislature can meet in regular session [~~May 17, 1985~~ *May 15, 1987*], neither house shall act on bills other than those contained in:

(1) Reports of conference committees;

(2) Messages from the other house;

(3) Reports of the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House; or

(4) Messages from the Governor.

(b) In even-numbered years the Legislature shall establish by concurrent resolution deadlines based on the date intended to be the date of adjournment sine die.

(3) Rule 2.06 is amended to read:

Rule 2.06. In all cases of disagreement between the Senate and House on amendments adopted by either house to a bill, memorial or resolution passed by the other house, a conference committee consisting of not less than three members nor more than five members from each house may be requested by either house. The other house shall appoint a similar committee.

The manner of procedure shall be as follows: The house of origin passes a bill and transmits it to the other body. If the other body adopts an

amendment to the bill and passes it as amended, it shall return the bill with a record of its actions to the house of origin. If the house of origin refuses to concur in the amendment, it shall ask for a conference committee, appoint such a committee on its part, and transmit the bill with a record of its action to the other house. If the other house adheres to its amendment, it shall appoint a like committee and return the bill to the house of origin.

At an agreed upon hour the conference committee shall meet. The members from each house shall state to the members from the other house, orally or in writing, the reason for their respective positions. The members shall confer thereon and shall report to their respective houses the agreement they have reached, or, if none, the fact of a disagreement.

If an agreement is reported, the house of origin shall act first upon the report. *A conference committee report must be limited to provisions that are germane to the bill and amendment that were referred to the conference committee. A provision is not germane if it relates to a substantially different subject or is intended to accomplish a substantially different purpose from that of the bill and amendment that were referred to the conference committee.* If the report is adopted and repassed as amended by the conference committee by the house of origin, the report, the bill and a record of its action shall be transmitted to the other house.

All conference committees shall be open to the public. Meetings of conference committees shall be announced as far in advance as practical.

All proceedings of a conference committee must be recorded on magnetic tape or similar device. Two copies of each tape shall be delivered to the director of the legislative reference library and there maintained on file for use by any member of the public in accordance with the rules of the legislative reference library.

Discussion preserved under this rule is not intended to be admissible in any court or administrative proceeding on an issue of legislative intent.

Except after the last Thursday on which the Legislature can meet in regular session in odd-numbered years [~~May 16, 1985~~ May 14, 1987], and after the last Thursday on which the Legislature intended, when it adopted the concurrent resolution required by Rule 2.03, paragraph (b), to meet in regular session in even-numbered years, a written copy of a report of a conference committee shall be placed on the desk of each member of a house twelve hours before action on the report by that house. If the report has been reprinted in the Journal of either house for a preceding day and is available to the members, the Journal copy shall serve as the written report. *The member presenting the conference committee report to the body shall disclose, either in writing or orally, the substantial changes from the bill or the amendment as they were last before the body.*

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 102, 141, 270, 312, 362, 436 and 489.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 16, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 102: A bill for an act relating to game and fish; use of mechanical release bows during archery seasons; amending Minnesota Statutes 1986, section 97B.035, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 141: A bill for an act relating to liability; authorizing the elimination or limitation of a director's personal liability to a cooperative association or its members; exempting certain directors, members, and agents of nonprofit corporations from civil liability; exempting certain members of hospital district boards from certain civil liability; amending Minnesota Statutes 1986, sections 317.201; and 447.32, by adding a subdivision; and proposing coding for new law in Minnesota Statutes, chapter 308.

Referred to the Committee on Judiciary.

H.F. No. 270: A bill for an act relating to adoption; providing for notice of an adopted child or genetic parent's death; proposing coding for new law in Minnesota Statutes, chapter 259.

Referred to the Committee on Judiciary.

H.F. No. 312: A bill for an act relating to elections; changing what name may be used on ballots, nominating petitions, and affidavits of candidacy; repealing Minnesota Statutes 1986, section 204B.05.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 438.

H.F. No. 362: A bill for an act relating to Hennepin county; creating a county housing and redevelopment authority; applying the municipal housing and redevelopment act to Hennepin county; providing for local approval of projects; proposing coding for new law in Minnesota Statutes, chapter 383B.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 436: A bill for an act relating to agriculture; providing minimum standards for seed potatoes; proposing coding for new law in Minnesota Statutes, chapter 21.

Referred to the Committee on Agriculture.

H.F. No. 489: A bill for an act relating to local government; authorizing annexation proceedings for certain land between the city of Nashwauk and the town of Nashwauk.

Referred to the Committee on Local and Urban Government.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 27: A bill for an act relating to appropriations; providing for a payment for certain improvements in the city of St. Cloud.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, delete "\$_____" and insert "\$500,000"

Page 1, after line 12, insert:

“Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 63: A bill for an act relating to motor vehicles; providing that passenger automobile license plates be issued every six years; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5; repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, after line 16, insert:

“Sec. 6. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 544: A bill for an act relating to education; providing for area learning centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [129B.51] [AREA LEARNING CENTER DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 1 to 5.

Subd. 2. [AREA LEARNING CENTER.] “Area learning center” or “center” means a center formed by a school district or group of districts to provide coordination of programs dealing with education and related services for youths and adults in need of basic educational and social services and for dislocated workers. An area learning center provides educational alternatives for learners who are or have been unsuccessfully served by traditional programs.

Subd. 3. [YOUTHS AND ADULTS.] A “pupil” enrolled at an area learning center is a youth or adult who, over a period of time, has had difficulty with learning and developing. Such pupils may include pupils who have left school before graduating, pregnant teenagers, teenage parents, pupils who have attempted suicide, neglected children, educationally disadvantaged youths, or other youths who have not been successful in traditional educational programs.

Sec. 2. [129B.52] [AREA LEARNING CENTER ORGANIZATION.]

Subdivision 1. [AREA SERVED.] An area learning center must serve

the geographic area of at least two school districts, unless the commissioner of education determines that a center would better serve a smaller area.

Subd. 2. [GOVERNANCE.] An area learning center may be offered by several cooperating districts, an ECSU, a special or individual school, an intermediate school district, or other public education agency. It may also be a cooperative venture of public and private secondary and post-secondary institutions, other public agencies, businesses, and foundations. If approved by the commissioner, a single school district may offer a center. The districts and other organizations, if applicable, shall determine the organizational structure of the center.

Subd. 3. [ACCESS TO SERVICES.] A center shall have access to the district's regular education programs, technology facilities, and staff to supplement its services. It may contract with individuals or institutions for the resources of a district or post-secondary institution. It shall seek the involvement of and cooperate with community education programs, post-secondary institutions, community resources, businesses, and other federal, state, and local public agencies.

Subd. 4. [NONRESIDENT PUPILS.] A center shall accept nonresident pupils. A district must permit the attendance of a resident pupil who wants to attend a nearby center. All nonresident pupils must be assessed by the center to determine whether the pupil is eligible. The center may charge tuition for a nonresident pupil. The tuition rate shall be according to section 124.18, subdivision 2.

Sec. 3. [129B.53] [CENTER PROGRAMS AND SERVICES.]

Subdivision 1. [RULES EXEMPTION.] Notwithstanding any law to the contrary, the center programs must be available throughout the entire year. A center is exempt from rules requiring a minimum number of clock hours for required subjects. A center may petition the state board under Minnesota Rules, part 3500.1000, for exemption from other rules.

Subd. 2. [COORDINATION WITH COMMUNITY PROGRAMS.] In addition to offering its programs, a center shall coordinate the use of other available educational and social services to avoid duplication in the community.

Subd. 3. [PROGRAM FOCUS.] The programs and services of a center must focus on academic and learning skills, trade and vocational skills, work experience, and transition services.

Subd. 4. [REQUIRED PROGRAMS.] Specific programs and services that must be available through the center and used by the center include:

- (1) dropout prevention;*
- (2) education and services for persons who have dropped out of school;*
- (3) teenage parent programs;*
- (4) programs for students who are disruptive in a traditional school;*
- (5) substance abuse programs for teenage pupils;*
- (6) part-time jobs and work experience;*
- (7) programs for adjudicated youth;*
- (8) programs to enhance self-concept;*

- (9) *advocates to assist pupils with other governmental agencies;*
- (10) *programs and services that develop the pupil's competency to use what has been learned;*
- (11) *transition services to assist pupils to change from school to work;*
- (12) *basic education for the functionally illiterate;*
- (13) *high school diploma or GED preparation programs;*
- (14) *basic job skills training or retraining of displaced workers; and*
- (15) *educational programs for institutionalized persons who are dropouts.*

Subd. 5. [SPECIAL PROGRAMS.] A center shall make available a dropout prevention program for elementary and junior high schools. The program must begin by grade six, provide dropout prevention counseling beginning in grade six, provide programs for parents of potentially eligible pupils, and include peer tutoring. The center must also offer a program for pupils who have successfully completed their program at the center to continue the relationship between the pupils and the center. At the time a pupil enrolls in a center, the pupil must be encouraged to serve as an advisor, role model, and peer tutor after completing the program.

Subd. 6. [GRADUATION.] Upon successful completion of the center program, a pupil is entitled to receive a high school diploma. The district of residence, the center, and the pupil shall agree about the district from which the pupil will graduate.

Subd. 7. [ADULT PROGRAMS.] Adult programs and services may be offered by the center or by other institutions such as an AVTI or community college with coordination with other services of the center.

Sec. 4. [129B.54] [RESOURCE CENTER FOR OTHER PROGRAMS.]

Subdivision 1. [ASSISTANCE.] An area learning center must serve as a resource to improve special programs and to provide assistance for similar programs offered by districts or other educational, community, or business organizations. This assistance may be offered primarily when the regular program would not be disrupted.

Subd. 2. [REQUIRED SERVICES.] A center shall provide the following services for a region or the state:

- (1) *information and research that can be used to establish flexible criteria for alternative programs throughout the state;*
- (2) *regional or state workshops on identification, awareness, programming, and support systems for these pupils; and*
- (3) *recommendations for teacher qualifications to ensure that the most qualified staff can be selected for the alternative programs.*

The center may charge districts and other organizations receiving these services. The center shall provide practical expertise and leadership for alternative programs and other centers throughout the state.

Sec. 5. [129B.55] [CENTER FUNDING.]

Subdivision 1. [COOPERATIVE.] Funding for a center is intended to be a cooperative venture among state, school districts, post-secondary institutions, interagency community resources, and businesses.

Subd. 2. [FOUNDATION REVENUE.] The district of residence shall levy and receive foundation and tier aid for each pupil enrolled at the center.

Subd. 3. [ANNUAL GRANT.] The center shall receive a state grant each year to defray excess costs.

Subd. 4. [OUTSIDE SOURCES.] Additional funding sources include:

(1) resources and services from post-secondary institutions serving center pupils;

(2) resources from job training partnership act programs, including funding for jobs skills training for various groups and the percentage reserved for education;

(3) resources of the department of human services and county welfare funding;

(4) private resources, foundation grants, gifts, and other grants; and

(5) resources from cooperation with business.

Sec. 6. [PLANNING GRANTS FOR FISCAL YEARS 1988 AND 1989.]

Subdivision 1. [EXISTING PROGRAMS.] Up to 20 planning grants of \$5,000 may be awarded for each of fiscal years 1988 and 1989 for existing alternative programs. The grants are to be used to prepare a plan for the existing program to become an area learning center by expanding or redesigning its services to conform to sections 1 to 5.

Subd. 2. [ELIGIBILITY REQUIREMENTS.] To qualify for a planning grant, an existing program must have the following:

(1) an educational program that includes some of the programs in section 3, subdivision 4;

(2) an outreach component; and

(3) an established program policy of accepting nonresident pupils.

Subd. 3. [GRANT AWARDS.] The state board of education shall award planning grants based on short descriptions of applicants' current and proposed programs. Grant recipients must be geographically disbursed throughout the state.

Subd. 4. [PLANS.] A grant recipient shall submit a plan to the state board by January 1, 1988 or 1989, as applicable. The plan must include:

(1) the variety of people to be served;

(2) alternative approaches to services;

(3) interagency cooperation;

(4) community, business, parent, and pupil involvement;

(5) methods to identify potential dropouts;

(6) outreach efforts;

(7) needs assessment of services for the community to be served;

(8) sources of funding;

(9) services for jobs and employability skills;

- (10) commitments from cooperating agencies, businesses, and others;
- (11) resource services to be provided to other programs and agencies;
- (12) criteria for evaluation, including measuring learner outcomes;
- (13) methods by which the area learning center will provide practical expertise and leadership for other centers; and
- (14) how program will attempt to meet all requirements.

Sec. 7. [1988 SELECTION OF EXEMPLARY CENTERS.]

Based on the plans submitted by July 1, 1988, the state board of education shall select five sites to be designated exemplary models for area learning centers. The sites must be geographically distributed throughout the state. The state board shall award each site a grant of \$100,000.

Sec. 8. [1989 AND 1990 EVALUATION.]

The department of education shall provide for independent evaluation of the program and cost of the area learning centers during fiscal years 1989 and 1990. A preliminary report shall be submitted to the legislature by February 1, 1989. The final report shall be submitted by February 1, 1990. Both reports must provide information about:

- (1) whether the programs were implemented according to the plan;
- (2) the success of the programs;
- (3) the financial and other resources available to and used by the centers;
- (4) cooperation and coordination among agencies that developed;
- (5) programs that were offered; and
- (6) the cost of the programs.

Sec. 9. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [CENTER PLANNING GRANTS.] For area learning center planning grants there is appropriated:

\$100,000 ____1988,

\$100,000 ____1989.

Subd. 3. [EXEMPLARY SITES FOR AREA LEARNING CENTERS.] For grants for exemplary sites for area learning centers there is appropriated:

\$500,000 ____1989.

Subd. 4. [INDEPENDENT EVALUATION.] For independent evaluation of area learning centers there is appropriated:

\$20,000 ____1989."

And when so amended the bill do pass and be re-referred to the Committee on Health and Human Services. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 192: A bill for an act relating to lawful gambling; increasing the percentage of profits that may be used for necessary expenses; regulating distributor licenses; authorizing the board to determine distributor licensee fees, manufacturer certificate fees, and the price of the gambling equipment registration stamp; regulating the warehousing of gambling equipment within the state; regulating the leasing of premises for lawful gambling; authorizing the board to adopt rules restricting the amount of rent charged; prohibiting lessors from any involvement in lawful gambling; removing the board's authority to adopt a schedule of compensation; making various technical changes; amending Minnesota Statutes 1986, sections 349.12, subdivisions 12 and 15; 349.14; 349.15; 349.161, subdivisions 3, 4, 5, and 7; 349.162, subdivision 1, and by adding a subdivision; 349.163, subdivision 2; 349.18, subdivision 1, and by adding a subdivision; 349.19, subdivision 3; and 349.21.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 349.12, subdivision 7, is amended to read:

Subd. 7. "Paddlewheel" means a wheel marked off into sections containing one or more numbers, and which, after being turned or spun, uses a pointer or marker *in conjunction with paddle tickets, or a drop cloth, and chips*, to indicate winning chances.

Sec. 2. Minnesota Statutes 1986, section 349.12, subdivision 11, is amended to read:

Subd. 11. "Lawful purpose" means one or more of the following: (a) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; (b) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; (c) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; ~~or~~ (d) the improving, expanding, maintaining or repairing real property owned or leased by an organization; *or (e) payment of taxes imposed under section 511 of the Internal Revenue Code of 1954, as amended through December 31, 1986.*

"Lawful purpose" does not include the erection or acquisition of any real property, unless the board specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in this clause.

Sec. 3. Minnesota Statutes 1986, section 349.12, subdivision 12, is amended to read:

Subd. 12. "Organization" means any fraternal, religious, veterans, or other nonprofit organization *which has been in existence for at least three years and has at least 15 active members.*

Sec. 4. Minnesota Statutes 1986, section 349.12, subdivision 13, is amended to read:

Subd. 13. "Profit" means the gross receipts collected from lawful gambling, less reasonable sums necessarily and actually expended for prizes and taxes imposed by this chapter *or under sections 4401 and 4411 of the Internal Revenue Code of 1954, as amended through December 31, 1986.*

Sec. 5. Minnesota Statutes 1986, section 349.12, subdivision 15, is amended to read:

Subd. 15. "Gambling equipment" means: bingo cards and devices for selecting bingo numbers, pull-tabs, ~~ticket jars~~ *jar tickets*, paddlewheels, and tipboards.

Sec. 6. Minnesota Statutes 1986, section 349.14, is amended to read:

349.14 [ORGANIZATION MAY CONDUCT LAWFUL GAMBLING; LICENSE.]

An organization may conduct lawful gambling if it ~~has been in existence for at least three years, has at least 15 active members,~~ has a license to conduct lawful gambling from the board and complies with this chapter.

Sec. 7. Minnesota Statutes 1986, section 349.15, is amended to read:

349.15 [USE OF PROFITS.]

(a) Profits from lawful gambling may be expended only for lawful purposes or expenses as authorized at a regular meeting of the conducting organization. Provided that no more than ~~50~~ 55 percent of profits from bingo, and no more than ~~40~~ 45 percent for other forms of lawful gambling, may be expended for necessary expenses related to lawful gambling. *Organizations that have less than \$150,000 in gross receipts from bingo in a year may expend up to 70 percent of the profits from bingo for allowable expenses related to the conducting of bingo.*

(b) The board shall provide by rule for the administration of this section, including specifying allowable expenses. *The rules shall also provide a procedure under which an organization may apply to the board to have an expense item treated as an allowable expense if the organization shows that the expense is necessary and related to the conducting of lawful gambling, and that if the expense is not allowed it would work a hardship on the organization.* The rules may provide a maximum percentage of gross receipts which may be expended for certain expenses.

Sec. 8. Minnesota Statutes 1986, section 349.151, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] The compensation of board members is ~~\$35 per day spent on commission activities, when authorized by the board, plus expenses in the same manner and amount as provided in the commissioner's plan adopted according to section 43A.18, subdivision 2 as provided in section 15.0575, subdivision 3.~~

Sec. 9. Minnesota Statutes 1986, section 349.151, is amended by adding a subdivision to read:

Subd. 4a. [LISTS OF LICENSED ORGANIZATIONS.] The board shall annually print a list of all organizations licensed to conduct lawful gambling in this state, and shall at least monthly print a list of any new licenses

issued during that month, along with a list of any license which has been revoked or suspended or which has not been renewed. Any person may receive a copy of these lists for a reasonable charge.

Sec. 10. Minnesota Statutes 1986, section 349.151, is amended by adding a subdivision to read:

Subd. 4b. [ADDITIONAL POWERS.] The board may summarily suspend a license or impose a civil penalty of not more than \$500 on a licensee prior to a contested case hearing for a violation of this chapter or rule of the board where necessary to ensure the integrity of lawful gambling. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days from the close of the hearing record. The board must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and arguments under section 14.61. The board may authorize the executive secretary to impose a civil penalty of not more than \$500 on a licensee prior to a hearing for a violation of this chapter or board rule. A penalty imposed by the executive secretary may be appealed to the board within 30 days.

Sec. 11. Minnesota Statutes 1986, section 349.161, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, or other person in a supervisory or management position, or employee eligible to make sales on behalf of the distributor a person, who:

(1) has been convicted of a felony in a state or federal court within the past five years or who has a felony charge pending;

(2) has ever been convicted in a state or federal court of a gambling-related offense; or

(3) is or has ever been engaged in an illegal business.

Sec. 12. Minnesota Statutes 1986, section 349.161, subdivision 4, is amended to read:

Subd. 4. [FEES.] The annual fee for a ~~supplier's~~ distributor's license is ~~\$1,500~~ shall be determined by rule of the board.

Sec. 13. Minnesota Statutes 1986, section 349.161, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION.] (a) No distributor, or employee eligible to make sales on behalf of a distributor, may also be a wholesale distributor of liquor or alcoholic beverages.

(b) No distributor, or employee authorized to make sales on behalf of a distributor, may be involved directly in the operation of lawful gambling conducted by an organization.

Sec. 14. Minnesota Statutes 1986, section 349.161, subdivision 7, is amended to read:

Subd. 7. [CRIMINAL HISTORY.] The board may request the assistance of the bureau of criminal apprehension in investigating the background of an applicant for a ~~supplier's~~ distributor's license and may reimburse the bureau for the costs thereof. The board has access to all criminal history

data compiled by the bureau on licensees and applicants.

Sec. 15. Minnesota Statutes 1986, section 349.161, is amended by adding a subdivision to read:

Subd. 9. [PERMANENT OFFICE.] Licensed distributors must maintain a permanent office in Minnesota. All records required to be maintained by this chapter must be kept at that location.

Sec. 16. Minnesota Statutes 1986, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] A distributor may not sell to an organization and an organization may not purchase from a distributor gambling equipment unless the equipment has been registered with the board and has a registration stamp affixed. *The stamps must be kept in Minnesota and affixed to gambling equipment at a facility owned or leased by the distributor.* The board shall ~~charge a fee of five cents for each stamp~~ *determine by rule the price of the stamp.* Each stamp must bear a registration number assigned by the board. A distributor is entitled to a refund for unused stamps and replacement for stamps which are defective or canceled by the distributor.

Sec. 17. Minnesota Statutes 1986, section 349.162, is amended by adding a subdivision to read:

Subd. 4. [PROHIBITION.] No person other than a licensed organization or a licensed distributor may possess registration stamps issued by the board.

Sec. 18. Minnesota Statutes 1986, section 349.163, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE; FEE.] A certificate under this section is valid for one year. The annual fee for registration is ~~\$500~~ *shall be determined by rule of the board.*

Sec. 19. Minnesota Statutes 1986, section 349.17, subdivision 1, is amended to read:

Subdivision 1. [BINGO OCCASIONS.] Not more than ~~104 bingo occasions each year or two seven~~ *bingo occasions each week* may be conducted by an organization; ~~except as provided in this subdivision.~~ A bingo occasion may not continue for more than four consecutive hours.

~~The board may permit an organization to conduct more than two bingo occasions in a week and more than 104 bingo occasions in a year if the board determines that the additional occasions are consistent with the purpose of sections 349.11 to 349.22 and if the following procedures are followed:~~

~~(1) the organization applies for the additional occasions, stating the number of additional occasions applied for;~~

~~(2) the board notifies the governing body of the county or home rule or statutory city in which the applicant is located; and~~

~~(3) the governing body fails to adopt a resolution disapproving the additional occasions within 30 days of the notification.~~

Sec. 20. Minnesota Statutes 1986, section 349.17, subdivision 2, is amended to read:

Subd. 2. [BINGO ON LEASED PREMISES.] A person or corporation, other than an organization, which leases any premises that it owns to two or more organizations for purposes including the conduct of bingo occasions, may not allow more than ~~four~~ 21 bingo occasions to be conducted on the premises in any week. The board may waive this restriction and permit a person or corporation to allow a specified member of bingo occasions on the premises in excess of four per week if it finds that the waiver is consistent with the purpose of sections 349.11 to 349.22 and if the following procedures are followed:

(1) the person or corporation applies for the waiver, stating the number of additional occasions sought per week;

(2) the board notifies the governing body of the county or home rule or statutory city in which the premises are located; and

(3) the governing body fails to adopt a resolution disapproving the waiver within 30 days of the notification.

Sec. 21. Minnesota Statutes 1986, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of at least one year and must be in writing. Copies of all leases must be made available to employees of the board on request. A lease may not provide for rental payments based on a percentage of receipts or profits from lawful gambling. *The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling.*

Sec. 22. Minnesota Statutes 1986, section 349.18, subdivision 3, is amended to read:

Subd. 3. [PROCEEDS FROM RENTAL.] ~~A licensed organization which leases Rental proceeds from premises it owns owned by a licensed organization and leased or subleased to one or more other licensed organizations for the purposes including the conduct of conducting lawful gambling may expend the rental proceeds, less reasonable deductions for maintenance, furnishings, and utilities, only for lawful purposes. The rental proceeds must be recorded and reported as proceeds from gambling under section 349.19 shall not be reported as gambling proceeds under this chapter.~~

Sec. 23. Minnesota Statutes 1986, section 349.19, subdivision 3, is amended to read:

Subd. 3. [EXPENDITURES.] All expenditures of bingo profits from lawful gambling must be itemized as to payee, purpose, amount, and date of payment.

Sec. 24. Minnesota Statutes 1986, section 349.19, subdivision 6, is amended to read:

Subd. 6. [PRESERVATION OF RECORDS.] The board may require that records required to be kept by this section must be preserved by a licensed organization for at least two years and may be inspected by employees of the board at any reasonable time without notice or a search warrant. *In no event may the board require an organization to retain opened winning pull-tabs or unopened and unsold pull-tabs for more than one year after a deal or commingled deal has been completed.*

Sec. 25. Minnesota Statutes 1986, section 349.21, is amended to read:
349.21 [COMPENSATION.]

Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that nonmanagement assistants who are not active members or spouses may be hired to assist in the conduct of lawful gambling in nonmanagement positions if approved by a majority of the organization's members.

The amounts of compensation which may be paid under this section ~~must~~ *may* be provided for in a schedule of compensation adopted by the board by rule. In adopting ~~the~~ *a* schedule the board must consider the nature of the participation and the types of lawful gambling participated in.

A licensed organization may pay a percentage of the gross receipts from raffle ticket sales to a nonprofit organization which sells tickets for the licensed organization.

Sec. 26. Minnesota Statutes 1986, section 349.211, subdivision 1, is amended to read:

Subdivision 1. [BINGO.] ~~Prizes for a single bingo game may not exceed \$100 except prizes for a cover-all game, which may exceed \$100 if the aggregate value of all cover-all prizes in a bingo occasion does not exceed \$500. Total prizes awarded at a bingo occasion may not exceed \$2,500, unless a cover-all game is played in which case the limit is \$3,000. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win \$5,000.~~

Sec. 27. Minnesota Statutes 1986, section 349.213, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGULATION.] A statutory or home rule city or county has the authority to adopt more stringent regulation of any form of lawful gambling within its jurisdiction, including the prohibition of any form of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.214. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. *The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are profits less amounts expended for allowable expenses.*

Sec. 28. [REPEALER.]

Minnesota Statutes 1986, section 349.211, subdivision 2, is repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 11, 13 to 15, 17, and 19 to 28 are effective June 1, 1987. Sections 12, 16, and 18 are effective January 1, 1988.

Delete the title and insert:

"A bill for an act relating to lawful gambling; clarifying the definition of profit; increasing the percentage of profits that may be used for necessary expenses; requiring organizations to expend profits for lawful purposes.

within a certain period; requiring the board to print a list of all licensed organizations; allowing the board to summarily suspend licenses and impose penalties under certain circumstances; regulating distributor licenses; authorizing the board to determine distributor licensee fees; manufacturer certificate fees, and the price of the gambling equipment registration stamp; providing for a limit on the number of bingo occasions which an organization may conduct in a week, and the number of occasions which may occur on any one site in a week; authorizing the board to adopt rules restricting the amount of rent charged; requiring winning and unsold pull-tabs to be retained for one year; increasing the prize limits for bingo; making various technical changes; amending Minnesota Statutes 1986, sections 349.12, subdivisions 7, 11, 12, 13, and 15; 349.14; 349.15; 349.151, subdivision 3, and by adding subdivisions; 349.161, subdivisions 3, 4, 5, and 7, and by adding a subdivision; 349.162, subdivision 1, and by adding a subdivision; 349.163, subdivision 2; 349.17, subdivisions 1 and 2; 349.18, subdivisions 1 and 3; 349.19, subdivisions 3 and 6; 349.21; 349.211, subdivision 1; and 349.213, subdivision 1; repealing Minnesota Statutes 1986, section 349.211, subdivision 2."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 426: A bill for an act relating to economic development; renaming the agricultural resource loan guaranty board; providing powers; authorizing the board to participate in loans; appropriating money; amending Minnesota Statutes 1986, sections 41A.01; 41A.02, subdivisions 3, 4, 5, 6, 11, and 15; 41A.03, subdivisions 4 and 5; 41A.04, subdivision 1; 41A.05, subdivisions 1, 2, 3, and 5; 41A.06, subdivision 1; 297A.44, subdivision 1; 362A.041; and 362A.05; proposing coding for new law in Minnesota Statutes, chapter 41A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, after "state" insert "*but in a manner that will not directly result in a reduction in the employment of other businesses in the state*"

Pages 2 and 3, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1986, section 41A.02, subdivision 6, is amended to read:

Subd. 6. [AGRICULTURAL RESOURCE PROJECT; PROJECT.] "Agricultural resource project" or "project" means:

(1) any facility, or portion of a facility, located in the state which is operated or is to be operated primarily for the production ~~from agricultural resources~~ of marketable products. ~~A project includes from agricultural resources;~~

(2) a facility or portion of a facility used to commercially produce fish or fish products from commercially-produced fish;

(3) real or personal property used with one or more revenue-producing business enterprises, whether or not for profit, if the real or personal property is not located within a city of the first class and is not used for

the production of livestock, crops, plants, or milk; or

(4) a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks."

Page 4, line 32, after the semicolon, insert "and"

Page 4, delete lines 33 and 34

Page 4, line 35, delete "(10)" and insert "(9)"

Page 9, lines 17 to 19, reinstate the stricken language

Page 9, line 20, reinstate the stricken "the state, pursuant to the agricultural" and after the stricken "guaranty" insert "development"

Page 9, line 21, reinstate the stricken language and delete the new language

Page 9, lines 22 to 24, delete the new language

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 221: A bill for an act relating to education; establishing a program to require school districts to provide milk to all elementary and secondary pupils in public and nonpublic schools; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete subdivision 1

Page 1, line 17, after "provide" insert "an additional" and after "milk" insert "that is not otherwise available at times other than meal periods"

Page 1, line 18, delete "and secondary"

Page 1, line 21, delete "department" and insert "commissioner" and delete "agriculture" and insert "education"

Page 1, line 23, delete "2" and insert "1" and delete "agriculture" and insert "education"

Re-number the subdivisions in sequence

Page 2, line 1, delete "department" and insert "commissioner"

Page 2, line 2, delete "agriculture" and insert "education"

Page 2, line 3, after "Minnesota" insert "elementary"

Amend the title as follows:

Page 1, line 4, delete "and secondary"

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 36: A bill for an act proposing an amendment to the Minnesota Constitution, article XIV; dedicating motor vehicle excise tax proceeds to

highway and transit purposes.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, after the period, insert "*If ratified by the people, the proposed amendment is effective January 1, 1989.*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 23: A bill for an act relating to historical preservation; directing an archaeological site assessment and tourism study of the Fond du Lac area; appropriating funds.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 269: A bill for an act relating to agriculture; appropriating money for aid to county and district agricultural societies.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 420: A bill for an act relating to crimes; metropolitan transit; authorizing peace officers hired by the metropolitan transit commission to make arrests within the metropolitan area; amending Minnesota Statutes 1986, section 629.40, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 23, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 202: A bill for an act relating to corporations; providing for modification of the personal liability of directors; amending Minnesota Statutes 1986, sections 300.45; and 300.64, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 29, delete "*this section*" and insert "*subdivision 1, 2, or 3*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 950: A bill for an act relating to the legislature; providing for a study by the commission on the economic status of women of gender bias in the courts; providing for direction of the study and appointment of an advisory task force by the supreme court; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

“Section 1. [STUDY OF SEX BIAS IN THE COURTS.]

Subdivision 1. [SCOPE.] The Minnesota supreme court shall conduct a study to determine the nature and extent of sex bias in the Minnesota courts and specify its manifestations and consequences. The study must examine all aspects of the state court system, including the treatment of women and men in relevant procedural and substantive areas of law, the treatment of male and female litigants, defendants, victims, witnesses, jurors, judges, attorneys, and other court personnel, and the effect of sex bias on courtroom interaction.

Subd. 2. [TECHNICAL ASSISTANCE AND STAFF] The supreme court may appoint an advisory task force under Minnesota Statutes, section 15.014. The commission on the economic status of women shall provide staff and technical assistance in all phases of the study, including preparation of the final report. The commission shall report the findings, conclusions, and recommendations of the study to the legislature by January 1, 1989.”

Amend the title as follows:

Page 1, delete line 3 and insert “the supreme court of”

Page 1, line 4, delete “gender” and insert “sex”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 539: A bill for an act relating to domestic abuse; prohibiting modification or vacation of certain orders for protection in a marriage dissolution proceeding; providing that certain actions are not violations of an order for protection; requiring written notice to respondents of penalties for violation of an order; requiring notice to peace officers; amending Minnesota Statutes 1986, sections 518.131, subdivision 2; and 518B.01, subdivisions 4, 6, 14, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, delete “chapter 518B” and insert “section 518B.01, subdivision 6, paragraph (a), clause (1).”

Page 2, line 23, before “and” insert “if the respondent is avoiding personal service by concealment or otherwise.”

Page 4, line 35, delete "(a)"

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

"(2) the respondent is forbidden to enter or stay at the petitioner's residence, even if invited to do so by the petitioner or any other person; in no event is the order for protection voided; and"

Renumber the clauses in sequence

Page 5, delete lines 9 to 12

Amend the title as follows:

Page 1, line 7, delete "requiring notice"

Page 1, line 8, delete "to peace officers;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 724: A bill for an act relating to horse racing; modifying the purse structure; providing for the representation of horsemen contracting with a licensee; modifying taxes; eliminating the payment of a percentage of the breakage to the commission; amending Minnesota Statutes 1986, sections 240.13, subdivision 5; 240.15, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete "horsemen's" and insert "horsepersons"

Page 1, line 19, delete "horsemen" and insert "horsepersons"

Page 2, line 2, after the period, insert *"The amount of money set aside for purses by a licensee operating a racetrack located outside the seven-county metropolitan area, with an average daily handle of \$350,000 or less, shall be not less than five percent of all money in all pari-mutuel pools."*

Page 2, lines 6, 12, 14 and 17, delete "horsemen's" and insert "horsepersons"

Page 2, lines 7 and 10, delete "horsemen" and insert "horsepersons"

Amend the title as follows:

Page 1, line 4, delete "horsemen" and insert "horsepersons"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 369 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
369	264				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 369 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 369 and insert the language after the enacting clause of S.F. No. 264, the first engrossment; further, delete the title of H.F. No. 369 and insert the title of S.F. No. 264, the first engrossment.

And when so amended H.F. No. 369 will be identical to S.F. No. 264, and further recommends that H.F. No. 369 be given its second reading and substituted for S.F. No. 264, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 400 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
400	334				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 400 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 400 and insert the language after the enacting clause of S.F. No. 334, the first engrossment; further, delete the title of H.F. No. 400 and insert the title of S.F. No. 334, the first engrossment.

And when so amended H.F. No. 400 will be identical to S.F. No. 334, and further recommends that H.F. No. 400 be given its second reading and substituted for S.F. No. 334, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 541: A bill for an act relating to human services; providing reimbursement for costs of semi-independent living services for persons with mental retardation or related conditions; amending Minnesota Statutes 1986, section 252.275, subdivisions 1, 2, 4, and 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 7, delete "approved" and strike "cost" and insert "approved"

budget”

Page 2, line 10, after “*approve*” insert “*budgeted*” and after “*costs*” insert “*for services for any person*”

Page 2, line 12, delete “*persons*” and insert “*a person*” and delete “*and*” and insert “*or a*”

Page 2, line 13, delete “*conditions*” and insert “*condition*” and after the period, insert “*Nothing in this subdivision prevents a county from using other funds to pay for additional costs of semi-independent living services.*”

Page 2, line 14, after “*shall*” insert “*allocate funds and*”

Page 2, line 15, delete “*at 95 percent for the*” and insert a period

Page 2, delete lines 16 to 19

Page 2, line 20, before “*commissioner*” insert “*The*” and delete “*prorate the remaining appropriations*” and insert “*proportionally allocate funds to counties*”

Page 2, line 21, delete “*county*” and insert “*budgeted*” and delete “*those*” and after “*persons*” insert “*approved for funding*”

Page 2, line 22, delete “*expenditures approved*” and insert “*approved expenditures*”

Page 2, line 23, delete “*by the commissioner*” and after “*and*” insert “*shall*” and after the period, insert “*The commissioner may set aside up to two percent of the appropriations to fund county demonstration projects that improve the efficiency and effectiveness of semi-independent living services.*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 278: A bill for an act relating to human services; authorizing a change in license fees that fund educational programs for resident and family advisory councils; appropriating money; amending Minnesota Statutes 1986, section 144A.33, subdivision 3, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete “*\$2.00*” and insert “*\$2.75*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 359: A bill for an act relating to human services; increasing personal needs allowance for residents of certain facilities; amending Minnesota Statutes 1986, section 256B.35, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 616: A bill for an act relating to human services; establishing difficulty of care payments for children in foster care; amending Minnesota Statutes 1986, section 256.82, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete “: *RULES*”

Page 1, lines 14 to 16, delete the new language and insert:

“Sec. 2. Minnesota Statutes 1986, section 256.82, is amended by adding a subdivision to read:

Subd. 3a. [RULES.] The commissioner is authorized to adopt emergency and permanent rules to implement subdivision 3. In developing rules, the commissioner shall take into consideration any existing difficulty of care payment rates so that, to the extent possible, no child for whom a difficulty of care rate is currently established will be adversely affected.”

Page 1, line 17, delete “2” and insert “3”

Page 1, line 18, delete “*This act*” and insert “*Section 1 is effective upon adoption of emergency rules. Section 2*”

Amend the title as follows:

Page 1, line 4, before the period, insert “, and by adding a subdivision”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 566: A bill for an act relating to human services; authorizing Minnesota supplemental aid for a licensed boarding care facility; amending Minnesota Statutes 1986, section 256D.37, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, strike “at”

Page 2, line 2, strike everything before “for”

Page 3, line 5, strike “urban” and insert “*national*” and strike everything after “index” and insert “(*U.S. city average*),”

Page 3, line 7, strike “Octobers” and insert “*Septembers*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 593: A bill for an act relating to human services; clarifying statutes relating to the preadmission screening program; adjusting state and county shares of costs; amending Minnesota Statutes 1986, section 256B.091, subdivisions 2, 3, 4, 6, and 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 21, after "program" insert "*including a minimum of 14 days written advanced notice of the opportunity to be selected as a service provider and an annual public meeting with providers to explain and review the criteria for selection.*"

Page 7, after line 24, insert:

"The county must select providers for contracts or agreements using the following criteria and other criteria established by the county:

- (1) the need for the particular services offered by the provider;*
- (2) the population to be served, including the number of clients, the length of time services will be provided, and the medical condition of clients;*
- (3) the geographic area to be served;*
- (4) quality assurance methods, including appropriate licensure, certification, or standards, and supervision of employees when needed;*
- (5) rates for each service and unit of service;*
- (6) evaluation of services previously delivered by the provider; and*
- (7) contract or agreement conditions, including billing requirements, cancellation, and indemnification.*

The county must evaluate its own agency services under the criteria established for other providers."

Page 7, lines 33 and 34, delete the new language

Page 8, line 18, reinstate the stricken "ten" and delete "twenty"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 619: A bill for an act relating to human services; providing for the establishment of a mental illness information management system; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, before "The" insert "*By January 1, 1990,*"

Page 1, line 17, after "are" insert "*suffering from severe and persistent mental illness and who are*"

Page 1, line 18, after "receiving" insert "*publicly funded*"

Page 1, line 21, after "functioning" insert "*including changes in emotional status, cognitive status, and social behavior*"

Page 2, after line 1, insert:

"Subd. 3. [COORDINATION.] In developing and implementing the men-

tal illness information management system the commissioner shall coordinate with existing department information systems and make use of existing systems when feasible.

Subd. 4. [RELEASE OF INFORMATION.] Service providers shall provide data about clients who are suffering from severe and persistent mental illness and who are currently receiving publicly funded services for mental illness to the commissioner in a form and manner prescribed by the commissioner. Data that identifies clients shall be classified as private data on individuals pursuant to section 13.02, subdivision 12. Subsequent release of the data is governed by section 13.46."

Page 2, delete section 2

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 224: A bill for an act relating to human services; creating an exception to the supplemental and negotiated rate cap; amending Minnesota Statutes 1986, section 256D.37, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 3, strike "urban" and insert "national" and strike "(CPI-U) for Minneapolis-St. Paul" and insert "(U.S. city average)."

Page 3, line 5, strike "Octobers" and insert "Septembers"

Page 3, after line 20, insert:

"Sec. 2. [STUDY.]

The commissioner of human services in cooperation with the director of the state planning agency shall study and evaluate the existing system for paying negotiated rate facilities for services provided to residents through the supplemental aid program and report to the legislature by February 1, 1988, on the results of the study and evaluation, including any recommendations for legislative changes including any recommendations for a rate setting system."

Amend the title as follows:

Page 1, line 3, delete "and" and insert "aid" and after the semicolon, insert "requiring a study;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 581: A bill for an act relating to human services; allowing facilities providing shelter services to women and children to appeal the denial of general assistance payments; amending Minnesota Statutes 1986,

section 256.045, subdivisions 3, 4, and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as are vested by law in the department.

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for

service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed two years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or

recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$400,000. When the balance in the account exceeds \$400,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) Have the authority to make direct payments to facilities providing shelter to women and their children pursuant to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256D.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

Sec. 2. Minnesota Statutes 1986, section 256D.05, is amended by adding a subdivision to read:

Subd. 3a. [SHELTER FACILITY'S RIGHT TO APPEAL.] A facility providing shelter for women and their children may appeal a decision of a local agency arising from a request for payment pursuant to section 256D.05, subdivision 3. To appeal, the shelter facility shall submit a written appeal request within 30 days of receiving notice of the commissioner's refusal to issue payment pursuant to section 256.01, subdivision 2, clause (16). The appeal shall be heard by an administrative law judge according to sections 14.48 to 14.62, except that the report of the administrative law judge is binding on all parties. Within 15 days of receipt of a written appeal request from a shelter facility, the local agency shall file a request for assignment of a judge together with a notice of and order for hearing proposed to be issued. Notwithstanding any law to the contrary, the record in the contested case proceeding shall not include any evidence, including records and documents, developed by the commissioner in the commissioner's review, pursuant to section 256.01, subdivision 2, clause (16)."

Delete the title and insert:

"A bill for an act relating to human services; authorizing the commissioner to make direct payments to shelter facilities; allowing facilities providing shelter services to women and children to appeal the denial of general assistance payments; amending Minnesota Statutes 1986, sections 256.01, subdivision 2; and 256D.05, by adding a subdivision."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 360: A bill for an act relating to public welfare; providing an exemption from statutory limits for certain levies for services to the aging; amending Minnesota Statutes 1986, section 256.01, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1986, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1983 payable in 1984 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of general assistance as defined in section 256D.02, subdivision 4, general assistance medical care under sec-

tion 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year;

(e) pay the costs of principal and interest on bonded indebtedness or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in manufactured homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 274.19, subdivision 8, as amended, is less than the distribution of the manufactured homes tax to the governmental subdivision pursuant to Minnesota Statutes 1969, section 273.13, subdivision 3, in calendar year 1971;

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(k) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows.

The governmental subdivision may calculate the aggregate of:

(1) the increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) the amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(n) recover a loss or refunds in tax receipts incurred in nonspecial levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, chapter 253, section 3;

(r) compensate for revenue lost as a result of abatements or court action pursuant to section 270.07, 270.17 or 278.01 due to a reassessment ordered

by the commissioner of revenue pursuant to section 270.16;

(s) pay the total operating cost of a county jail as authorized in section 641.01. If the county government utilizes this special levy, then any amount levied by the county government in the previous year for operating its county jail and included in its previous year's levy limitation computed pursuant to section 275.51 shall be deducted from the current levy limitation;

(t) pay the costs of implementing section 18.023, including sanitation and reforestation;

(u) pay the estimated cost for the following calendar year of the county's share of funding the Minnesota cooperative soil survey; and

(v) pay the costs of meeting the planning requirements of section 115A.46; the requirements of section 115A.917; the planning requirements of the metropolitan plan adopted under section 473.149 and county master plans adopted under section 473.803; waste reduction and source separation programs and facilities; response actions that are financed in part by service charges under section 400.08 or 115A.15, subdivision 6; closure and post-closure care of a solid waste facility closed by order of the pollution control agency or by expiration of an agency permit before January 1, 1989; and current operating and maintenance costs of a publicly-owned solid waste processing facility financed with general obligation bonds issued after a referendum before March 25, 1986; and

(w) pay the costs of a county aging services coordinator appointed pursuant to section 256.01, subdivision 8. If a county board intends to levy a special property tax under this clause, it shall pass a resolution stating the fact. The resolution must be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing. The hearing must be held not less than two weeks nor more than four weeks after the first publication of the resolution. After the public hearing, the county board may either take no further action or adopt a resolution confirming its intention to levy the tax. The confirming resolution must also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days after publication of the confirming resolution a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a vote on the proposed resolution is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. If a county levies a special property tax after complying with the requirements of this clause, the county may continue to levy the tax in subsequent years without repeating the requirements."

Delete the title and insert:

"A bill for an act relating to counties; authorizing counties to levy a special property tax for the costs of a county aging services coordinator; amending Minnesota Statutes 1986, section 275.50, subdivision 5."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 652: A bill for an act relating to agriculture; providing a computerized system for notification of security interests in farm products; providing a computerized filing system and central data base for uniform commercial code financing statements and lien statements; imposing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 336; and proposing coding for new law as Minnesota Statutes, chapter 336A.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 13, delete Article 1

Page 13, delete lines 34 and 35

Page 14, line 18, delete "365 days per" and insert "every day of the"

Page 14, line 21, delete everything after "rules"

Page 14, delete lines 22 to 24

Page 14, line 25, delete everything before the period

Page 15, line 23, delete "or omissions" and after "in" insert "or omissions from"

Page 16, line 2, delete the comma and insert "and"

Page 16, line 4, delete everything after "office"

Page 16, line 5, delete everything before "must"

Page 16, line 32, delete "March" and insert "November"

Page 17, line 1, delete "system's" and insert "system"

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "products;"

Page 1, line 8, delete "; and proposing" and insert a period

Page 1, delete line 9

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 27, 63, 192, 420, 539 and 593 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 202, 369 and 400 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the names of Messrs. Pehler, Waldorf, Mrs. Adkins and Mr. Ramstad be added as co-authors to S.F. No. 91. The motion prevailed.

Mr. Metzen moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 146. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Merriam be added as a co-author to S.F. No. 250. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Willet be added as a co-author to S.F. No. 327. The motion prevailed.

Ms. Olson moved that her name be stricken as a co-author to S.F. No. 347. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Willet be added as a co-author to S.F. No. 434. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Willet be added as a co-author to S.F. No. 520. The motion prevailed.

Mr. Dicklich moved that the names of Messrs. Hughes and Samuelson be added as co-authors to S.F. No. 550. The motion prevailed.

Mr. Cohen moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 720. The motion prevailed.

Mr. Bertram moved that the name of Mr. Davis be added as a co-author to S.F. No. 804. The motion prevailed.

Mr. Novak moved that the name of Mr. Merriam be added as a co-author to S.F. No. 826. The motion prevailed.

Mr. Cohen moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 853. The motion prevailed.

Mr. Freeman moved that the name of Mr. Marty be added as a co-author to S.F. No. 858. The motion prevailed.

Mrs. McQuaid moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 859. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Lessard be added as a co-author to S.F. No. 898. The motion prevailed.

Mr. Hughes moved that the name of Mrs. Brataas be added as a co-author to S.F. No. 911. The motion prevailed.

Mr. Ramstad moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 913. The motion prevailed.

Ms. Piper moved that the name of Mrs. Brataas be added as a co-author to S.F. No. 921. The motion prevailed.

Mr. Freeman moved that the name of Mr. Marty be added as a co-author to S.F. No. 924. The motion prevailed.

Mr. Taylor moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 926. The motion prevailed.

Mr. Renneke moved that the name of Mr. Schmitz be added as a co-author to S.F. No. 930. The motion prevailed.

Mr. Dahl moved that the names of Messrs. Marty and Luther be added as co-authors to S.F. No. 933. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 950. The motion prevailed.

Mr. Marty moved that the name of Mr. Dahl be added as a co-author to S.F. No. 962. The motion prevailed.

Mr. Marty moved that the name of Mr. Dahl be added as a co-author to S.F. No. 963. The motion prevailed.

Messrs. Freeman and Belanger introduced—

Senate Resolution No. 38: A Senate resolution congratulating the Eagles from Kennedy High School for winning the 1987 State High School Hockey Championship.

Referred to the Committee on Rules and Administration.

Mr. Hughes, Ms. Berglin, Messrs. Moe, D.M.; Morse and Mrs. Brataas introduced--

Senate Resolution No. 39: A Senate resolution proclaiming 1987 as the Year of the United Way.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 40: A Senate resolution congratulating the Paynesville High School Bulldogs for winning the 1987 Class A State High School Wrestling Tournament Championship.

Referred to the Committee on Rules and Administration.

Mr. Cohen moved that S.F. No. 522, No. 13 on General Orders, be stricken and returned to its author. The motion prevailed.

CALENDAR

S.F. No. 365: A bill for an act relating to search and seizure; requiring enforcement officers to have probable cause before entering certain buildings to determine whether wild animals are stored in compliance with the game and fish laws; amending Minnesota Statutes 1986, section 97A.215, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R.D.	Samuelson
Anderson	DeCramer	Knutson	Morse	Schmitz
Beckman	Dicklich	Kroening	Olson	Solon
Belanger	Diessner	Lantry	Pehler	Spear
Benson	Frank	Larson	Peterson, D.C.	Storm
Berglin	Frederickson, D.J.	Lessard	Peterson, R.W.	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Piper	Taylor
Bertram	Freeman	Marty	Pogemiller	Vickerman
Brandl	Gustafson	McQuaid	Purfeerst	Waldorf
Chmielewski	Hughes	Mehrkens	Ramstad	Wegscheid
Cohen	Johnson, D.E.	Merriam	Reichgott	Willet
Dahl	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 306: A bill for an act relating to local government; removing the compensation limitation for members of statutory city park boards; amending Minnesota Statutes 1986, section 412.501.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Morse	Solon
Anderson	DeCramer	Kroening	Olson	Spear
Beckman	Dicklich	Langseth	Pehler	Storm
Belanger	Diessner	Lantry	Peterson, D.C.	Stumpf
Benson	Frank	Larson	Peterson, R.W.	Taylor
Berg	Frederickson, D.J.	Lessard	Piper	Vickerman
Berglin	Frederickson, D.R.	Luther	Pogemiller	Waldorf
Bernhagen	Freeman	Marty	Purfeerst	Wegscheid
Bertram	Gustafson	McQuaid	Ramstad	Willet
Brandl	Hughes	Mehrkens	Reichgott	
Brataas	Johnson, D.E.	Merriam	Renneke	
Cohen	Jude	Metzen	Samuelson	
Dahl	Knaak	Moe, R.D.	Schmitz	

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 282: A bill for an act relating to metropolitan government; permitting regional railroad authorities to engage in certain activities; amending Minnesota Statutes 1986, section 473.398.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Olson	Spear
Anderson	Frank	Lantry	Peterson, D.C.	Storm
Beckman	Frederickson, D.J.	Larson	Peterson, R.W.	Stumpf
Benson	Frederickson, D.R.	Lessard	Piper	Taylor
Bernhagen	Freeman	Luther	Purfeerst	Vickerman
Brataas	Gustafson	Marty	Ramstad	Wegscheid
Chmielewski	Hughes	McQuaid	Reichgott	Willet
Cohen	Johnson, D.E.	Mehrkens	Renneke	
Davis	Johnson, D.J.	Metzen	Samuelson	
DeCramer	Knaak	Moe, R.D.	Schmitz	
Dicklich	Kroening	Morse	Solon	

Those who voted in the negative were:

Belanger	Bertram	Dahl	Knutson	Pogemiller
Berg	Brandl	Jude	Pehler	Waldorf
Berglin				

So the bill passed and its title was agreed to.

S.F. No. 131: A bill for an act relating to transportation; authorizing commissioner of transportation and local road authorities to reduce speed limits in work zones; amending Minnesota Statutes 1986, section 169.14, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Samuelson
Anderson	DeCramer	Knutson	Moe, R. D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Olson	Spear
Benson	Frank	Langseth	Pehler	Storm
Berg	Frederickson, D.J.	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson, D.R.	Larson	Peterson, R. W.	Vickerman
Bernhagen	Freeman	Lessard	Piper	Waldorf
Bertram	Gustafson	Luther	Pogemiller	Wegscheid
Brataas	Hughes	Marty	Purfeerst	Willet
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	
Cohen	Johnson, D.J.	Mehrkens	Reichgott	
Dahl	Jude	Merriam	Renneke	

Mr. Stumpf voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 322: A bill for an act relating to consumer protection; providing for the retention and collection of spent lead-acid batteries; providing enforcement; proposing coding for new law in Minnesota Statutes, chapter 325E.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Samuelson
Anderson	Davis	Knaak	Metzen	Schmitz
Beckman	DeCramer	Knutson	Moe, R. D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederickson, D.J.	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Larson	Peterson, R. W.	Vickerman
Bertram	Freeman	Lessard	Piper	Waldorf
Brandl	Gustafson	Luther	Purfeerst	Wegscheid
Brataas	Hughes	Marty	Ramstad	Willet
Chmielewski	Johnson, D.E.	McQuaid	Reichgott	
Cohen	Johnson, D.J.	Mehrkens	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 456: A bill for an act relating to controlled substances; prescribing "small amount" of marijuana; clarifying certain Schedule II controlled substances; prescribing amount of marijuana for possession in a motor vehicle; amending Minnesota Statutes 1986, sections 152.01, subdivision 16; 152.02, subdivision 3; and 152.15, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Brandl	Diessner	Knaak	Marty
Anderson	Brataas	Frederickson, D.J.	Knutson	McQuaid
Belanger	Chmielewski	Frederickson, D.R.	Laidig	Mehrkens
Benson	Cohen	Freeman	Langseth	Merriam
Berg	Dahl	Gustafson	Lantry	Metzen
Berglin	Davis	Hughes	Larson	Moe, R. D.
Bernhagen	DeCramer	Johnson, D.E.	Lessard	Morse
Bertram	Dicklich	Jude	Luther	Olson

Pehler	Pogemiller	Renneke	Spear	Vickerman
Peterson, D.C.	Purfeerst	Samuelson	Storm	Wegscheid
Peterson, R.W.	Ramstad	Schmitz	Stumpf	Willet
Piper	Reichgott	Solon	Taylor	

Messrs. Beckman, Frank and Kroening voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 653: A resolution memorializing the Union of Soviet Socialist Republics to grant exit visas to Jewish prisoners of conscience.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Olson	Spear
Benson	Frank	Langseth	Pehler	Storm
Berg	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Bernhagen	Freeman	Lessard	Piper	Vickerman
Bertram	Gustafson	Luther	Pogemiller	Waldorf
Brandl	Hughes	Marty	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Willet
Cohen	Johnson, D.J.	Mehrkens	Reichgott	
Dahl	Jude	Merriam	Renneke	

So the resolution passed and its title was agreed to.

H.F. No. 127: A bill for an act relating to nonprofit corporations; adoption services corporations; providing that pledges to make contributions to reimburse the corporation for expenses shall be voidable at the option of the person making the pledge and payment of expenses shall not be a prerequisite to providing adoption services; amending Minnesota Statutes 1986, section 317.65, subdivision 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Renneke
Anderson	Davis	Knaak	Metzen	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Olson	Spear
Berg	Frank	Langseth	Pehler	Storm
Berglin	Frederickson, D.J.	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Larson	Peterson, R.W.	Vickerman
Bertram	Freeman	Lessard	Piper	Waldorf
Brandl	Gustafson	Luther	Pogemiller	Wegscheid
Brataas	Hughes	Marty	Purfeerst	Willet
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	
Cohen	Johnson, D.J.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 409: A bill for an act relating to child abuse reporting; requiring mandated reporters to report certain past occurrences of child abuse or

neglect; requiring the commissioner to investigate reports of past occurrences of child abuse or neglect in a facility; amending Minnesota Statutes 1986, section 626.556, subdivisions 3, 6, and 10b.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Renneke
Anderson	Davis	Knaak	Metzen	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Olson	Spear
Berg	Frank	Langseth	Pehler	Storm
Berglin	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Bertram	Freeman	Lessard	Piper	Vickerman
Brandl	Gustafson	Luther	Pogemiller	Waldorf
Brataas	Hughes	Marty	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Willet
Cohen	Johnson, D.J.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

H.F No. 27: A bill for an act relating to corporations; regulating control share acquisitions; delaying the effective date of certain amendments; amending Laws 1985, First Special Session chapter 5, section 21, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Metzen	Samuelson
Anderson	Davis	Knutson	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Olson	Spear
Benson	Diessner	Langseth	Pehler	Storm
Berg	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Bernhagen	Freeman	Lessard	Piper	Vickerman
Bertram	Gustafson	Luther	Pogemiller	Waldorf
Brandl	Hughes	Marty	Purfeerst	Willet
Brataas	Johnson, D.E.	McQuaid	Ramstad	
Chmielewski	Johnson, D.J.	Mehrkens	Reichgott	
Cohen	Jude	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F No. 499: A bill for an act relating to real property; providing for prima facie effect of certain statements in an acknowledgment; authorizing owners to create tenancies in common by direct conveyances to themselves and others; permitting the severance of joint tenancies by direct conveyances between spouses; providing for time limits upon actions relating to certain estates in real property; providing for the discharge of prior judgments against bankrupt debtors; providing for validation of certain conveyances executed by religious corporations; amending Minnesota Statutes 1986, sections 500.19, subdivision 4; 519.06; 519.09; and 519.101; Laws 1971, chapter 26; proposing coding for new law in Minnesota Statutes, chapters 358 and 548; repealing Minnesota Statutes 1986, section 548.18.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Renneke
Anderson	Davis	Knaak	Metzen	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Olson	Spear
Berg	Frank	Langseth	Pehler	Storm
Berglin	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Bertram	Freeman	Lessard	Piper	Vickerman
Brandl	Gustafson	Luther	Pogemiller	Waldorf
Brataas	Hughes	Marty	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Willet
Cohen	Johnson, D.J.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 470: A bill for an act relating to the city of Duluth; authorizing the filing of the plat of Spirit Valley.

With the unanimous consent of the Senate, Mr. Solon moved to amend S.F. No. 470 as follows:

Page 1, line 24, after "*Duluth*" insert "*and the governing body of the county of St. Louis*"

Amend the title as follows:

Page 1, line 2, after "*Duluth*" insert "*and the county of St. Louis*"

The motion prevailed. So the amendment was adopted.

S.F. No. 470: A bill for an act relating to the city of Duluth and the county of St. Louis; authorizing the filing of the plat of Spirit Valley.

Was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Renneke
Anderson	Davis	Knaak	Metzen	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Olson	Spear
Berg	Frank	Langseth	Pehler	Storm
Berglin	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Bertram	Freeman	Lessard	Piper	Vickerman
Brandl	Gustafson	Luther	Pogemiller	Waldorf
Brataas	Hughes	Marty	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Willet
Cohen	Johnson, D.J.	Mehrkens	Reichgott	

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

S.F. No. 406: A bill for an act relating to commerce; regulating the distribution and sale of motor vehicles; limiting the granting or relocating of certain franchises; specifying the circumstances to be considered; re-

moving certain regulations on nonrenewals; amending Minnesota Statutes 1986, section 80E.14, subdivisions 1 and 2; repealing Minnesota Statutes 1986, section 80E.10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Renneke
Anderson	Davis	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Kroening	Moe, R. D.	Schmitz
Belanger	Dicklich	Laidig	Morse	Solon
Benson	Diessner	Langseth	Olson	Spear
Berg	Frank	Lantry	Pehler	Storm
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R. W.	Taylor
Bertram	Freeman	Luther	Piper	Vickerman
Brandl	Gustafson	Marty	Pogemiller	Waldorf
Brataas	Hughes	McQuaid	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	Willet
Cohen	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 457: A bill for an act relating to commerce; regulating collection agencies and those acting under the authority of a collection agency; providing cash deposits in lieu of the required bond; establishing prohibited practices; prescribing the enforcement powers of the commissioner; amending Minnesota Statutes 1986, sections 332.31, by adding a subdivision; 332.33; 332.34; 332.37; and 332.40, subdivision 3.

With the unanimous consent of the Senate, Mr. Luther moved to amend S.F. No. 457 as follows:

Page 5, line 30, reinstate the stricken language

Page 5, line 31, delete the new language

Page 6, line 4, reinstate the stricken language and delete the new language

The motion prevailed. So the amendment was adopted.

S.F. No. 457 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Reichgott
Anderson	Davis	Knaak	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R. D.	Schmitz
Benson	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederickson, D.J.	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Bertram	Freeman	Lessard	Peterson, R. W.	Taylor
Brandl	Gustafson	Luther	Piper	Vickerman
Brataas	Hughes	Marty	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Mehrkens	Ramstad	Willet

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

S.F. No. 482: A bill for an act relating to insurance; regulating terminations of certain agency contracts; requiring companies to attempt to rehabilitate agents before terminating their appointment; regulating these rehabilitation agreements; amending Minnesota Statutes 1986, section 60A.171, subdivisions 1, 3, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Morse	Solon
Anderson	DeCramer	Knutson	Olson	Spear
Beckman	Dicklich	Laidig	Pehler	Storm
Belanger	Diessner	Langseth	Peterson, D.C.	Stumpf
Benson	Frank	Lantry	Peterson, R.W.	Taylor
Berglin	Frederickson, D.J.	Larson	Piper	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Pogemiller	Waldorf
Bertram	Freeman	Luther	Purfeerst	Wegscheid
Brandl	Gustafson	Marty	Ramstad	Willet
Brataas	Hughes	McQuaid	Reichgott	
Chmielewski	Johnson, D.E.	Mehrkens	Renneke	
Cohen	Johnson, D.J.	Metzen	Samuelson	
Dahl	Jude	Moe, R.D.	Schmitz	

Messrs. Berg, Kroening and Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 673: A bill for an act relating to human services; allowing the use of certain professional standards for chemical dependency professionals; amending Minnesota Statutes 1986, section 254A.16, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Reichgott
Anderson	Davis	Knaak	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R.D.	Schmitz
Benson	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederickson, D.J.	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Bertram	Freeman	Lessard	Peterson, R.W.	Taylor
Brandl	Gustafson	Luther	Piper	Vickerman
Brataas	Hughes	Marty	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Mehrkens	Ramstad	Willet

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 688: A bill for an act relating to controlled substances; classifying the substance alfentanil as a schedule II controlled substance; amending

Minnesota Statutes 1986, section 152.02, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Moe, D.M.	Solon
Anderson	Davis	Knutson	Moe, R.D.	Spear
Beckman	DeCramer	Kroening	Morse	Storm
Belanger	Dicklich	Laidig	Olson	Stumpf
Benson	Diessner	Langseth	Pehler	Taylor
Berg	Frank	Lantry	Peterson, D.C.	Vickerman
Berglin	Frederickson, D.J.	Larson	Peterson, R.W.	Waldorf
Bernhagen	Frederickson, D.R.	Lessard	Piper	Wegscheid
Bertram	Freeman	Luther	Pogemiller	Willet
Brandl	Gustafson	Marty	Ramstad	
Brataas	Hughes	McQuaid	Reichgott	
Chmielewski	Johnson, D.J.	Merriam	Renneke	
Cohen	Jude	Metzen	Schmitz	

So the bill passed and its title was agreed to.

H.F. No. 166: A bill for an act relating to real property; authorizing conveyance of state interest in certain land in St. Louis county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Metzen	Schmitz
Anderson	Davis	Knutson	Moe, D.M.	Solon
Beckman	DeCramer	Kroening	Moe, R.D.	Spear
Belanger	Dicklich	Laidig	Morse	Storm
Benson	Diessner	Langseth	Olson	Stumpf
Berg	Frank	Lantry	Pehler	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Bertram	Freeman	Luther	Piper	Wegscheid
Brandl	Gustafson	Marty	Pogemiller	Willet
Brataas	Hughes	McQuaid	Ramstad	
Chmielewski	Johnson, D.J.	Mehrken	Reichgott	
Cohen	Jude	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 250: A bill for an act relating to game and fish; requiring a firearms safety certificate to hunt big game with firearms and by archery; amending Minnesota Statutes 1986, sections 97A.451, subdivision 3; and 97B.015, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 97B.

Mr. Wegscheid moved that S.F. No. 250, No. 3 on the Consent Calendar, be stricken and placed on General Orders. The motion prevailed.

S.F. No. 403: A bill for an act relating to newspapers; providing that only qualified newspapers may accept legal notices for publication; amending Minnesota Statutes 1986, section 331A.02, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, D.M.	Solon
Anderson	DeCramer	Kroening	Moe, R.D.	Spear
Belanger	Dicklich	Laidig	Morse	Storm
Benson	Diessner	Langseth	Olson	Stumpf
Berg	Frank	Lantry	Pehler	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Bertram	Freeman	Luther	Piper	Wegscheid
Brandl	Gustafson	Marty	Pogemiller	Willet
Brataas	Hughes	McQuaid	Ramstad	
Chmielewski	Johnson, D.J.	Mehrkens	Reichgott	
Cohen	Jude	Merriam	Renneke	
Dahl	Knaak	Metzen	Schmitz	

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Ms. Reichgott, Messrs. Ramstad and Jude introduced—

S.F. No. 969: A bill for an act relating to education; changing the weighting of pupils enrolled in the sixth grade of a middle school from elementary to secondary; amending Minnesota Statutes 1986, section 124.17, subdivision 1.

Referred to the Committee on Education.

Messrs. Freeman, Solon and Pogemiller introduced—

S.F. No. 970: A bill for an act relating to public employees; defining terms and conditions of public employment; allowing expanded payment of certain accumulated sick leave; amending Minnesota Statutes 1986, sections 179A.03, subdivision 19; and 465.72, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller and Ms. Reichgott introduced—

S.F. No. 971: A bill for an act relating to public finance; modifying and extending means of financing operations of local government and certain nonprofit institutions; providing an income tax exemption for interest earned on certain governmental obligations; amending Minnesota Statutes 1986, sections 124.76, subdivision 2; 290.01, subdivisions 20, 20a, and 20b; 290.091, subdivision 2; 373.01, by adding a subdivision; 400.101; 429.091, by adding a subdivision; 462.429; 462.445, subdivision 4; 462.461, subdivision 4; 462.555; 465.71; 466.06; 471.981, subdivisions 1, 4, and by adding subdivisions; 473.811, subdivision 2; 474.02, subdivision 1d; 475.51, subdivision 3; 475.52, subdivision 3; 475.54, subdivision 1, and by adding subdivisions; 475.55, subdivisions 1, 2, 3, 4, 6, 7, and by adding a subdivision; 475.56; 475.60, subdivision 2; 475.66, subdivision 3; and 475.67, subdivisions 3 and 12; proposing coding for new law in Minnesota Statutes, chapters 116M, 136A, 471, and 475; repealing Minnesota Statutes 1986, sections 475.55, subdivision 5; and 475.67, subdivision 11.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Lantry introduced—

S.F. No. 972: A bill for an act relating to human services; applying for waiver to require that recipients of aid to families with dependent children pursue a high school education; requiring that certain recipients of general assistance pursue a high school education; allowing counties to require work readiness recipients to pursue a high school education; amending Minnesota Statutes 1986, sections 256D.05, subdivision 1; and 256D.051, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 973: A bill for an act relating to peace officers; providing money to train conservation officers employed by the commissioner of natural resources; amending Minnesota Statutes 1986, section 609.101.

Referred to the Committee on Finance.

Messrs. Brandl, Freeman, Ms. Peterson, D.C.; Messrs. Belanger and Cohen introduced—

S.F. No. 974: A resolution memorializing the President, Congress, and the Federal Aviation Administration to accelerate the modernization of commercial aircraft fleets operating in and to the United States by requiring the use of quieter, Stage 3 aircraft.

Referred to the Committee on Transportation.

Mr. Vickerman introduced—

S.F. No. 975: A bill for an act relating to human services; regulating budgets and procedures of human services boards; amending Minnesota Statutes 1986, sections 402.02, subdivision 2; 402.05, subdivision 1a; and 402.062, subdivisions 1 and 2; repealing Minnesota Statutes 1986, section 402.095.

Referred to the Committee on Health and Human Services.

Messrs. Vickerman, Beckman and Frederickson, D.J. introduced—

S.F. No. 976: A bill for an act relating to retirement; giving certain employing units an option on the rule of 85; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Messrs. Brandl; Davis; Frederickson, D.J.; Vickerman and DeCramer introduced—

S.F. No. 977: A bill for an act relating to real property; farm lands or farm homesteads; regulating the right to repurchase or lease certain property; requiring that offers to sell or lease be made to certain parties; amending Minnesota Statutes 1986, section 500.24, subdivision 6.

Referred to the Committee on Agriculture.

Mr. Belanger introduced—

S.F. No. 978: A bill for an act relating to employment; regulating the payment of commissions; amending Minnesota Statutes 1986, sections 181.13; 181.14; and 181.145, subdivision 2.

Referred to the Committee on Employment.

Messrs. Freeman, Spear, Merriam, Luther and Peterson, R.W. introduced—

S.F. No. 979: A bill for an act relating to human rights; defining "employee" to include commission salespersons for certain purposes; clarifying certain provisions; amending Minnesota Statutes 1986, sections 181.81, subdivision 1; and 363.01, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Moe, D.M.; Wegscheid; Renneke and Waldorf introduced—

S.F. No. 980: A bill for an act relating to retirement; public pension plans; establishing, codifying, clarifying, and revising the obligations, responsibilities, and liabilities of public pension plan fiduciaries; amending Minnesota Statutes 1986, sections 11A.01; 11A.04; 11A.07, subdivision 4; 11A.08, subdivisions 5 and 6; 11A.09; 11A.13, subdivision 1; 69.30; 69.77, subdivision 2g; 69.775; 136.80, subdivision 1; 136.84; 352.03, subdivisions 1, 4, 6, 7, and 11; 352.05; 352.92, by adding a subdivision; 352.96, subdivision 3; 352B.03; 352B.05; 352B.07; 352C.091, subdivision 1; 352D.09, subdivision 1; 353.03, subdivisions 1 and 3a; 353.05; 353.06; 353.08; 353.68, subdivision 1; 354.06, subdivisions 1, 2a, and 3; 354.07, subdivisions 3 and 4; 354A.021, subdivision 6; 354A.08; 422A.05, subdivisions 2a, 2c, and 2d; 423.374; 423.45; 423.805; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.04, subdivision 2; 490.122; and 490.123, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 3A and 490; proposing coding for new law as Minnesota Statutes, chapter 356A; repealing Minnesota Statutes 1986, sections 69.051, subdivision 2; 69.30, subdivision 3; 356.71; 423.374, subdivision 3; 423.45, subdivision 3; 423.812; and 424.06, subdivision 3.

Referred to the Committee on Governmental Operations.

Messrs. Moe, D.M.; Marty and Waldorf introduced—

S.F. No. 981: A bill for an act relating to state government; providing for affirmative action improvements; regulating job eligibility lists; providing for the title of state agency heads; regulating hiring and personnel practices; amending Minnesota Statutes 1986, sections 15.06, subdivision 1; 15.46; 43A.08, subdivision 1; 43A.13, subdivisions 1 and 7; 43A.18, subdivision 4; 43A.191, subdivision 3; 43A.24, subdivision 2; 43A.30, subdivision 4; 43A.33, subdivision 3; 43A.34, subdivision 3; repealing Minnesota Statutes 1986, sections 15.45, subdivision 3; 15.47; and 43A.34, subdivisions 1 and 2.

Referred to the Committee on Governmental Operations.

Messrs. Chmielewski, Stumpf, Dicklich, Bertram and Larson introduced—

S.F. No. 982: A bill for an act relating to waste management; requiring the pollution control agency to adopt certain rules governing financial assurance given by political subdivisions owning or operating mixed municipal solid waste landfills; amending Minnesota Statutes 1986, section 116.07, subdivision 4h.

Referred to the Committee on Environment and Natural Resources.

Messrs. Kroening, Waldorf, Wegscheid, Pogemiller and Renneke introduced—

S.F. No. 983: A bill for an act relating to retirement; Minneapolis police relief association service pensions and survivor benefits; amending Laws 1949, chapter 406, section 5, subdivisions 1 and 3, as amended, and section 6, subdivision 1.

Referred to the Committee on Governmental Operations.

Ms. Peterson, D.C.; Messrs. Brandl, Freeman, Cohen and Novak introduced—

S.F. No. 984: A bill for an act relating to metropolitan government; requiring plans and reports on noise, capacity, and other matters at Minneapolis-St. Paul International Airport; requiring hearings and imposing restrictions on capital development; amending Minnesota Statutes 1986, sections 473.612; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Urban Government.

Messrs. Chmielewski, Wegscheid, DeCramer, Pehler and Mrs. Brataas introduced—

S.F. No. 985: A bill for an act relating to taxation; sales; providing compensation to retailers for the cost of collection; amending Minnesota Statutes 1986, section 297A.27, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Chmielewski, Wegscheid, DeCramer, Pehler and Cohen introduced—

S.F. No. 986: A bill for an act relating to taxation; sales and use; eliminating accelerated payment of liability; amending Minnesota Statutes 1986, section 297A.27, subdivision 1; repealing Minnesota Statutes 1986, section 297A.275.

Referred to the Committee on Taxes and Tax Laws.

Mr. Waldorf, Ms. Piper, Messrs. Wegscheid, Benson and Knutson introduced—

S.F. No. 987: A bill for an act relating to human services; providing for changes in the property-related payment rate for nursing homes; amending Minnesota Statutes 1986, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. DeCramer introduced—

S.F. No. 988: A bill for an act relating to motor carriers; exempting drivers of intrastate charter carriers from having in possession a medical examiner certificate if the driver has a school bus endorsement; amending Minnesota Statutes 1986, section 221.031, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Dicklich, Merriam, Ms. Peterson, D.C. and Mr. Solon introduced—

S.F. No. 989: A bill for an act relating to education; appropriating money for Project Head Start.

Referred to the Committee on Education.

Mr. Samuelson introduced—

S.F. No. 990: A bill for an act relating to liquor; authorizing the city of Little Falls to issue a temporary on-sale intoxicating liquor license.

Referred to the Committee on Commerce.

Mr. Freeman, Ms. Peterson, D.C. and Mr. Brandl introduced—

S.F. No. 991: A bill for an act relating to the metropolitan airports commission; providing for a fee for conducting aircraft operations at night; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Urban Government.

Ms. Peterson, D.C. introduced—

S.F. No. 992: A bill for an act relating to motorboat safety; providing for enforcement of sanctions for operation of a motorboat while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, section 361.121, subdivision 2, and by adding subdivisions.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. introduced—

S.F. No. 993: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to make grants to municipalities for the provision of housing for very low income persons; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Mrs. Lantry introduced—

S.F. No. 994: A bill for an act relating to employment; requiring notification of certain exposures to infectious diseases; providing workers' compensation to coverage for certain infectious diseases; amending Minnesota Statutes 1986, section 176.011, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Wegscheid, Solon, Belanger, Metzen and Storm introduced—

S.F. No. 995: A bill for an act relating to commerce; industrial loan and thrift companies; removing a restriction on the sale and issuance of certificates of indebtedness; prescribing the qualifications of the directors of certain companies; regulated loans; specifying the loan fees and charges that may be imposed by regulated lenders; amending Minnesota Statutes 1986, sections 53.04, subdivisions 3a and 5; 53.06; 56.12; 56.125, subdivision 3; 56.131, subdivision 2; and 56.14.

Referred to the Committee on Commerce.

Messrs. Brandl, Wegscheid, Ramstad, Jude and Knutson introduced—

S.F. No. 996: A bill for an act relating to state government; providing incentives for certain state employees; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 15B.

Referred to the Committee on Governmental Operations.

Mr. Langseth introduced—

S.F. No. 997: A bill for an act relating to the city of Sabin; providing for apportionment of debt service levy in rural and urban service districts in the city; permitting inclusion of platted land in a rural service district in the city.

Referred to the Committee on Local and Urban Government.

Ms. Berglin introduced—

S.F. No. 998: A bill for an act relating to human services; defining directors, officers, and partners as vendors of medical care for the purpose of medical assistance; allowing the commissioner to charge interest on money recovered from certain medical assistance providers; allowing sanction authority; amending Minnesota Statutes 1986, sections 256B.02, subdivision 7; 256B.064, subdivision 1c; and 256B.27, subdivisions 3 and 4.

Referred to the Committee on Health and Human Services.

Mr. Wegscheid introduced—

S.F. No. 999: A bill for an act relating to human services; raising asset limit in medical assistance program; amending Minnesota Statutes 1986, section 256B.06, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Solon and Gustafson introduced—

S.F. No. 1000: A bill for an act relating to education; appropriating money for construction grants to aid desegregation plans.

Referred to the Committee on Education.

Ms. Piper introduced—

S.F. No. 1001: A bill for an act relating to school districts; creating a debt service anticipation levy; amending Minnesota Statutes 1986, sections 121.15, subdivision 3; 275.125, by adding a subdivision; proposing coding

for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 1002: A bill for an act relating to environment; allowing composite samples of transformer oil with PCB; prescribing the manner of sampling; amending Minnesota Statutes 1986, section 116.37, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dicklich and Johnson, D.J. introduced—

S.F. No. 1003: A bill for an act relating to commerce; creating a legislative commission to study proposed low-level military air training in north-eastern Minnesota; prescribing its duties.

Referred to the Committee on Environment and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 1004: A bill for an act relating to insurance; automobile; removing the dollar limitation on the mandatory arbitration of no-fault claims; requiring insurers to provide certain arbitration information to applicants and policyholders; providing a penalty; amending Minnesota Statutes 1986, section 65B.525, subdivision 1, and by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Dicklich introduced—

S.F. No. 1005: A bill for an act relating to state lands; permitting the sale of certain land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C.; Mr. Pehler and Ms. Reichgott introduced—

S.F. No. 1006: A bill for an act relating to education; ensuring minimum amounts of financial support to the regional public library system; requiring county board of commissioners to appoint at least one representative to the regional public library system board; proposing coding for new law in Minnesota Statutes, chapter 134.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 1007: A bill for an act relating to courts; providing court of appeals representation on the sentencing guidelines commission; clarifying the membership on judicial appeal panels; permitting retired judges to solemnize marriages; clarifying judicial representation on the judicial standards board; authorizing the supreme court to adopt court rules; restricting mileage reimbursement for law clerks; amending Minnesota Statutes 1986, sections 244.09, subdivision 2; 253B.19, subdivision 1; 480.051; 484.545, subdivision 3; 484.62; 490.15, subdivision 1; 517.04; and 525.06.

Referred to the Committee on Judiciary.

Messrs. Wegscheid, Purfeerst, Bertram, Taylor and Cohen introduced—

S.F. No. 1008: A bill for an act relating to occupations and professions; providing for the regulation of the practice of chiropractic; providing for peer review of services and fees; providing grounds for license revocation; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections 148.06, subdivision 1; 148.07, subdivision 2; 148.08, subdivision 3; 148.10, subdivisions 1, 3, and by adding a subdivision; and 319A.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1986, section 148.101.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 1009: A bill for an act relating to occupations and professions; requiring the licensing of persons who install gas appliances; authorizing the commissioner of labor and industry to issue the licenses; providing for the powers and duties of the commissioner; authorizing and requiring rule-making; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Employment.

Ms. Berglin and Mr. Samuelson introduced—

S.F. No. 1010: A bill for an act relating to human services; establishing service principles and rate-setting procedures for day training and habilitation services provided to adults with mental retardation and related conditions; amending Minnesota Statutes 1986, sections 245.782, subdivision 5; 252.21; 252.22; 252.23; 252.24, subdivisions 1 and 4; 252.25; 256B.501, subdivisions 1, 2, and 8; 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 1986, sections 256B.501, subdivisions 5, 6, 7, and 9; and 256E.06, subdivision 2a; repealing Minnesota Rules, parts 9525.1210, subparts 11 and 12; 9525.1230, subpart 2; 9525.1260; 9525.1270; 9525.1280; and 9525.1310.

Referred to the Committee on Health and Human Services.

Ms. Reichgott introduced—

S.F. No. 1011: A bill for an act relating to taxation; clarifying the effective date of the time limitation for filing a property tax refund claim; amending Laws 1985, First Special Session chapter 14, article 5, section 8.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Merriam, Peterson, R.W.; Ramstad; Ms. Peterson, D.C. and Mr. Luther introduced—

S.F. No. 1012: A bill for an act relating to education; providing for due process termination or nonrenewal for licensed athletic coaches through a grievance procedure; amending Minnesota Statutes 1986, section 125.121, by adding a subdivision; repealing Minnesota Statutes 1986, section 125.121, subdivisions 1 and 2.

Referred to the Committee on Education.

Mr. Kroening introduced—

S.F. No. 1013: A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, non-public, and protected nonpublic; amending Minnesota Statutes 1986, sections 13.43, by adding a subdivision; 13.46, by adding a subdivision; and 13.76; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

Mr. Schmitz introduced—

S.F. No. 1014: A bill for an act relating to taxation; authorizing Scott county to impose a tax on admissions to major amusement facilities; providing for expenditure of the proceeds of the tax.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Lantry, Messrs. Chmielewski and Frank introduced—

S.F. No. 1015: A bill for an act relating to public safety; regulating boilers and their operation; amending Minnesota Statutes 1986, sections 183.375, subdivision 2; 183.411, by adding a subdivision; 183.42; 183.545, subdivision 4; and 183.56; repealing Minnesota Statutes 1986, section 183.545, subdivision 5.

Referred to the Committee on Employment.

Messrs. Davis; Morse; Peterson, R.W. and Merriam introduced—

S.F. No. 1016: A bill for an act relating to agriculture; transferring authority of the commissioner of energy and economic development relating to governor's council on rural development to the commissioner of agriculture; authorizing loan and grant programs; providing for new members; appropriating money; amending Minnesota Statutes 1986, sections 116J.951; 116J.955; and 116J.961, subdivisions 1, 2, 3, 5, 8, and 9; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1986, section 116J.961, subdivision 10.

Referred to the Committee on Agriculture.

Ms. Peterson, D.C.; Messrs. Brandl and Freeman introduced—

S.F. No. 1017: A bill for an act relating to metropolitan government; providing for the appointment of members of the metropolitan airports commission; requiring adoption and review of an implementation plan and budget; amending Minnesota Statutes 1986, sections 473.604, subdivision 1, and by adding a subdivision; 473.611, by adding a subdivision; and 473.661, subdivision 1; repealing Minnesota Statutes 1986, section 473.621, subdivision 7.

Referred to the Committee on Local and Urban Government.

Mses. Peterson, D.C.; Reichgott; Messrs. Pogemiller and Marty introduced—

S.F. No. 1018: A bill for an act relating to crimes; criminal sexual conduct; creating a crime of fifth degree criminal sexual conduct; amending Minnesota Statutes 1986, section 609.341, subdivision 11; proposing coding

for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mses. Peterson, D.C.; Reichgott; Messrs. Pogemiller, Marty and Spear introduced—

S.F. No. 1019: A bill for an act relating to crimes; criminal sexual conduct; clarifying the definition of "mentally incapacitated"; providing that criminal sexual contact requires sexual or aggressive intent; amending Minnesota Statutes 1986, section 609.341, subdivisions 7 and 11.

Referred to the Committee on Judiciary.

Messrs. Brandl; Cohen; Freeman; Moe, D.M. and Knutson introduced—

S.F. No. 1020: A bill for an act relating to metropolitan government; regulating conflicts of interest of the metropolitan airports commission; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Urban Government.

Messrs. Wegscheid, Larson, Mses. Peterson, D.C. and Reichgott introduced—

S.F. No. 1021: A bill for an act relating to education; requiring secondary public schools to offer courses in family life education; requiring students to pass a family life education course prior to graduation; requiring all family life education instructors to be licensed by the board of teaching; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1022: A bill for an act relating to game and fish; allowing one deer to be taken by each method of hunting in any year; amending Minnesota Statutes 1986, section 97B.301, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Ms. Reichgott, Mr. Pehler, Ms. Peterson, D.C.; Messrs. Pogemiller and Mehrkens introduced—

S.F. No. 1023: A bill for an act relating to education; increasing the aid and levy for programs for handicapped adults; appropriating money; amending Minnesota Statutes 1986, sections 121.88, subdivision 7; 124.271, subdivisions 2b and 7; and 275.125, subdivision 8.

Referred to the Committee on Education.

Messrs. Wegscheid, DeCramer, Willet, Larson and Mehrkens introduced—

S.F. No. 1024: A bill for an act relating to education; setting the foundation aid formula allowance at the mean spending level of the largest 20 percent of school districts; amending Minnesota Statutes 1986, section 124A.02, subdivision 9.

Referred to the Committee on Education.

Mr. Diessner introduced—

S.F. No. 1025: A bill for an act relating to the state; authorizing competition for an official state song; appropriating money.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Dahl introduced—

S.F. No. 1026: A bill for an act relating to local governments; authorizing local units of government to defer special assessments on homesteads of disabled persons who are not retired; amending Minnesota Statutes 1986, section 435.193.

Referred to the Committee on Local and Urban Government.

Mr. Dahl introduced—

S.F. No. 1027: A bill for an act relating to motor vehicles; school buses; allowing a 72-hour period to arrest a driver for failing to obey a school bus stop signal; amending Minnesota Statutes 1986, section 169.44, subdivision 1c.

Referred to the Committee on Transportation.

Messrs. Spear and Marty introduced—

S.F. No. 1028: A bill for an act relating to crimes; prohibiting killing or injuring a police dog involved in law enforcement investigation or apprehension; prescribing penalties; amending Minnesota Statutes 1986, section 609.595, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Marty, Brandl, Dicklich and Jude introduced—

S.F. No. 1029: A bill for an act relating to utilities; establishing program to provide communication-impaired people with devices enabling their use of telephones; creating advisory committee and requiring report; providing for payment of costs of program; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Public Utilities and Energy.

Messrs. Solon and Samuelson introduced—

S.F. No. 1030: A bill for an act relating to health and human services; providing for the establishment of a regional American Indian youth chemical dependency treatment center; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Wegscheid, Solon and Luther introduced—

S.F. No. 1031: A bill for an act relating to occupations and professions; requiring the licensing of interior designers; defining the practice of interior design; providing for exemptions; providing for administration of licensing requirements; amending Minnesota Statutes 1986, sections 214.01, sub-

division 3; 214.04, subdivision 3; 326.02, subdivision 1, and by adding a subdivision; 326.03, subdivision 1, and by adding a subdivision; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, 2a, and by adding a subdivision; 326.11, subdivision 1; 326.12; 326.13; and 326.14.

Referred to the Committee on Commerce.

Ms. Peterson, D.C. and Mr. Johnson, D.J. introduced—

S.F. No. 1032: A bill for an act relating to taxation; imposing nondiscrimination requirements on private golf clubs qualifying for taxation under the open space property tax law; amending Minnesota Statutes 1986, section 273.112, subdivisions 3 and 7a.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Moe, D.M. and Wegscheid introduced—

S.F. No. 1033: A bill for an act relating to retirement; clarifying the responsibilities of the actuary retained by the legislative commission on pensions and retirement; clarifying and revising various actuarial determinations and procedures; authorizing the retention of actuarial advisors by various retirement funds; specifying the contents and methods for supplemental and alternative actuarial valuations; establishing a separate fund for the correctional employees retirement fund; amending Minnesota Statutes 1986, sections 3.85, subdivision 12; 3A.11, subdivision 1; 11A.18, subdivisions 6, 9, and 11; 69.77, subdivisions 2b and 2h; 69.772, subdivision 3; 69.773, subdivisions 2 and 4; 136.82, subdivision 2; 352.01, subdivision 12; 352.03, subdivision 6; 352.116, subdivisions 1, 3, and by adding a subdivision; 352.119, subdivision 2; 352.85, subdivision 6; 352.86, subdivision 4; 352B.01, by adding a subdivision; 352B.02, subdivision 1; 352B.08, subdivision 2; 352B.26, subdivision 3; 353.01, subdivision 14; 353.03, subdivision 3a; 353.271; 353.29, subdivision 6; 353.30, subdivision 3; 354.05, subdivision 7; 354.06, subdivision 2a; 354.07, subdivision 1; 354.35; 354.42, subdivision 5; 354.44, subdivision 2; 354.45; 354.48, subdivision 3; 354.532, subdivisions 1 and 2; 354.55, subdivisions 11, 12, and 13; 354.58; 354.62, subdivision 5; 354.63, subdivision 2; 354A.011, subdivision 17, and by adding a subdivision; 354A.021, by adding a subdivision; 354A.32; 354A.41, subdivision 2; 356.20, subdivisions 2, 3, and 4; 356.215; 356.216; 356.22, subdivision 2; 356.23; 356.41; 356.451, subdivision 1; 422A.01, subdivisions 6, 7, and 10; 422A.04, subdivisions 2 and 3; 422A.06, subdivisions 2, 5, 7, and 8; 422A.101; 422A.15, subdivisions 2 and 3; 422A.16, subdivisions 2, 3a, and 10; 422A.17; 422A.23, subdivisions 6 and 7; 490.121, subdivision 20; and 490.124, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 352; repealing Minnesota Statutes 1986, section 352B.26, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Moe, D.M. and Wegscheid introduced—

S.F. No. 1034: A bill for an act relating to retirement; teacher retirement funds; providing for an increase in employer contributions; separating certain employer contributions into employer matching and employer additional contributions; amending Minnesota Statutes 1986, sections 354.42, subdivision 5; and 354A.12, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Moe, D.M. and Wegscheid introduced—

S.F. No. 1035: A bill for an act relating to retirement; conforming mandatory retirement provisions for public employees to the federal Age Discrimination in Employment Amendments of 1986; amending Minnesota Statutes 1986, sections 43A.34, subdivisions 1 and 4; 181.81, subdivision 1; 181.811; 354.44, subdivision 1a; 354A.21; 422A.09, subdivision 3; and 423.076; repealing Minnesota Statutes 1986, sections 125.12, subdivision 5; and 473.419.

Referred to the Committee on Governmental Operations.

Messrs. Pehler and Wegscheid introduced—

S.F. No. 1036: A bill for an act relating to education; establishing an advisory task force to develop coordinated educational programs to prevent the spread of AIDS.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1037: A bill for an act relating to public health; creating an exception to the nursing home moratorium for a facility operated on the Red Lake Indian reservation; appropriating money for a Red Lake nursing home; amending Minnesota Statutes 1986, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Willet introduced—

S.F. No. 1038: A bill for an act relating to natural resources; authorizing the taking of elk and amending related laws; authorizing compensation for certain crop damage caused by elk; appropriating money; amending Minnesota Statutes 1986, sections 97A.421, subdivision 6; 97A.431; 97A.465, subdivisions 1 and 3; 97A.471, subdivision 3; 97A.475, subdivision 2; 97A.525, subdivision 1; 97A.535; and 97B.201; proposing coding for new law in Minnesota Statutes, chapters 3 and 97B.

Referred to the Committee on Environment and Natural Resources.

Mr. Willet introduced—

S.F. No. 1039: A bill for an act relating to state government; designating the timber wolf as the official state animal; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on Environment and Natural Resources.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 23, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWENTY-FOURTH DAY

St. Paul, Minnesota, Monday, March 23, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. O. Gordon Tang.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Metzer	Reichgott
Anderson	DeCramer	Knaak	Moe, D.M.	Renneke
Beckman	Dicklich	Knutson	Moe, R.D.	Samuelson
Belanger	Diessner	Kroening	Morse	Schmitz
Benson	Frank	Laidig	Novak	Solon
Berg	Frederick	Langseth	Olson	Spear
Berglin	Frederickson, D.J.	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Bertram	Freeman	Lessard	Peterson, R.W.	Taylor
Brataas	Gustafson	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Brandl and Mrs. McQuaid were excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 11, 345 and 470.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 19, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees

indicated.

H.F. No. 11: A bill for an act relating to tax forfeited land; providing for the sale of a certain tract.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 345: A bill for an act relating to local government; allowing certain cities to appropriate money for advertising; amending Minnesota Statutes 1986, section 465.56, subdivision 1.

Referred to the Committee on Local and Urban Government.

H.F. No. 470: A bill for an act relating to family law; eliminating the requirement that a husband's consent to donor insemination be filed with the commissioner of health; amending Minnesota Statutes 1986, section 257.56, subdivision 1.

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 248: A bill for an act relating to elections; ensuring the availability of absentee ballots for statewide elections; amending Minnesota Statutes 1986, sections 40.05, subdivision 3; 203B.05, subdivision 2; 204B.09, subdivision 2; 204B.35, subdivision 4; 205.065, subdivisions 2 and 3; and 205.13, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 438: A bill for an act relating to elections; changing what name may be used on ballots, nominating petitions, and affidavits of candidacy; repealing Minnesota Statutes 1986, section 204B.05.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 91: A bill for an act relating to employment; regulating drug and alcohol testing of employees and job applicants; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [181.93] [DRUG AND ALCOHOL TESTING IN THE WORKPLACE; DEFINITIONS.]

Subdivision 1. [TERMS AND PHRASES.] For the purposes of sections 1 to 7, the terms and phrases defined in this section have the meanings given them.

Subd. 2. [CONFIRMATORY TEST/RETEST.] "Confirmatory test" and "confirmatory retest" mean a drug or alcohol test which utilizes any scientifically recognized method of analysis approved by the department under section 3, subdivision 1, as being reliable for providing specific data as to the drugs, alcohol, or metabolites thereof detected in an initial screening test.

Subd. 3. [DEPARTMENT.] "Department" means the department of health.

Subd. 4. [DRUG.] "Drug" means a controlled substance as defined in section 152.01, subdivision 4.

Subd. 5. [DRUG AND/OR ALCOHOL TEST/TESTING.] "Drug and alcohol testing", "drug or alcohol testing", and "drug or alcohol test" mean analysis of a sample of any body component which is scientifically recognized as appropriate and approved by the department under section 3, subdivision 1, for the purpose of measuring the presence or absence of drugs, alcohol, or metabolites thereof in the sample tested.

Subd. 6. [EMPLOYEE.] "Employee" means any person, independent contractor, or person working for an independent contractor who performs services for compensation, in whatever form, for an employer.

Subd. 7. [EMPLOYER.] "Employer" means any person or entity located or doing business in this state and having one or more employees, and includes the state and all political or other governmental subdivisions thereof.

Subd. 8. [INITIAL SCREENING TEST.] "Initial screening test" means a drug or alcohol test which utilizes any scientifically recognized method of analysis approved by the department under section 3, subdivision 1, as being capable of providing initial screening for general classes of drugs or alcohol rather than specific data as to particular drugs, alcohol, or metabolites thereof.

Subd. 9. [JOB APPLICANT.] "Job applicant" means any person, independent contractor, or person working for an independent contractor who applies to perform services for compensation, in whatever form, for an employer, and includes a person who has received an offer of employment made contingent on, and prior to, the person passing drug or alcohol testing.

Subd. 10. [POSITIVE TEST RESULT.] "Positive test result" means a finding of the presence of drugs, alcohol, or metabolites thereof in the sample tested in levels at or above the threshold detection levels set by the department under section 3, subdivision 1.

Sec. 2. [181.94] [DRUG AND ALCOHOL TESTING; POLICY REQUIRED; WRITTEN NOTICE PRIOR TO TESTING.]

Subdivision 1. [LIMITATION ON TESTING.] No employer may request or require an employee or job applicant to undergo drug or alcohol testing unless it is done pursuant to a written drug and alcohol testing policy.

Subd. 2. [CONTENTS OF THE POLICY.] The drug and alcohol testing policy must, at a minimum, set forth the following information:

- (1) the employees or job applicants subject to testing under the policy;
- (2) the circumstances under which drug or alcohol testing may be requested or required;
- (3) that drug and alcohol testing may not be done without the consent of the employee or job applicant to be tested;
- (4) the consequences of a refusal to submit to testing;
- (5) any disciplinary or other adverse personnel action which may be taken based on a confirmatory test verifying a positive test result on an initial screening test;
- (6) the right of an employee or job applicant to explain a positive test result on a confirmatory test or request and pay for a confirmatory retest; and
- (7) any other appeal procedures available.

Subd. 3. [NOTICE.] An employer shall provide written notice of its drug and alcohol testing policy to all affected employees upon adoption of the policy, to a previously nonaffected employee upon transfer to an affected position under the policy, and to a job applicant upon hire and prior to any testing of that applicant if the offer of employment is made contingent on passing drug and alcohol testing. An employer shall also post notice in an appropriate and conspicuous location on the employer's premises that the employer has adopted a drug and alcohol testing policy and that copies of the policy are available for inspection by its employees or job applicants in the employer's personnel office or other suitable locations during regular business hours.

Sec. 3. [181.95] [DRUG AND ALCOHOL TESTING; RELIABILITY AND FAIRNESS SAFEGUARDS.]

Subdivision 1. [USE OF LICENSED LABORATORY REQUIRED.] (a) An employer who requests or requires an employee or job applicant to undergo drug or alcohol testing shall use the services of a testing laboratory licensed by the department under this subdivision.

(b) The department shall promulgate rules by eight months following the effective date of sections 1 to 6 governing:

- (1) standards for licensing, suspension, and revocation of a license;
- (2) approved body component samples appropriate for drug and alcohol testing;
- (3) approved methods of analysis and procedures for drug and alcohol testing;
- (4) threshold detection levels for drugs, alcohol, or metabolites thereof for purposes of determining a positive test result;
- (5) chain-of-custody procedures to ensure proper identification, labeling, and handling of the samples being tested; and
- (6) retention and storage procedures to ensure reliable results on confirmatory tests or confirmatory retests of original samples.

(c) The department shall also grant licenses to laboratories conducting drug and alcohol testing which are located in another state, provided it has determined that either: (1) the laboratory is licensed by the other state

or by a federal agency to conduct drug and alcohol testing and the other state's or federal agency's rules governing standards, methods, and procedures meet or exceed those adopted under this subdivision; or (2) the laboratory has agreed in writing with the department to comply with the rules adopted under this subdivision. A laboratory licensed under this paragraph must also, as a condition of obtaining and retaining a license, agree in writing with the department to comply with the other requirements set forth under sections 1 to 4 applicable to laboratories and to be subject to all remedies for violations thereof set forth under section 6.

(d) The department shall regularly monitor laboratories licensed under this subdivision to ensure compliance with the rules adopted under this subdivision.

(e) The department shall charge an annual license fee to offset the costs of administering this subdivision. The fee may vary depending on the number of Minnesota employee samples tested annually at a laboratory.

(f) Prior to the adoption of rules and issuing of licenses under this subdivision, an employer may use the services of a nonlicensed testing laboratory which agrees in writing with the department to comply with at least the following minimum requirements:

(1) The director of the laboratory must be a full-time employee of the laboratory and must possess a doctoral or master's degree in biological or medical science and have at least three years experience in an analytical toxicology laboratory.

(2) The laboratory must use drug and alcohol testing methods of analysis, and have in writing and use laboratory testing and chain-of-custody procedures, which are appropriate to ensuring reliable and properly handled and identified testing results.

(3) The laboratory must be participating in and continuing to demonstrate satisfactory performance in the drug proficiency testing program of the college of American pathology or American association for clinical chemists.

(4) A test report must indicate the drugs, alcohol, or metabolites thereof tested for and whether the test produced a negative or positive test result.

(5) All initial screening test, confirmatory test, and confirmatory retest results must be reviewed and certified as accurate by a qualified scientist.

(6) The laboratory must agree to comply with the requirements set forth under sections 1 to 4 applicable to laboratories and to be subject to the remedies for violations thereof set forth under section 6.

Subd. 2. [LABORATORY REQUIREMENTS RELATING TO CONFIRMATORY TESTING, REPORTING OF TEST RESULTS, AND RETENTION OF SAMPLES.] A testing laboratory shall conduct a confirmatory test on any sample which when tested produced a positive test result on an initial screening test. A laboratory shall disclose to the employer a written test result report for each sample tested within three working days following a negative test result on an initial screening test or, when the initial screening test produced a positive test result, within three working days following a negative or positive test result on a confirmatory test. A laboratory shall retain and properly store for at least six months all samples which when tested produced a positive test result.

Subd. 3. [PROHIBITIONS ON EMPLOYERS.] An employer may not conduct drug or alcohol testing of its own employees and job applicants utilizing a testing laboratory owned and operated by the employer. Except as provided under subdivision 7, an employer may not request or require an employee or job applicant to contribute to, or pay the cost of, drug or alcohol testing under sections 1 to 4.

Subd. 4. [EMPLOYER REQUIRED TO COMPLY WITH CHAIN-OF-CUSTODY PROCEDURES.] An employer shall comply with rules promulgated by the department relating to chain-of-custody procedures to ensure proper handling and identification of the samples to be tested. Prior to adoption of rules under this subdivision, an employer shall establish its own reliable chain-of-custody procedures to ensure proper record keeping, handling, labeling, and identification of the samples to be tested.

Subd. 5. [RIGHT OF EMPLOYEE OR JOB APPLICANT TO EXPLAIN A POSITIVE TEST RESULT OR REQUEST A CONFIRMATORY RE-TEST.] (a) Prior to requesting or requiring an employee or job applicant to undergo drug or alcohol testing, an employer shall provide the employee or job applicant to be tested an opportunity to indicate on a form any over-the-counter or prescription medications which the individual is currently taking or has recently taken and any other relevant information which may be pertinent to the reliability of, or explanation for, a positive test result.

(b) Within three working days following notice of a positive test result on a confirmatory test, the employee or job applicant has a right to: (1) submit information to the employer, in addition to any information which may have already been submitted under paragraph (a), to explain that result; or (2) request a confirmatory retest of the original sample at the employee's or job applicant's own expense as provided under subdivision 7.

Subd. 6. [NOTICE OF TEST RESULTS TO EMPLOYEE OR JOB APPLICANT.] An employer shall inform in writing an employee or job applicant who has undergone drug or alcohol testing of a negative test result on an initial screening test or a negative or positive test result on a confirmatory test within three working days following receipt of the test result report information from the testing laboratory. In the case of a positive test result on a confirmatory test, the employer shall also, at the time of this notice, inform the employee or job applicant in writing of the rights provided under subdivision 5, paragraph (b), and subdivisions 7 and either 8 or 9, whichever is applicable.

Subd. 7. [RETESTING AT EMPLOYEE'S OR JOB APPLICANT'S OWN EXPENSE.] An employee or job applicant has the right to request a confirmatory retest of the original sample at the employee's or job applicant's own expense following notice of a positive test result on a confirmatory test. Within five working days following notice of that result, the employee or job applicant shall notify the employer in writing of the employee's or job applicant's intention to obtain a confirmatory retest. Within three working days following receipt of this notice, the employer shall notify the original testing laboratory that the employee or job applicant has requested the laboratory to conduct the confirmatory retest or transfer the sample to another laboratory licensed under subdivision 1 to conduct the confirmatory retest. The original testing laboratory shall ensure that the chain-of-custody procedures adopted by the department under subdivision 1 are

followed if the sample is transferred to another laboratory. The confirmatory retest must utilize the same drug or alcohol threshold detection levels as used in the original confirmatory test.

Subd. 8. [LIMITATIONS ON DISCHARGE OR DISCIPLINE OF, OR DISCRIMINATION AGAINST, AN EMPLOYEE.] (a) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of a positive test result from an initial screening test that has not been verified by a confirmatory test.

(b) In addition to the limitation under paragraph (a), an employer may not discharge an employee for whom a positive test result on a confirmatory test was the first such result for that employee on a drug or alcohol test requested or required by that employer unless the following conditions have been met:

(1) the employer has first given the employee an opportunity to participate in, at the employee's own expense or pursuant to coverage under an employee benefit plan, either a drug or alcohol counseling or rehabilitation program, whichever is more appropriate, as determined by the employer after consultation with a certified chemical use counselor or a physician trained in the diagnosis and treatment of chemical dependency; and

(2) the employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program prior to its completion or by a positive test result on a confirmatory test pursuant to drug or alcohol testing following completion of the program.

(c) Notwithstanding paragraph (a), an employer may temporarily suspend the tested employee with or without pay or transfer that employee to another position at the same rate of pay pending the outcome of the confirmatory test, provided the employer believes that it is reasonably necessary to protect the health or safety of the employee, co-employees, or the public. An employee who has been suspended without pay must be reinstated with back pay if the outcome of the confirmatory test is negative.

(d) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of medical history information revealed to the employer pursuant to subdivision 5 unless the employee was under an affirmative duty to provide the information at the time of or subsequent to hire.

(e) An employee must be given reasonable access to information in the employee's personnel file relating to positive test result reports and other data or information acquired in the drug and alcohol testing process, and conclusions drawn from and actions taken as a result thereof.

Subd. 9. [LIMITATIONS ON TESTING OF, AND WITHDRAWAL OF OFFER OF EMPLOYMENT TO, A JOB APPLICANT.] No employer may request or require a job applicant to undergo drug or alcohol testing prior to making an offer of employment to the job applicant. If the job applicant has received an offer of employment made contingent on the job applicant passing drug and alcohol testing, the employer may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test.

Sec. 4. [181.96] [DRUG AND ALCOHOL TESTING; PRIVACY, CONFIDENTIALITY, AND PRIVILEGE SAFEGUARDS.]

Subdivision 1. [PRIVACY LIMITATIONS ON TESTING AND DISCLOSURE.] A laboratory shall, to the extent feasible, ensure that the drug or alcohol testing method of analysis employed only measures the presence or absence of drugs, alcohol, or metabolites thereof in the sample of the employee or job applicant tested. A laboratory may only disclose to the employer test result information regarding the presence or absence of drugs, alcohol, or metabolites thereof in the sample tested.

Subd. 2. [CONFIDENTIALITY LIMITATIONS ON DISCLOSURE.] All samples, test results, reports, and other data and information acquired in the drug or alcohol testing process are, with respect to private sector employees and job applicants, private and confidential information, and, with respect to public sector employees and job applicants, "private data on individuals" as that phrase is defined under chapter 13, and may not be disclosed by an employer or laboratory to any other employer or third-party individual, governmental agency, or private organization without the written consent of the employee or job applicant tested.

Subd. 3. [EXCEPTIONS TO PRIVACY AND CONFIDENTIALITY DISCLOSURE LIMITATIONS.] Notwithstanding subdivision 2, evidence of a positive test result on a confirmatory test may be: (1) used in an arbitration proceeding pursuant to a collective bargaining agreement, an administrative hearing under chapter 43A or other applicable state or local law, or a judicial proceeding, provided that information is relevant to the hearing or proceeding; and (2) disclosed to any federal agency or other unit of the United States government as required under federal law, rule, regulation, or order, or in accordance with compliance requirements of a federal government contract.

Subd. 4. [PRIVILEGE.] Positive test results from an employer drug or alcohol testing program may not be used as evidence in a criminal action against the employee or job applicant tested.

Sec. 5. [181.97] [CONSTRUCTION.]

Subdivision 1. [FREEDOM TO COLLECTIVELY BARGAIN.] Nothing in sections 1 to 4 shall be construed to limit employees from collectively bargaining with their employer for a drug and alcohol testing policy which meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements for employee protection provided under those sections.

Subd. 2. [EMPLOYEE PROTECTIONS UNDER EXISTING COLLECTIVE BARGAINING AGREEMENTS.] Nothing in sections 1 to 4 shall be construed to interfere with or diminish any employee protections relating to drug and alcohol testing already provided under collective bargaining agreements in effect on the effective date of sections 1 to 7 which exceed the minimum standards and requirements for employee protection provided under those sections.

Sec. 6. [181.97] [REMEDIES.]

Subdivision 1. [EXHAUSTION.] An employee or collective bargaining agent may bring an action under this section only after first exhausting all applicable grievance procedures and arbitration proceeding requirements under a collective bargaining agreement.

Subd. 2. [DAMAGES.] In addition to any other remedies provided by law, an employer or laboratory that violates any provision of sections 1 to 4 is liable to an employee or job applicant injured by the violation in

a civil action for any damages allowable at law.

Subd. 3. [INJUNCTIVE RELIEF] *An employee or job applicant, a state, county, or city attorney, or a collective bargaining agent who will fairly and adequately represent the interests of the protected class has standing to bring an action for injunctive relief requesting the district court to enjoin an employer or laboratory that commits or proposes to commit an act in violation of sections 1 to 4.*

Subd. 4. [OTHER EQUITABLE RELIEF] *Upon the finding of a violation under sections 1 to 4, or as part of any injunctive relief granted under subdivision 3, a court may, in its discretion, grant any other equitable relief it considers appropriate, including ordering the injured employee or job applicant reinstated with back pay.*

Sec. 7. [FEDERAL PREEMPTION.]

Sections 1 to 6 do not apply to employees or job applicants of employers that are subject to regulation of drug and alcohol testing with respect to those employees or job applicants under federal rules or regulations to the extent that those rules or regulations specifically preempt, are inconsistent with, or exceed the state regulation of drug and alcohol testing with respect to that type of employer or their affected employees or job applicants.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective four months following the day after final enactment."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 469: A bill for an act relating to public safety; motorized bicycles; establishing standards for the safe operation of motorized bicycles; amending Minnesota Statutes 1986, sections 65B.001, by adding a subdivision; 65B.43, subdivision 13; 168.011, subdivision 27; 169.01, subdivision 4a; 169.223; 171.01, subdivision 20; and 171.02, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 8, strike "shall not" and before the period, insert "*that are equipped with headlights. After May 1, 1987, a new motorized bicycle sold or offered for sale in Minnesota must be equipped with a headlight*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 449: A bill for an act relating to transportation; railroads; requiring occupied caboose car on certain trains; requiring caboose car to be equipped with shortwave radio; imposing a penalty; amending Minnesota Statutes 1986, section 219.56; proposing coding for new law in Minnesota Statutes, chapter 219.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 490: A bill for an act relating to Washington county; authorizing the issuance of county bonds for capital improvements.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 565: A bill for an act relating to metropolitan government; setting the maximum tax for the mosquito control district; amending Minnesota Statutes 1986, section 473.711, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 557: A bill for an act relating to Ramsey county; providing for a charter commission to recommend a form of county government and providing for its adoption.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 27, delete "\$_____ shall be appropriated by"

Page 2, line 28, after "commissioners" insert "may make an appropriation"

Page 3, line 5, delete "June 1" and insert "December 31"

Page 3, line 36, delete "1988" and insert "1990"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 206: A bill for an act relating to state energy contracts; imposing additional requirements on bidders for state energy efficiency installment purchase contracts; amending Minnesota Statutes 1986, section 16B.16, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, strike "entire" and insert "annual" and strike "is a percentage of" and insert "does not exceed"

Page 1, line 16, after "resultant" insert "or projected" and after "costs" insert "for that year"

Page 1, line 18, before "the" insert "the commissioner has determined that" and after "is" insert "a" and before the comma, insert "bidder under rules adopted by the commissioner" and delete "which includes"

Page 1, line 19, delete "having" and insert "has"

Page 1, line 20, after "state" insert a comma and delete "having" and insert "has either established a record of" and delete "paid" and insert "paying"

Page 1, line 21, before the semicolon, insert "or has made secure provisions for doing so in connection with the current contract" and delete the second "and"

Page 1, line 22, after "(5)" insert "the contract bidder can finance or obtain financing for the performance of the contract without state assistance or guarantee; and

(6)"

Page 1, line 23, before the period, insert "or if the contractor at any time during the term of the contract fails to provide or maintain the equipment, to provide the services, or otherwise to meet specifications for performance"

Page 1, after line 25, insert:

"Sec. 2. Minnesota Statutes 1986, section 16B.16, is amended by adding a subdivision to read:

Subd. 1a. [CONTRACT BIDDER.] For purposes of subdivision 1, "contract bidder" means a sole proprietorship, firm, corporation, or other business entity submitting a bid or, if the entity submitting the bid is a new enterprise, a person having a ten-percent or greater financial interest in the entity who has or has had a ten-percent or greater financial interest in any other entity that has entered into past contracts with the state or other purchasers."

Amend the title as follows:

Page 1, line 5, before the period, insert ", and by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 729: A bill for an act relating to motor fuels; providing that unleaded gasoline sold in Minnesota after June 30, 1987, must be blended with ethanol; amending Minnesota Statutes 1986, section 296.05, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 296.05, is amended by adding a subdivision to read:

Subd. 1a. [UNLEADED GASOLINE.] Unleaded gasoline having an octane rating of 90 or less may not be sold for use in motor vehicles unless it is a gasoline blend consisting of ten percent ethanol.

Sec. 2. [REPEALER.]

Minnesota Statutes 1986, section 296.02, subdivision 7, is repealed.

Sec. 3. [EFFECTIVE DATES.]

Section 1 is effective July 1, 1988. Section 2 is effective October 1, 1988."

Delete the title and insert:

"A bill for an act relating to motor fuels; providing that unleaded gasoline having an octane rating of 90 or less and sold after June 30, 1988, must be blended with ethanol; amending Minnesota Statutes 1986, section 296.05, by adding a subdivision; repealing Minnesota Statutes 1986, section 296.02, subdivision 7."

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

H.F. No. 280: A bill for an act relating to the city of St. Paul; repealing bonding authority and a sunset provision relating to the port authority; amending Laws 1983, chapter 110, section 4; repealing Minnesota Statutes 1986, section 458.773.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 233: A bill for an act relating to local government; granting the city of Brainerd the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 27, delete "including, but not" and delete the third comma

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 248, 438, 469, 449, 557 and 206 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the name of Mr. Pehler be added as a co-author to S.F. No. 365. The motion prevailed.

Mr. Solon moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 474. The motion prevailed.

Ms. Berglin moved that the names of Messrs. Marty and Samuelson be added as co-authors to S.F. No. 492. The motion prevailed.

Mr. Lessard moved that the name of Mr. Beckman be added as a co-author to S.F. No. 699. The motion prevailed.

Mr. Chmielewski moved that the names of Messrs. Dicklich and Solon be added as co-authors to S.F. No. 899. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 909. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 915. The motion prevailed.

Mr. Freeman moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 924. The motion prevailed.

Mr. Taylor moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 926. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 942. The motion prevailed.

Mr. Chmielewski moved that the names of Messrs. Dicklich, Lessard and Willet be added as co-authors to S.F. No. 952. The motion prevailed.

Mr. Chmielewski moved that the names of Messrs. Gustafson and Lessard be added as co-authors to S.F. No. 954. The motion prevailed.

Mr. Wegscheid moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 960. The motion prevailed.

Mr. Luther moved that the name of Mr. Solon be added as a co-author to S.F. No. 967. The motion prevailed.

Mr. Freeman moved that the name of Mr. Cohen be added as a co-author to S.F. No. 991. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Cohen be added as a co-author to S.F. No. 992. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Cohen be added as a co-author to S.F. No. 1017. The motion prevailed.

Mr. Diessner moved that the names of Ms. Reichgott and Mr. Chmielewski be added as co-authors to S.F. No. 1025. The motion prevailed.

Mr. Spear moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1028. The motion prevailed.

Mr. Marty moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1029. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Belanger be added as a co-author to S.F. No. 1031. The motion prevailed.

Mr. Pehler moved that the names of Messrs. Dahl; Moe, R.D. and Benson be added as co-authors to S.F. No. 1036. The motion prevailed.

Mr. Willet moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 1038. The motion prevailed.

Mr. Willet moved that the names of Messrs. Dicklich and Johnson, D.J. be added as co-authors to S.F. No. 1039. The motion prevailed.

Mr. Lessard moved that S.F. No. 905 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Judiciary. The motion prevailed.

Mrs. McQuaid introduced—

Senate Resolution No. 41: A Senate resolution congratulating the city of Hopkins on its centennial.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 42: A Senate resolution commending Lucile Sanderson for 60 years of dedicated service to Girl Scouting.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 6 be taken from the table and referred to the Committee on Rules and Administration. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 133, 291, 333, 73 and H.F. No. 400, which the committee recommends to pass.

S.F. No. 182, which the committee recommends to pass with the following amendment offered by Mrs. Lantry:

Page 1, after line 19, insert:

“For purposes of this subdivision, an employer includes a “debtor in possession” and excludes a bankruptcy “trustee” as those terms are used under federal bankruptcy law.”

The motion prevailed. So the amendment was adopted.

H.F. No. 369, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Amend H.F. No. 369, as amended pursuant to Rule 49, adopted by the Senate March 19, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 264.)

Page 2, line 36, delete “This”

Page 3, delete line 1 and insert *“For purposes of this paragraph, program access includes but is not limited to providing taped texts, interpreters or other methods of making orally delivered materials available, readers in libraries, adapted classroom equipment, and similar auxiliary aids or services. Program access does not include providing”*

The motion prevailed. So the amendment was adopted.

H.F. No. 23, which the committee reports progress, subject to the following motions:

Ms. Piper moved to amend H.F. No. 23, as amended pursuant to Rule 49, adopted by the Senate March 12, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 86.)

Page 1, line 11, delete "*the provisions of*"

Page 2, line 21, delete "*shall constitute*" and insert "*constitutes*"

Page 2, line 32, delete "*shall*" in both places and insert "*must*" in both places

Page 2, line 32, after "*record*" insert a comma

Page 2, line 33, delete "*that*" and insert "*the*"

Page 2, line 36, delete "*shall*" and insert "*is*"

Page 3, line 1, delete "*be*"

Page 3, line 2, delete "*cost of*"

Page 3, line 5, delete "*shall*" and insert "*must*" and delete "*the provisions of*"

Page 3, line 12, delete "*prior to*" and insert "*before*"

Page 3, line 15, delete "*on and applies to licensed hospitals*"

Page 3, line 16, delete "*as of*"

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend H.F. No. 23, as amended pursuant to Rule 49, adopted by the Senate March 12, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 86.)

Page 2, line 35, delete "OF FAMILY"

Page 3, line 2, after the period, insert "*If a hospital has established a protocol in compliance with this section and substantially complies with the protocol in a particular case, the hospital and its administrators, employees, or designees are immune from civil or criminal liability arising out of their actions relating to providing notification or obtaining consent or refusal to consent in that case. A family member notified pursuant to a protocol established under subdivision 2 is immune from civil or criminal liability for having consented or declined to consent to donation.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 23 was then progressed.

S.F. No. 440, which the committee recommends to pass with the following amendment offered by Ms. Piper:

Page 5, after line 30, insert:

"Sec. 10. Minnesota Statutes 1986, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of "public employee":

(a) Persons employed for professional services where such service is incidental to regular professional duties.

(b) Election officers.

(c) Independent contractors and their employees.

(d) Patient and inmate help in governmental subdivision charitable, penal and correctional institutions.

(e) Members of boards, commissions, bands and others who serve the governmental subdivision intermittently.

(f) Employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of \$325 in any one calendar month, the department heads must then report all such employees for membership and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service.

(g) Part-time employees who receive monthly compensation not exceeding \$325, and part-time employees and elected officials whose annual compensation is stipulated in advance to be not more than \$3,900 per year, except that members shall continue their membership until termination of public service.

(h) Persons who first occupy an elected office after March 1, 1978, the compensation for which does not exceed \$325 per month.

(i) Emergency employees who are employed by reason of work caused by fire, flood, storm or similar disaster.

(j) Employees who by virtue of their employment are required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, except as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that this clause shall not prevent a person from contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time.

(k) Police matrons employed in a police department of any city who are transferred to the jurisdiction of a joint city and county detention and corrections authority.

~~(l) Chaplains and nuns who have taken a vow of poverty as members of a religious order~~ *Persons who are excluded from coverage under the federal old age, survivors, and disability insurance program for the performance of services specified in United States Code, title 42, section 410(a)(8)(A), as amended through January 1, 1987.*

(m) Full-time students who are enrolled and are regularly attending classes at an accredited school, college or university; provided, no person employed full time by a governmental subdivision shall be exempt under this paragraph.

(n) Resident physicians, medical interns and pharmacist interns who are serving in public hospitals.

(o) Appointed or elected officers, paid entirely on a fee basis, and who were not members on June 30, 1971.

(p) Nothing in Laws 1973, chapter 753 shall be interpreted to impair or revoke any option exercised under Laws 1963, chapter 793.

(q) Persons employed in subsidized on-the-job training, work experience or public service employment as enrollees under the federal Comprehensive

Employment and Training Act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Training and Employment Act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contributions in addition to the required employee contribution.

(r) Town, city or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$325 per month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.

(s) A person holding a part time adult supplementary vocational technical school license who renders part time teaching service in a vocational technical school if (1) the service is incidental to the person's regular nonteaching occupation; and (2) the applicable vocational technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year.

(t) A person exempt from licensure pursuant to section 125.031."

Reorder the sections in sequence

Amend the title as follows:

Page 1; line 7, after the first semicolon, insert "353.01, subdivision 2b;"

The motion prevailed. So the amendment was adopted.

S.F. No. 128, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 1, line 20, delete "any" and insert "a"

Page 1, line 21, delete "holders" and insert "a holder" and after "of" insert "an" and delete "licenses" and insert "license"

Page 1, line 22, delete "are" and insert "is"

Page 2, delete section 2 and insert:

"Sec. 2. Laws 1979, chapter 200, section 1, is amended to read:

Section 1. (a) Notwithstanding any law to the contrary, the governing body of the city of Duluth may by ordinance provide that holders of on-sale wine licenses issued pursuant to Minnesota Statutes, Section ~~340.11~~ ~~340A.404~~, Subdivision ~~20~~ 5, who are also licensed to sell non-intoxicating malt liquor at on-sale pursuant to Minnesota Statutes, Section ~~340.01~~ ~~340A.411~~, may make on-sales of beer not exceeding seven percent alcohol by weight brewed and bottled outside the United States, without an additional license. Except as herein provided, all such sales shall be subject to the applicable provisions of Minnesota Statutes, Chapter ~~340~~ ~~340A~~.

(b) This section applies only to persons who hold both an on-sale wine license and an on-sale non-intoxicating malt liquor license on August 1, 1987."

The motion prevailed. So the amendment was adopted.

S.F. No. 397, which the committee recommends to pass with the following amendment offered by Ms. Peterson, D.C.:

Page 1, line 10, delete "REAPPORTIONMENT" and insert "REDISTRICTING"

Page 1, line 13, delete "reapportion" and insert "redistrict"

Page 1, lines 15, 16, 17, 21, 24, and 25, delete "reapportioned" and insert "redistricted"

Page 1, line 19, before "Local" insert "For purposes of this subdivision, "local government election district" means a county district, park and recreation district, school district, or soil and water conservation district."

Page 1, line 21, delete "reapportionment" and insert "redistricting"

Page 1, lines 22 and 23, delete "and until new precinct and city ward boundaries are established"

Page 2, lines 7 and 26, delete "reapportioned" and insert "redistricted"

Amend the title as follows:

Page 1, line 3, delete "reapportioning" and insert "redistricting"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Ms. Berglin and Mr. Hughes introduced—

S.F. No. 1040: A bill for an act relating to employment; establishing demonstration projects to provide expanded employment opportunities for severely disabled persons.

Referred to the Committee on Health and Human Services.

Mr. Samuelson, Mrs. Lantry, Messrs. Benson, Chmielewski and Brandl introduced—

S.F. No. 1041: A bill for an act relating to health; providing for a local public health act; defining the powers and duties of boards of health; providing discretionary county ordinance power; authorizing the community health service subsidy; authorizing grants; providing penalties; amending Minnesota Statutes 1986, sections 35.67; 35.68; 144.36; 144.37; 145.075; and 145.923; and Laws 1969, chapter 235, section 3, subdivisions 2 and 4; proposing coding for new law as Minnesota Statutes, chapter 145A; repealing Minnesota Statutes 1986, sections 145.01 to 145.07; 145.08 to 145.125; 145.17 to 145.23; 145.24, subdivisions 1 and 2; 145.47 to

145.55; 145.911; 145.912, subdivisions 1 to 8, 10 to 15, 19, and 20; 145.913 to 145.92; and 145.922.

Referred to the Committee on Health and Human Services.

Ms. Olson, Messrs. Pehler, Stumpf, Mehrkens and Langseth introduced—

S.F. No. 1042: A bill for an act relating to education; clarifying that arts education aid may be used only for arts education programs; amending Minnesota Statutes 1986, section 124.275, subdivision 2.

Referred to the Committee on Education.

Mr. Luther introduced—

S.F. No. 1043: A bill for an act relating to insurance; regulating the formation and operation of risk retention groups; prescribing the powers and duties of the commissioner; defining terms; prescribing penalties; proposing coding for new law as Minnesota Statutes, chapter 60E.

Referred to the Committee on Commerce.

Messrs. Dahl, Merriam, Stumpf, Larson and Frederickson, D.J. introduced—

S.F. No. 1044: A bill for an act relating to education; providing for teacher seniority and severance pay in districts entering into agreements for secondary education and tuitioning agreements; amending Minnesota Statutes 1986, sections 122.535, subdivision 2; 122.541, subdivision 1; and 123.39, by adding a subdivision.

Referred to the Committee on Education.

Messrs. DeCramer; Dahl; Frederickson, D.J.; Mrs. Adkins and Mr. Dicklich introduced—

S.F. No. 1045: A bill for an act relating to education; establishing a minimum teacher salary; providing foundation aid; amending Minnesota Statutes 1986, section 124A.01; proposing coding for new law in Minnesota Statutes, chapters 124A and 125.

Referred to the Committee on Education.

Messrs. Solon, Wegscheid and Diessner introduced—

S.F. No. 1046: A bill for an act relating to human rights; regulating access to public accommodation by certain persons and guide dogs; amending Minnesota Statutes 1986, sections 256C.02; and 363.03, subdivision 10.

Referred to the Committee on Judiciary.

Messrs. Wegscheid and Solon introduced—

S.F. No. 1047: A bill for an act relating to insurance; authorizing employers to jointly self-insure for property or casualty liability; regulating these plans; proposing coding for new law as Minnesota Statutes, chapter 60E.

Referred to the Committee on Commerce.

Mrs. Lantry, Messrs. Brandl, Benson and Moe, R.D. introduced—

S.F. No. 1048: A bill for an act relating to health; making nutrition data reporting discretionary rather than mandatory; governing the hazardous substance injury compensation board; authorizing the commissioner to control activities of carriers of communicable diseases; regulating licensure and inspections of hospitals, nursing homes, life support transportation systems, and eating places; clarifying powers of the office of health facility complaints; changing certain duties of the interagency board for quality assurance; providing penalties; amending Minnesota Statutes 1986, sections 115B.28, subdivision 4; 144.0722; 144.092; 144.50, subdivisions 1 and 2; 144.55, by adding a subdivision; 144.653, subdivision 3; 144.804, subdivision 7; 144A.10, subdivisions 1 and 2; 144A.16; 144A.31; 144A.53, subdivision 1; 145.881, subdivision 1; 157.01; 157.02; 157.04; 157.09; and 157.14; proposing coding for new law in Minnesota Statutes, chapters 144 and 144A; repealing Minnesota Statutes 1986, sections 144.422; 144.424; 144.425; 144.471; 144.49, subdivision 5; 144.692; and 144.94.

Referred to the Committee on Health and Human Services.

Mr. Hughes introduced—

S.F. No. 1049: A bill for an act relating to retirement; providing benefit portability for disability benefits, survivor annuities, and survivor benefits; establishing a combined service disability benefit and a combined service survivor benefit; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Messrs. Merriam, Cohen, Jude, Laidig and Spear introduced—

S.F. No. 1050: A bill for an act relating to property transfers; expanding the manner for creating custodial property under the uniform transfers to minors act; amending Minnesota Statutes 1986, section 527.29.

Referred to the Committee on Judiciary.

Messrs. Berg and Anderson introduced—

S.F. No. 1051: A bill for an act relating to independent school district No. 206, Alexandria; providing for elections of the school board.

Referred to the Committee on Elections and Ethics.

Messrs. Berg and Anderson introduced—

S.F. No. 1052: A bill for an act relating to retirement; Millerville volunteer firefighters relief association; authorizing the recognition of certain prior service in the computation of service pension amounts.

Referred to the Committee on Governmental Operations.

Mrs. McQuaid, Messrs. Luther, Solon and Wegscheid introduced—

S.F. No. 1053: A bill for an act relating to alcoholic beverages; providing for the licensing of low-volume brewers; allowing them to be granted an on-sale intoxicating liquor or nonintoxicating malt liquor license; amending Minnesota Statutes 1986, section 340A.301, subdivisions 6 and 7.

Referred to the Committee on Commerce.

Mr. Taylor introduced—

S.F. No. 1054: A bill for an act relating to retirement; authorizing the Mankato police benefit association to base certain postretirement increases on other increases granted.

Referred to the Committee on Governmental Operations.

Messrs. Mehrkens; Lessard; Johnson, D.E.; Chmielewski and Frederickson, D.R. introduced—

S.F. No. 1055: A bill for an act relating to retirement; transferring retirement coverage of certain employees; amending Minnesota Statutes 1986, section 352.91, subdivision 4, and by adding a subdivision; and 356.30, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Berg, Merriam, Wegscheid and Freeman introduced—

S.F. No. 1056: A bill for an act relating to natural resources; increasing certain game, fish, and related license and other fees; amending Minnesota Statutes 1986, sections 84.091, subdivision 3; 97A.415, subdivision 1; 97A.475, subdivisions 2, 3, 6, 7, 8, 9, 11, 12, 13, and 20.

Referred to the Committee on Environment and Natural Resources.

Ms. Piper, Messrs. Chmielewski, Dicklich, Ramstad and Knaak introduced—

S.F. No. 1057: A bill for an act relating to education; establishing a center at the University of Minnesota; appropriating money.

Referred to the Committee on Education.

Mr. Frederick introduced—

S.F. No. 1058: A bill for an act relating to state lands; authorizing conveyance of certain state easement.

Referred to the Committee on Environment and Natural Resources.

Mr. Diessner introduced—

S.F. No. 1059: A bill for an act relating to civil commitment; defining "mentally ill person"; and "the least restrictive alternative principle"; providing that mentally ill persons can be committed only to regional centers or hospitals that are appropriately accredited; amending Minnesota Statutes 1986, sections 253B.02, subdivision 13, and by adding subdivisions; and 253B.09, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. DeCramer, Frederick, Bertram and Novak introduced—

S.F. No. 1060: A bill for an act relating to transportation; motor carriers; requiring brakes for towed vehicles over 3,000 pounds; requiring brakes

on all wheels of motor vehicles; amending Minnesota Statutes 1986, section 169.67, subdivisions 3 and 4.

Referred to the Committee on Transportation.

Messrs. Dahl and Metzen introduced—

S.F. No. 1061: A bill for an act relating to commerce; regulating terminations and nonrenewals of motor fuel franchises; proposing coding for new law in Minnesota Statutes, chapter 80C.

Referred to the Committee on Commerce.

Mr. Dahl introduced—

S.F. No. 1062: A bill for an act relating to commerce; prohibiting producers or refiners of petroleum from operating retail service stations with company personnel; providing exceptions; defining certain terms; providing for enforcement; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Messrs. Wegscheid; Moe, D.M.; Renneke; Pogemiller and Waldorf introduced—

S.F. No. 1063: A bill for an act relating to retirement; public employees retirement association; lowering vesting standards; amending Minnesota Statutes 1986, sections 353.29, subdivision 1; 353.30, subdivision 1c; 353.32, subdivision 1a; 353.33, subdivision 1; 353.34, subdivision 3; 353.651, subdivision 1; 353.657, subdivision 2a; 353.71, subdivision 1; and 356.30, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid; Moe, D.M.; Renneke; Pogemiller and Waldorf introduced—

S.F. No. 1064: A bill for an act relating to retirement; public employees retirement association administrative changes; privacy of certain membership data; amending Minnesota Statutes 1986, sections 353.01, subdivisions 2b and 20; 353.03, subdivision 3; 353.27, subdivisions 4, 10, and 12; 353.28, subdivision 5; 353.29, subdivision 8; 353.33, by adding a subdivision; 353.34, by adding a subdivision; 353.36, subdivision 2; 353.64, subdivisions 1 and 2; 353.651, by adding a subdivision; 353.656, subdivision 6, and by adding a subdivision; and 353.657; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1986, section 353.64, subdivision 6.

Referred to the Committee on Governmental Operations.

Mr. Cohen introduced—

S.F. No. 1065: A bill for an act relating to juveniles; clarifying certain recent changes to the juvenile court act; clarifying the hearing and records procedures of the juvenile court; providing for the enforcement of juvenile court restitution orders; permitting administrative docketing of certain unpaid county reimbursements; clarifying certain crime victim notification and protection laws; amending Minnesota Statutes 1986, sections 260.155,

subdivisions 1 and 1a; 260.156; 260.161; 260.185, by adding a subdivision; 548.091, subdivision 1; 595.02, subdivision 4; 609.3471; 611A.031; and 611A.035; repealing Minnesota Statutes 1986, section 636.08.

Referred to the Committee on Judiciary.

Messrs. Pogemiller; Wegscheid; Renneke; Moe, D.M. and Waldorf introduced—

S.F. No. 1066: A bill for an act relating to retirement; regulating workers' compensation offsets to public employee retirement association benefits; amending Minnesota Statutes 1986, sections 353.29, subdivision 2; 353.33, subdivision 5, and by adding a subdivision; 353.651, subdivision 2; 353.656, subdivision 2, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid and Laidig introduced—

S.F. No. 1067: A bill for an act relating to local government; providing for the discharge of charter commissions; amending Minnesota Statutes 1986, section 410.05, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Messrs. Benson, Frederick, Mrs. McQuaid, Messrs. Purfeerst and DeCramer introduced—

S.F. No. 1068: A bill for an act relating to motor vehicles; providing credit for registration tax paid on passenger automobile subsequently traded to purchase another passenger automobile from outside the state; amending Minnesota Statutes 1986, section 168.013, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Solon and Gustafson introduced—

S.F. No. 1069: A bill for an act relating to insurance; establishing a demonstration project to provide medical insurance to certain low income persons; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Messrs. Wegscheid, Hughes, Jude and Pogemiller introduced—

S.F. No. 1070: A bill for an act relating to retirement; establishing a special retirement plan for correctional officers at correctional facilities or city or county jails; amending Minnesota Statutes 1986, sections 356.20, subdivision 2; 356.30, subdivision 3; and 356.32, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 353.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid; Moe, D.M.; Renneke; Waldorf and Pogemiller introduced—

S.F. No. 1071: A bill for an act relating to retirement; public pension plan or fund assets; prohibiting certain transfers or uses of assets; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Ms. Piper and Mr. Vickerman introduced—

S.F. No. 1072: A bill for an act relating to utilities; providing for initial and continuing education of public utilities commissioners; lengthening the time period for preparation for a hearing on territorial disputes; raising dollar limit on value of property that public utility may transfer without commission approval; amending Minnesota Statutes 1986, sections 216A.03, by adding subdivisions; 216B.43; and 216B.50, subdivision 1.

Referred to the Committee on Public Utilities and Energy.

Ms. Piper, Mrs. Lantry, Messrs. Spear and Knutson introduced—

S.F. No. 1073: A bill for an act relating to vocational rehabilitation; limiting grants to sheltered workshops; providing for use of community-based employment; regulating and defining vocational rehabilitation programs; amending Minnesota Statutes 1986, sections 129A.01; 129A.03; 129A.06; 129A.07; and 129A.08.

Referred to the Committee on Health and Human Services.

Ms. Piper, Messrs. Chmielewski, Vickerman and Mrs. Adkins introduced—

S.F. No. 1074: A bill for an act relating to labor; regulating the administration of the occupational safety and health act; clarifying employee rights to sue; amending Minnesota Statutes 1986, sections 182.659, subdivisions 6 and 8; 182.661, by adding a subdivision; 182.666, subdivisions 1, 2, 4, 5, and 6; and 182.669, subdivision 1.

Referred to the Committee on Employment.

Mr. Wegscheid introduced—

S.F. No. 1075: A bill for an act relating to malt liquor; allowing a licensed brewer to sell at retail without an additional license under certain circumstances; amending Minnesota Statutes 1986, section 340A.301, subdivision 8.

Referred to the Committee on Commerce.

Messrs. Storm, Chmielewski and Gustafson introduced—

S.F. No. 1076: A bill for an act relating to workers' compensation; regulating the content of notices; amending Minnesota Statutes 1986, section 176.84.

Referred to the Committee on Employment.

Messrs. Vickerman, Knutson, Novak, Storm and Ms. Piper introduced—

S.F. No. 1077: A bill for an act relating to occupations and professions; establishing a board of marriage and family therapy; licensing and regulating marriage and family therapists; providing penalties; appropriating money; amending Minnesota Statutes 1986, section 214.01, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 148B.

Referred to the Committee on Health and Human Services.

Messrs. Frederickson, D.R.; Berg; Davis; DeCramer and Anderson introduced—

S.F. No. 1078: A bill for an act relating to commerce; regulating conventional loans; requiring an additional notice of default under certain circumstances; amending Minnesota Statutes 1986, section 47.20, subdivision 8.

Referred to the Committee on Commerce.

Messrs. Frederickson, D.R.; Berg; Morse and DeCramer introduced—

S.F. No. 1079: A bill for an act relating to taxation; sales; changing the requirements for designation of a distressed county for purposes of the capital equipment exemption; amending Minnesota Statutes 1986, section 297A.257, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Ramstad and Mrs. Lantry introduced—

S.F. No. 1080: A bill for an act relating to human services; providing an exception to the nursing home operating cost rate limitation; amending Minnesota Statutes 1986, section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

Mr. Spear, Ms. Berglin, Messrs. Cohen, Knaak and Ms. Reichgott introduced—

S.F. No. 1081: A bill for an act relating to custody; providing that evidence of domestic abuse is relevant to determinations of custody; amending Minnesota Statutes 1986, sections 518.17, subdivision 1; and 518B.01, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Spear, Pogemiller, Ms. Peterson, D.C. and Berglin introduced—

S.F. No. 1082: A bill for an act relating to special school district No. 1, Minneapolis; requiring a subsidy be paid to Minneapolis retired teachers for health insurance; authorizing a levy.

Referred to the Committee on Governmental Operations.

Mr. Freeman, Mrs. Lantry and Mr. Peterson, R.W. introduced—

S.F. No. 1083: A bill for an act relating to state government; requiring the proposed judicial building to provide space for a child day care facility.

Referred to the Committee on Governmental Operations.

Messrs. Schmitz, Wegscheid and Renneke introduced—

S.F. No. 1084: A bill for an act relating to local government; authorizing cities to impose a street access charge and providing for its collection; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Local and Urban Government.

Mses. Peterson, D.C.; Piper; Messrs. Moe, D.M.; Vickerman and Knutson introduced—

S.F. No. 1085: A bill for an act relating to human services; establishing a board of social work examiners; licensing and regulating social workers; providing penalties; appropriating money; amending Minnesota Statutes 1986, section 214.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148A.

Referred to the Committee on Health and Human Services.

Messrs. Pehler; DeCramer; Berg; Johnson, D.E. and Samuelson introduced—

S.F. No. 1086: A bill for an act relating to commerce; permitting certain charitable trusts to dispose of certain bank assets; proposing coding for new law in Minnesota Statutes, chapter 501.

Referred to the Committee on Commerce.

Mr. Merriam introduced—

S.F. No. 1087: A bill for an act relating to the city of Champlin; permitting the city to use unexpended public improvement funds for a low-income special assessment grant program.

Referred to the Committee on Local and Urban Government.

Mr. Merriam introduced—

S.F. No. 1088: A bill for an act relating to crimes; juveniles; limiting detention of juveniles in adult jails; amending Minnesota Statutes 1986, section 260.173, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. DeCramer, Willet, Pehler, Morse and Taylor introduced—

S.F. No. 1089: A bill for an act relating to education; age for redemption of shares in the supplemental retirement investment fund; amending Minnesota Statutes 1986, section 136.82, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Vickerman; Frederickson, D.R.; Mrs. Brataas and Mr. Freeman introduced—

S.F. No. 1090: A bill for an act relating to agriculture; requiring all milk sold for human consumption to be pasteurized; amending Minnesota Statutes 1986, section 32.393, subdivision 1.

Referred to the Committee on Agriculture.

Mr. Stumpf introduced—

S.F. No. 1091: A bill for an act relating to retirement; public employees retirement association; permitting certain employees to purchase credit for prior service for which no salary deductions were made for the association.

Referred to the Committee on Governmental Operations.

Messrs. Willet and Luther introduced—

S.F. No. 1092: A bill for an act relating to water; prohibiting the commissioner of natural resources from issuing certain permits or approving certain plans for diversion of water from certain water basins before consultation with state and Canadian officials; amending Minnesota Statutes 1986, sections 105.37, by adding subdivisions; 105.405, subdivision 2, and by adding subdivisions; and 105.44, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 1093: A bill for an act relating to employees; providing for a wage protection program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mr. Morse, Meses. Peterson, D.C.; Piper; Mr. DeCramer and Ms. Olson introduced—

S.F. No. 1094: A bill for an act relating to education; providing for payment of fees for pupils taking advanced placement program examinations; requiring the University of Minnesota to award post-secondary credit for certain scores on advanced placement examinations; appropriating money; amending Minnesota Statutes 1986, section 135A.10, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

Messrs. Merriam and Dahl introduced—

S.F. No. 1095: A bill for an act relating to taxation; clarifying determination of estimated property taxes for settlement with local taxing districts; providing an appeal mechanism; amending Minnesota Statutes 1986, section 276.11.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

S.F. No. 1096: A bill for an act relating to education; increasing the aid and levy for programs for handicapped adults; appropriating money; amending Minnesota Statutes 1986, sections 121.88, subdivision 7; 124.271, subdivisions 2b and 7; and 275.125, subdivision 8.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Marty, Spear, Cohen and Knaak introduced—

S.F. No. 1097: A bill for an act relating to crimes; domestic assault; requiring courts to issue written orders for conditional release; requiring arrest on violation of conditions of release; providing for notice to alleged victims of conditions of release; amending Minnesota Statutes 1986, section 629.72, subdivision 2, and by adding subdivisions.

Referred to the Committee on Judiciary.

Mrs. Lantry introduced—

S.F. No. 1098: A bill for an act relating to human services; defining purpose of aid to families with dependent children; providing case management services to certain clients; defining case management services to include goal-setting, education, and counseling; providing for state share of case management costs; directing employment services at jobs which provide medical coverage; defining suitable employment; establishing priorities for use of child care funds; requiring commissioner to pursue federal waivers; appropriating money; amending Minnesota Statutes 1986, sections 268.85, subdivision 2; 268.86, subdivision 4, and by adding a subdivision; 268.91, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Messrs. Lessard, Merriam and Berg introduced—

S.F. No. 1099: A bill for an act relating to natural resources; waiving indirect cost billings to the federal government and other states and provinces in certain circumstances; amending Minnesota Statutes 1986, section 16A.127, by adding a subdivision.

Referred to the Committee on Finance.

Mr. Moe, D.M. and Mrs. Lantry introduced—

S.F. No. 1100: A bill for an act relating to metropolitan government; regulating participation in a transportation program; providing conditions for incurrence of debt for certain purposes; removing fare restrictions; amending Minnesota Statutes 1986, section 473.388, subdivision 2; 473.39; and 473.446, subdivision 1; repealing Minnesota Statutes 1986, section 473.436, subdivisions 6 and 7; and Laws 1985, First Special Session chapter 10, section 122.

Referred to the Committee on Local and Urban Government.

Mr. Spear and Ms. Peterson, D.C. introduced—

S.F. No. 1101: A bill for an act relating to elections; increasing the size of the board of education of special school district No. 1 of the city of Minneapolis to nine members; providing for six members to be elected by districts; requiring compliance with certain campaign disclosure provisions; amending Minnesota Statutes 1986, sections 383B.041; 383B.042, subdivisions 5 and 9; 383B.053, subdivision 1; and 383B.058; and Laws 1959, chapter 462, section 3, subdivision 1, as amended.

Referred to the Committee on Elections and Ethics.

Mr. Metzen introduced—

S.F. No. 1102: A bill for an act relating to peace officers; peace officers benefit fund; expanding the definition of peace officer to include certain persons employed or authorized to provide emergency medical services; amending Minnesota Statutes 1986, section 176B.01, subdivision 2.

Referred to the Committee on Governmental Operations.

Ms. Peterson, D.C.; Messrs. Hughes and Merriam introduced—

S.F. No. 1103: A bill for an act relating to education; providing for adult basic education programs; creating an advisory task force; establishing a revenue formula; appropriating money; amending Minnesota Statutes 1986, section 275.125, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1986, section 124.26.

Referred to the Committee on Education.

Messrs. Moe, D.M. and Pogemiller introduced—

S.F. No. 1104: A bill for an act relating to retirement; first class city teachers retirement fund associations; Minneapolis employees retirement fund; clarifying the obligation of the legislative auditor to undertake periodic audits; amending Minnesota Statutes 1986, sections 354A.021, by adding a subdivision; and 422A.06, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Novak, Dahl, Merriam, Dicklich and Benson introduced—

S.F. No. 1105: A bill for an act relating to recreation and natural resources; authorizing grants to local government units for park acquisition and betterment; authorizing dam safety projects; authorizing the acquisition of natural habitat; authorizing acquisition and betterment of units of the outdoor recreation system including, but not limited to, state parks, trails, forests, fishing management lands, wildlife management areas, scientific and natural areas, wild, scenic, and recreational rivers, canoe and boating routes, and public water access; authorizing acquisition and development of amateur athletic training facilities; imposing the sales tax on certain clubs dues; providing for deposit and expenditures of certain sales tax revenues; authorizing the issuance of state bonds; appropriating money; amending Minnesota Statutes 1986, sections 297A.01, subdivision 3; and 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Environment and Natural Resources.

Mr. Pehler, Ms. Reichgott and Mr. Morse introduced—

S.F. No. 1106: A bill for an act relating to education; prohibiting private sectarian post-secondary institutions from requiring high school students participating in the post-secondary enrollment options program to sign statements of religious belief; amending Minnesota Statutes 1986, section 123.3514, subdivision 4.

Referred to the Committee on Education.

Mr. Pehler introduced—

S.F. No. 1107: A bill for an act relating to the permanent school fund; requiring the commissioner of administration to acquire certain trust fund lands by condemnation; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 92.

Referred to the Committee on Education.

Messrs. Novak, Pogemiller, Mrs. Lantry, Messrs. Purfeerst and Ramstad introduced—

S.F. No. 1108: A bill for an act relating to transportation; providing for standards for special transportation service; requiring standards for special transportation service in the metropolitan area; amending Minnesota Statutes 1986, sections 174.30, subdivisions 1, 2, 4, 6, 7, and by adding subdivisions; 473.386, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; repealing Minnesota Statutes 1986, section 473.386, subdivision 7.

Referred to the Committee on Transportation.

Mr. Hughes introduced—

S.F. No. 1109: A bill for an act relating to elections; providing for automatic recounts and election contest procedures for congressional races; amending Minnesota Statutes 1986, sections 204C.35, by adding a subdivision; and 209.12.

Referred to the Committee on Elections and Ethics.

Ms. Piper, Mr. Marty, Mrs. Lantry and Mr. Vickerman introduced—

S.F. No. 1110: A bill for an act relating to labor; regulating mediation, fact finding, and other functions of the bureau of mediation services; providing for violations of the labor union democracy act; amending Minnesota Statutes 1986, sections 179.02, subdivision 2, and by adding a subdivision; 179.07; 179.08; 179.083; 179.22; 179.38; proposing coding for new law in Minnesota Statutes, chapter 179; repealing Minnesota Statutes 1986, sections 179.05; 179.23; and 179.24.

Referred to the Committee on Employment.

Messrs. Dicklich; Johnson, D.J.; Moe, R.D.; Samuelson and Lessard introduced—

S.F. No. 1111: A bill for an act relating to economic development; appropriating money to the commissioner of iron range resources and rehabilitation for use in economic development projects and investments; authorizing investment of earnings of the northeast Minnesota economic protective trust in venture capital enterprises; amending Minnesota Statutes 1986, section 298.292.

Referred to the Committee on Economic Development and Housing.

Messrs. Luther; Pehler; Johnson, D.J.; Novak and Merriam introduced—

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

Referred to the Committee on General Legislation and Public Gaming.

Ms. Piper, Mrs. Lantry, Messrs. Brandl, Benson and Ms. Berglin introduced—

S.F. No. 1113: A bill for an act relating to human services; regulating the licensure of programs for the care of children or of adults with certain disabilities; providing penalties; replacing the existing licensure law; proposing coding for new law as Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1986, sections 245.781; 245.782; 245.783; 245.791; 245.792; 245.801; 245.802; 245.803; 245.804; 245.805; 245.811; 245.812; 245.88; 245.881; 245.882; 245.883; 245.884; and 245.885.

Referred to the Committee on Health and Human Services.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 26, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWENTY-FIFTH DAY

St. Paul, Minnesota, Thursday, March 26, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul R. Hammarberg.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Johnson, D.J.	Merriam	Reichgott
Anderson	Davis	Jude	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R.D.	Schmitz
Benson	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederick	Lantry	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Taylor
Brandl	Freeman	Luther	Piper	Vickerman
Brataas	Gustafson	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	Mehrkens	Ramstad	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Knaak and Pehler were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 17, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 85.

Sincerely,

Rudy Perpich, Governor

March 17, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 211.

Sincerely,

Rudy Perpich, Governor

March 25, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 87, 208, 258, 302 and 402.

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 168: A bill for an act relating to human rights; clarifying certain provisions relating to discrimination in the extension of credit because of sex or marital status; amending Minnesota Statutes 1986, section 363.03, subdivision 8.

There has been appointed as such committee on the part of the House:

Bishop, Morrison and Long.

Senate File No. 168 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1987

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 3, 123, 28, 134, 838, 318, 432 and 510.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 3: A bill for an act relating to labor; changing the minimum wage; amending Minnesota Statutes 1986, section 177.24, subdivision 1.

Referred to the Committee on Employment.

H.F. No. 123: A bill for an act relating to probate; providing for an increased sum payable to a surviving spouse by affidavit; allowing nursing home care costs to be a claim of the same class as medical and hospital expenses; increasing the value of a probate estate allowed for purposes of collection by affidavit; amending Minnesota Statutes 1986, sections 181.58; 524.3-805; and 524.3-1201.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 287, now on General Orders.

H.F. No. 28: A bill for an act relating to financial institutions; extending the EFT law to terminals located on the premises of a financial institution; providing options for a financial institution relating to the availability of an electronic financial terminal for other financial institutions; permitting certain advertising relating to an electronic financial terminal; amending Minnesota Statutes 1986, sections 47.61, subdivision 3; 47.63; 47.64, subdivisions 1, 3, and 4; and 47.67.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 148, now on General Orders.

H.F. No. 134: A bill for an act relating to employment; requiring an employer to notify employees and job applicants of bankruptcy proceedings; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 182, now on the Calendar.

H.F. No. 838: A bill for an act relating to St. Louis county; providing for a clerk in the unclassified civil service; amending Minnesota Statutes 1986, section 383C.035.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 782.

H.F. No. 318: A bill for an act relating to crimes; creating the crime of criminal sexual conduct by impersonating a health care professional; amending Minnesota Statutes 1986, sections 609.344, subdivision 1; and 609.345, subdivision 1.

Referred to the Committee on Judiciary.

H.F. No. 432: A bill for an act relating to education; modifying certain provisions of the compulsory attendance laws; establishing new compulsory attendance requirements; amending Minnesota Statutes 1986, sections 121.11, subdivision 7; 123.935, subdivision 7; 127.19; and 127.20; proposing coding for new law in Minnesota Statutes, chapter 120; repealing Minnesota Statutes 1986, sections 120.10, subdivisions 1, 2, 2a, and 2b; and 120.12.

Referred to the Committee on Education.

H.F. No. 510: A bill for an act relating to Dakota county; providing for the creation, organization, powers, and duties of a personnel system; proposing coding for new law as Minnesota Statutes, chapter 383D.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 617.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 924, 735, 79 and reports pertaining to appointments. The motion prevailed.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 658: A bill for an act relating to veterans; requiring the housing and care of veterans in the Fergus Falls residential treatment center; proposing coding for new law in Minnesota Statutes, chapters 198 and 253.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 11 and 15, delete "*residential*" and insert "*regional*"

Page 1, line 16, delete ", *in*" and insert "*lease*" and after "*suitable*" insert "*separate identifiable*"

Page 1, line 17, delete ", *accept and*" and insert "*under the supervision of the commissioner of human services to the department of veterans affairs for the*"

Page 1, line 18, delete the first "*for*" and insert "*of*" and delete "*the*"

Page 1, line 19, delete "*Minnesota*" and insert "*a*"

Page 1, line 25, delete "*shall*" and insert "*may*"

Page 2, line 1, delete "*housing and care of any*"

Page 2, delete line 2 and insert "*lease of the physical plant and for shared services necessary to implement*"

Amend the title as follows:

Page 1, line 2, delete "*requiring*" and insert "*authorizing*"

Page 1, line 3, delete "*residential*" and insert "*regional*"

And when so amended the bill do pass and be re-referred to the Committee on Health and Human Services. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 213: A bill for an act relating to veterans; appropriating money for use by the Military Order of the Purple Heart in assisting veterans to make claims against the United States government.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was re-referred

S.F. No. 151: A bill for an act relating to veterans; restoring the tuition exemption at AVTI's for Vietnam-era veterans; amending Minnesota Statutes 1986, section 136C.13, subdivision 3; repealing Minnesota Statutes 1986, section 136C.13, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 26, after "under" insert "*honorable*" and strike "other"

Page 2, line 1, strike "than dishonorable"

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 641: A bill for an act relating to workers' compensation; regulating insurance premium computations for certain public employees; amending Minnesota Statutes 1986, section 79.211, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 844: A bill for an act relating to local government; providing notice conditions for town road contracts; amending Minnesota Statutes 1986, section 160.17, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 617: A bill for an act relating to Dakota county; providing for the creation, organization, powers, and duties of a personnel system; proposing coding for new law as Minnesota Statutes, chapter 383D.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 348: A bill for an act relating to metropolitan government; changing the treatment of current value credits and modifying the cost allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1986, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9; repealing Minnesota Statutes 1986, section 473.517, subdivisions 4, 5, and 7.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 521: A bill for an act relating to neighborhood revitalization; providing for the creation of urban revitalization action programs for the cities of Minneapolis and Saint Paul; providing a low income housing credit; providing for changes in certain special assessment payment procedures; appropriating money; amending Minnesota Statutes 1986, sections 290.06, by adding a subdivision; and 429.061, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22, (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a), or (c) seasonal recreational land as defined in section 273.13, subdivision 27, paragraph (a), or subdivision 22, paragraph (c), in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for all homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in section 7 and sold to the state at a tax judgment sale shall be two years from the date of sale. The period of redemption for all other lands in a targeted neighborhood as defined in section 7 and sold to the state at a tax judgment sale shall be one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Sec. 2. Minnesota Statutes 1986, section 287.05, subdivision 1, is amended to read:

Subdivision 1. A tax of 45 23 cents is imposed upon each \$100, or fraction thereof, of the principal debt or obligation which is or may be secured by any mortgage of real property situated within the state executed, delivered, and recorded or registered; provided, however, that the tax shall be imposed but once upon any mortgage and extension thereof. If the mortgage describes real estate situated outside of this state, the tax shall be imposed upon that proportion of the whole debt secured thereby as the value of the real estate therein described situated in this state bears to the value of the whole of the real estate described therein. The tax imposed by this section shall not apply to a contract for the conveyance of real estate or any interest in real estate recorded or registered on or after January 1, 1984.

Sec. 3. Minnesota Statutes 1986, section 287.21, subdivision 1, is amended

to read:

Subdivision 1. There is hereby imposed on each deed, instrument, or writing by which any lands, tenements, or other realty in this state shall be granted, assigned, transferred or otherwise conveyed, a tax determined in the following manner. When transfers are made by instruments pursuant to mergers, consolidations, sales or transfers of substantially all of the assets of corporations pursuant to plans of reorganization or there is no consideration or when the consideration, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, is \$1,000 or less, the tax shall be ~~\$2.20~~ \$3.30. When the consideration, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, exceeds \$1,000 the tax shall be ~~\$2.20~~ \$3.30 plus \$1.10 for each \$500 or fractional part of \$500 in excess of \$1,000.

Sec. 4. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 20. [LOW INCOME HOUSING CREDIT.] A taxpayer may take as a credit against the tax due under this chapter an amount equal to the low income housing credit for which the taxpayer is eligible pursuant to section 42 of the Internal Revenue Code of 1986, for the taxable year. The taxpayer's tax under this chapter shall be increased for any taxable year in which a recapture is required under section 42(j) of the Internal Revenue Code of 1986, by the amount of the federal recapture for that taxable year.

Sec. 5. Minnesota Statutes 1986, section 429.061, subdivision 2, is amended to read:

Subd. 2. [ADOPTION; INTEREST.] At such meeting or at any adjournment thereof the council shall hear and pass upon all objections to the proposed assessment, whether presented orally or in writing. The council may amend the proposed assessment as to any parcel and by resolution adopt the same as the special assessment against the lands named in the assessment roll. Notice of any adjournment of the hearing shall be adequate if the minutes of the meeting so adjourned show the time and place when and where the hearing is to be continued.

The council may consider any objection to the amount of a proposed assessment as to a specific parcel of land at an adjourned hearing upon further notice to the affected property owner as it deems advisable. At the adjourned hearing the council or a committee of it may hear further written or oral testimony on behalf of the objecting property owner and may consider further written or oral testimony from appropriate city officials and other witnesses as to the amount of the assessment. The council or committee shall prepare a record of the proceedings at the adjourned hearing and written findings as to the amount of the assessment. The amount of the assessment as finally determined by the council shall become a part of the adopted assessment roll. No appeal may be taken as to the amount of any assessment adopted under this section unless written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing. All objections to the assessments not received at the assessment hearing in the manner prescribed by this subdivision are waived, unless the failure to object at the assessment hearing is due to a reasonable cause.

If the adopted assessment differs from the proposed assessment as to any particular lot, piece, or parcel of land, the clerk must mail to the owner a

notice stating the amount of the adopted assessment. Owners must also be notified by mail of any changes adopted by the council in interest rates or prepayment requirements from those contained in the notice of the proposed assessment.

The assessment, with accruing interest, shall be a lien upon all private and public property included therein, from the date of the resolution adopting the assessment, concurrent with general taxes; but the lien shall not be enforceable against public property as long as it is publicly owned, and during such period the assessment shall be recoverable from the owner of such property only in the manner and to the extent provided in section 435.19. ~~Except as provided below~~ *Unless otherwise provided in the resolution*, all assessments shall be payable in equal annual installments extending over such period, not exceeding 30 years, as the resolution determines, payable on the first Monday in January in each year, but the number of installments need not be uniform for all assessments included in a single assessment roll if a uniform criterion for determining the number of installments is provided by the resolution. The first installment of each assessment shall be included in the first tax rolls completed after its adoption and shall be payable in the same year as the taxes contained therein; except that the payment of the first installment of any assessment levied upon unimproved property may be deferred until a designated future year, or until the platting of the property or the construction of improvements thereon, upon such terms and conditions and based upon such standards and criteria as may be provided by resolution of the council. If special assessments against the property have been deferred pursuant to this subdivision, the governmental unit shall file with the county recorder in the county in which the property is located a certificate containing the legal description of the affected property and of the amount deferred. In any event, every assessment the payment of which is so deferred, when it becomes payable, shall be divided into a number of installments such that the last installment thereof will be payable not more than 30 years after the levy of the assessment. All assessments shall bear interest at such rate as the resolution determines, not exceeding eight percent per annum, except that the rate may in any event equal the average annual interest rate on bonds issued to finance the improvement for which the assessments are levied. To the first installment of each assessment shall be added interest on the entire assessment from a date specified in the resolution levying the assessment, not earlier than the date of the resolution, until December 31 of the year in which the first installment is payable, and to each subsequent installment shall be added interest for one year on all unpaid installments; or alternatively, any assessment may be made payable in equal annual installments including principal and interest, each in the amount annually required to pay the principal over such period with interest at such rate as the resolution determines, not exceeding the maximum period and rate specified above. In the latter event no prepayment shall be accepted under subdivision 3 without payment of all installments due to and including December 31 of the year of prepayment, together with the original principal amount reduced only by the amounts of principal included in such installments, computed on an annual amortization basis. When payment of an assessment is deferred, as authorized in this subdivision, interest thereon for the period of deferment may be made payable annually at the same times as the principal installments of the assessment would have been payable if not deferred; or interest for this period may be added to the principal amount of the assessment when it becomes payable; or, if so

provided in the resolution levying the assessment, interest thereon to December 31 of the year before the first installment is payable may be forgiven.

Sec. 6. Minnesota Statutes 1986, section 462.445, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 462.415 to 462.705 (but not the power to levy and collect taxes or special assessments except as provided in sections 462.515 to 462.545 with respect to redevelopment projects only) including the following powers in addition to others granted in these sections:

(1) To sue and be sued; to have a seal, which shall be judicially noticed, and to alter the same at pleasure; to have perpetual succession; and to make, and from time to time to amend and repeal, rules and regulations not inconsistent with these sections;

(2) To employ an executive director, technical experts, and such officers, agents, and employees, permanent and temporary, as it may require, and determine their qualifications, duties, and compensation; for such legal services as it may require, to call upon the chief law officer of the municipality or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies, in its area of operation, such local public bodies, if requested, to make such services available;

(3) To delegate to one or more of its agents or employees such powers or duties as it may deem proper;

(4) Within its area of operation to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) Subject to the provisions of section 462.511, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute such leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take such action, as may be necessary or convenient to carry out the purposes of these sections;

(6) Within its area of operation to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by Minnesota Statutes 1945, chapter 117, and any amendments thereof or supplements thereto, to acquire real property which it may deem necessary for its purposes under these sections, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 462.425 or found to exist by section 462.415, subdivision 5, or is necessary to carry out a redevelopment project as defined in section 462.421, subdivision 13;

(7) Within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) of this subdivision, including by the exercise of the power of eminent domain, in the manner provided by chapter 117, and without the adoption of a resolution provided for in subdivision 1, clause (6), real property, and to demolish, remove, rehabilitate or reconstruct the buildings and improvements

or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill and construct foundations or otherwise prepare the site for improvements, and to dispose of said property pursuant to section 462.525, provided that the provisions of section 462.525 requiring conformance to an urban renewal plan shall not apply, and to finance such activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 462.545 or by means of contributions from the municipality provided for in section 462.581, clause (9), or by any combination of such means; provided that, real property with buildings or improvements thereon shall only be acquired when the buildings or improvements are substandard; and provided further that the exercise of the power of eminent domain under this clause shall be limited to real property which contains buildings and improvements which are vacated and substandard. For the purpose of this subparagraph, substandard buildings or improvements mean *hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community.*

(8) Within its area of operation to determine the level of income constituting low or moderate family income. Such income level shall be that level below which there is not available within the area of operation a substantial supply of decent, safe and sanitary housing provided by private enterprise without subsidy at prices or rents within the financial means of persons and families of such incomes. The authority may establish various income levels for various family sizes. In making its determination the authority may consider income levels which may be established by the federal housing administration or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use such determination as a basis for the maximum amount of income for admissions to housing development projects owned or operated by it;

(9) To provide in federally assisted projects such relocation payments and assistance as may be necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto.

Sec. 7. [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of sections 7 to 15, the following terms have the meaning given them:

Subd. 2. [CITY.] "City" means the city of Minneapolis or the city of Saint Paul. For each city, any port authority, housing and redevelopment authority or other agency or instrumentality, the jurisdiction of which is the territory of either city, shall be included within the meaning of city.

Subd. 3. [CITY COUNCIL.] "City council" means either the city council of Minneapolis or the city council of Saint Paul.

Subd. 4. [CITY MATCHING FUNDS.] "City matching funds" means the funds of a city specified in a revitalization and financing program to be expended to implement a revitalization program. The sources of city matching funds may include:

(1) funds from the general fund or any special fund of a city used to implement a revitalization program;

(2) funds paid or repaid to a city from the proceeds of any grant that a city has received from the federal government, any profit or nonprofit corporation, or any other entity or individual, that are to be used to implement a revitalization program;

(3) tax increments received by a city under sections 273.71 to 273.78 or other law, if eligible, to be expended in the targeted neighborhood;

(4) the greater of the fair market value or the cost to the city of acquiring land, buildings, equipment, or other real or personal property that a city contributes, grants, or loans to a profit or nonprofit corporation, or other entity or individual in connection with the implementation of a revitalization program;

(5) city funds to be used to install, reinstall, repair, or improve the infrastructure facilities of a targeted neighborhood;

(6) funds contributed by a city to pay issuance costs or to otherwise provide financial support for revenue bonds or obligations issued by a city for a project or program related to the implementation of a revitalization program;

(7) funds derived from fees received by a city in connection with its community development activities that are to be used in implementing a revitalization program.

City matching funds do not include (i) any city funds used to provide a service or exercise a function that is ordinarily provided throughout the city unless an increased level of the service or function is to be provided in a targeted neighborhood in accordance with a revitalization program; (ii) the proceeds of any revenue bonds issued by the city under chapter 458, 462C, 472, or 474; or (iii) any administrative expenses that are incurred in connection with the planning or implementation of sections 7 to 15.

Subd. 5. [TARGETED NEIGHBORHOOD.] "Targeted neighborhood" means an area including one or more census tracts as determined and measured by the bureau of census of the United States Department of Commerce that meet the criteria of section 8, subdivision 2, and any additional area designated under section 8, subdivision 3.

Subd. 6. [TARGETED NEIGHBORHOOD FUNDS.] "Targeted neighborhood funds" means the funds designated in the revitalization program to be used to implement the revitalization program.

Subd. 7. [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM.] "Targeted neighborhood revitalization and financing program," "revitalization program," or "program" means the targeted neighborhood revitalization and financing program adopted in accordance with section 9.

Sec. 8. [DESIGNATION OF TARGETED NEIGHBORHOODS.]

Subdivision 1. [CITY AUTHORITY.] A city may by resolution designate targeted neighborhoods within its borders after adopting detailed findings that the designated neighborhoods meet the eligibility requirements set forth in subdivisions 2 and 3.

Subd. 2. [ELIGIBILITY REQUIREMENTS FOR TARGETED NEIGHBORHOODS.] An area within a city is eligible for designation as a targeted neighborhood if the area meets two of the following three requirements:

(a) The area had an unemployment rate that was twice the unemployment rate for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the 1980 federal decennial census.

(b) The median household income in the area was equal to or less than 50 percent of the median household income for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the 1980 federal decennial census.

(c) The area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this clause if (1) 25 percent or more of the residential dwelling units are in substandard condition as determined by the city; or (2) 70 percent or more of the residential dwelling units in the area were built before 1940 as determined by the 1980 federal decennial census.

Subd. 3. [ADDITIONAL AREA ELIGIBLE FOR INCLUSION IN TARGETED NEIGHBORHOOD.] The city may add to the area designated as a targeted neighborhood under subdivision 2 additional area extending up to four contiguous city blocks in all directions from the designated targeted neighborhood. For the purpose of this subdivision, "city block" shall have the meaning determined by the city.

Sec. 9. [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM REQUIREMENTS.]

Subdivision 1. [COMPREHENSIVE REVITALIZATION AND FINANCING PROGRAM.] For each targeted neighborhood for which a city requests state financial assistance under section 10, the city must prepare a comprehensive revitalization and financing program that includes the following:

(1) the revitalization objectives of the city for the targeted neighborhood;

(2) the specific activities or means by which the city intends to pursue and implement the revitalization objectives;

(3) the extent to which the activities identified in clause (2) will benefit low and moderate income families, will alleviate the blighted condition of the targeted neighborhood, or otherwise assist in the revitalization of the targeted neighborhood;

(4) a statement of the intended outcomes to be achieved by implementation of the revitalization program, how the outcomes will be measured both qualitatively and quantitatively, and the estimated time over which they will occur; and

(5) a financing program and budget that identifies the financial resources necessary to implement the revitalization program. The financing program and budget must include the following items:

(i) the estimated total cost to implement the revitalization program;

(ii) the estimated cost to implement each activity in the revitalization program identified in clause (2);

(iii) the estimated amount of financial resources that will be available from all sources other than from the appropriation available under section

10 to implement the revitalization program;

(iv) the estimated amount of the appropriation available under section 10 that will be necessary to implement the revitalization program;

(v) a description of the activities identified in the revitalization program for which the state appropriation will be used and the time or times at which the state appropriation will be committed or expended; and

(vi) a statement of how the city intends to meet the requirement for a financial contribution matching the state appropriation from city matching funds in accordance with section 10, subdivision 3.

Subd. 2. [TARGETED NEIGHBORHOOD PARTICIPATION IN REVITALIZATION PROGRAM DEVELOPMENT.] *The city must develop a process to consult the residents in the targeted neighborhood concerning the development, drafting, and implementation of the revitalization program. The process may include the establishment of an advisory board in each city as provided for in subdivision 2a, to assist the city in implementing the revitalization program. The process must include at least one public hearing, in addition to any public hearing held by the advisory board, to be held within the targeted neighborhood to describe urban revitalization action programs prior to the development or drafting of a revitalization program for it. Notice of the hearing must be provided to individuals and groups in the targeted neighborhood not less than ten days nor more than 30 days before the hearing by a newspaper of general circulation within the targeted neighborhood and by other general means of communication in the targeted neighborhood. The city shall provide the necessary staff and other resources to implement the consultation process and to develop, draft, and implement the revitalization program.*

Subd. 2a. [ADVISORY BOARD.] *The governing body of the city may establish a seven-member advisory board to assist the city in implementing sections 7 to 15. The advisory board shall consist of one city council member appointed by the city council, one county commissioner appointed by the county board of the county in which the city is located, two legislators appointed by the city legislative delegation, and three residents who reside in a targeted neighborhood appointed by the city council. The advisory board shall advise the city on the preparation of the revitalization program including the conversion from absent-owner rental housing to home ownership, the promotion of commercial and industrial growth in targeted neighborhoods, and the integration of human service programs and the redevelopment in targeted neighborhoods.*

Subd. 3. [PRELIMINARY CITY REVIEW; STATE AGENCY AND METROPOLITAN COUNCIL REVIEW.] *Before adoption of the revitalization program under subdivision 4, the city must submit a draft program to the state planning agency, the department of energy and economic development, the Minnesota housing finance agency, and the metropolitan council for their comment. The city may not adopt the revitalization program until comments have been received from the state agencies and the metropolitan council or 30 days have elapsed without response after the program was sent to them. Any comments received by the city from the state agencies or the metropolitan council within the 30-day period must be responded to in writing by the city before adoption of the program by the city.*

Subd. 4. [CITY APPROVAL.] The city may adopt the revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days prior to the date of the hearing.

Subd. 5. [PROGRAM CERTIFICATION.] A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the community development division of the department of energy and economic development together with a copy of the program. Copies of the program must also be provided to the state planning agency, the Minnesota housing finance agency, and the metropolitan council.

Subd. 6. [REVITALIZATION PROGRAM MODIFICATION.] The revitalization program may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under subdivision 5, it must implement the revitalization program approval process of subdivisions 2 to 5 for the proposed modification. If the proposed modification will require an increase in the amount of state appropriation available under section 10 for the revitalization program, the state planning agency, the department of energy and economic development, the Minnesota housing finance agency, and the metropolitan council must be notified and afforded an opportunity to comment on it in accordance with subdivision 3. Any modification to the revitalization program must be certified to the community development division of the department of energy and economic development as provided in subdivision 5.

Sec. 10. [DISBURSEMENT; CITY MATCHING FUNDS; DRAW-DOWN; USES OF STATE FUNDS.]

Subdivision 1. [DISBURSEMENT OF STATE FUNDS.] Upon receipt from a city of the certification that a revitalization program has been adopted or modified, the community development division of the department of energy and economic development must, within 30 days, disburse to the city the amount of state funds identified as necessary to implement the revitalization program or program modification. State funds may be disbursed to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded. Once the state funds have been disbursed to the city, they shall become targeted neighborhood funds for use by the city in accordance with an adopted revitalization program and subject only to the restrictions on their use contained in this act.

Subd. 2. [FUND DISBURSEMENT.] A city may receive a part of the appropriations made available that is the proportion that the population of that city bears to the total population of both Minneapolis and Saint Paul. One city may agree to reduce its entitlement amount so that the other may receive an amount in excess of its entitlement amount. The population of each city for the purposes of this subdivision shall be determined according to the most recent estimates available to the community development division of the department of energy and economic development. Any interest earned by a city from funds disbursed to the city must be rebated to the community development division of the department of energy

and economic development annually unless the revitalization program identifies the interest as necessary to implement the revitalization program and the requirement for city matching funds is satisfied with respect to the interest.

Subd. 3. [CITY MATCHING FUNDS; DRAWDOWN OF STATE FUNDS; RESTRICTION ON USE OF STATE FUNDS.] A city may expend state funds only if the revitalization program identifies city matching funds to be used to implement the program in an amount equal to the state appropriation. A city must keep the state funds in a segregated fund for accounting purposes. No state funds shall be used to pay the general administrative expenses of a city that are incurred in connection with the planning or implementation of sections 7 to 15.

Sec. 11. [CITY POWERS AND ELIGIBLE USES OF TARGETED NEIGHBORHOOD FUNDS.]

Subdivision 1. [CONSOLIDATION OF EXISTING POWERS IN TARGETED NEIGHBORHOODS.] A city may exercise any of its corporate powers within a targeted neighborhood including, but not limited to, all of the powers enumerated and granted by chapters 458, 462, 462C, 472, 472A, and 474. For the purposes of chapter 458, a targeted neighborhood shall be considered an industrial development district. A city may exercise the powers of chapter 458 in conjunction with, and in addition to, exercising the powers granted by chapters 462 and 462C in order to promote and assist housing construction and rehabilitation within a targeted neighborhood. For the purposes of section 462C.02, subdivision 9, a targeted neighborhood shall be considered a "targeted area."

Subd. 2. [GRANTS AND LOANS.] In addition to the authority granted by other law, a city may make grants and loans to individuals, for-profit and nonprofit corporations, and other organizations to implement a revitalization program. The grants and loans shall contain the terms concerning use of funds, repayment, and other conditions the city deems proper to implement a revitalization program.

Subd. 3. [ELIGIBLE USES OF TARGETED NEIGHBORHOOD FUNDS.] The city may expend targeted neighborhood funds for any purpose authorized by subdivision 1 or 2. Any use of targeted neighborhood funds must be authorized by a revitalization program.

Sec. 12. [DELAYED VALUATION OF IMPROVEMENTS.]

Subdivision 1. [VALUATION INCREASE DELAYED.] Notwithstanding other provisions of law relating to assessed valuation of real property, the assessed valuation of property described in subdivision 2 based on the qualified improvements made during rehabilitation of a building on the property may not be increased during the rehabilitation year or any of the following five years. After the fifth year following rehabilitation, the property shall be valued as other property in the same property class in that taxing district.

Subd. 2. [ELIGIBLE PROPERTY.] To be eligible for the valuation increase delay authorized in subdivision 1, (1) the property must be located in a designated targeted neighborhood as defined in section 7, and (2) the city must have certified that the revitalization and financing program for that neighborhood has been completed as required in section 9.

Subd. 3. [QUALIFIED IMPROVEMENTS.] To qualify for the valuation increase delay authorized in subdivision 1, the improvements to the eligible property must (1) be completed within one year after the issuance of the building permit for the improvements, and (2) not be recreational in character including, but not limited to, swimming pools, tennis courts, and hot tubs.

Subd. 4. [ASSESSOR.] The owner of the property must apply to the assessor prior to undertaking the rehabilitation. The application must include a description of the proposed rehabilitation project, an estimate of the cost of the project, and a projected completion date for the project. The assessor must determine if the property meets the eligibility requirements established in subdivision 2. The assessor shall maintain records of the location and number of eligible buildings having qualified improvements.

Subd. 5. [GENERAL INCREASES IN VALUATION.] Any increase in value of property which results from causes other than qualified improvements which are part of the project description provided to the assessor shall be added to the assessed valuation of the building.

Sec. 13. [HAZARDOUS BUILDING PENALTY.]

A city may assess a penalty equal to one percent of the assessed value of a building located in a targeted neighborhood defined in section 7 that the city determined to be hazardous as defined in section 463.15, subdivision 3. If the owner of the building has not paid the penalty within 30 days after receiving notice of the penalty, the penalty shall be considered delinquent. For the purposes of this section, a penalty which is delinquent shall be considered as a delinquent property tax and subject to chapters 279, 280, and 281 in the same manner as delinquent property taxes.

Sec. 14. [ANNUAL AUDIT AND REPORT.]

Subdivision 1. [ANNUAL FINANCIAL AUDIT.] At the end of each calendar year beginning in 1988, the legislative auditor shall conduct a financial audit to review the spending of state funds under sections 7 to 15. Before spending any state funds to implement a revitalization program, the city must consult the legislative auditor to determine appropriate accounting methods and principles that will assist the legislative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission, the state planning agency, the department of energy and economic development, the Minnesota housing finance agency, and the metropolitan council.

Subd. 2. [ANNUAL REPORT.] A city that begins to implement a revitalization program in any calendar year must, by March 1 of the succeeding calendar year, provide a detailed report on the revitalization program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 9, subdivision 1, clause (4), are being achieved. The report must be submitted to the state planning agency, the department of energy and economic development, the Minnesota housing finance agency, the metropolitan council, and the legislative audit commission.

Sec. 15. [APPROPRIATION; DISTRIBUTION.]

§_____ is appropriated from the general fund to the commissioner of energy and economic development for disbursement to the cities of Min-

neapolis and Saint Paul as provided in section 10, to be available until June 30, 1989.

Sec. 16. [EFFECTIVE DATE; LOCAL APPROVAL.]

Section 4 is effective for taxable years beginning after December 31, 1986.

Sections 7 to 15 are effective for the city of Minneapolis the day after compliance with section 645.021, subdivision 3, by the governing body of the city of Minneapolis.

Sections 7 to 15 are effective for the city of Saint Paul the day after compliance with section 645.021, subdivision 3, by the governing body of the city of Saint Paul."

Delete the title and insert:

"A bill for an act relating to neighborhood revitalization; providing for the creation of urban revitalization action programs for the cities of Minneapolis and Saint Paul; providing a low income housing credit; providing for changes in certain special assessment payment procedures; appropriating money; amending Minnesota Statutes 1986, sections 281.17; 287.05, subdivision 1; 287.21, subdivision 1; 290.06, by adding a subdivision; 429.061, subdivision 2; and 462.445, subdivision 1."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 788: A bill for an act relating to human services; clarifying chemical dependency consolidated fund administration procedures; amending Minnesota Statutes 1986, sections 246.51; 246.511; 254B.01, subdivision 5; 254B.02, subdivisions 1, 2, 3, and 5; 254B.03, subdivisions 1, 2, 3, 4, and 5; 254B.04, subdivision 2; 254B.06, subdivision 1; and 254B.09, subdivisions 3, 5, and 7; repealing Minnesota Statutes 1986, section 256.968.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, delete section 13 and insert:

"Sec. 13. Minnesota Statutes 1986, section 254B.04, is amended to read:

254B.04 [ELIGIBILITY FOR CHEMICAL DEPENDENCY FUND SERVICES.]

Subdivision 1. [ELIGIBILITY.] Persons eligible for benefits under sections 256D.01 to 256D.21 or for federal benefits under title 25, part 20, of the Code of Federal Regulations and persons eligible for federal health care benefits under section 256B.06, are entitled to chemical dependency fund services.

Subd. 2. [AMOUNT OF CONTRIBUTION.] The commissioner shall adopt a sliding fee scale to determine the amount of contribution to be required from persons whose income ~~and nonexempt property are~~ is greater than the standard of assistance under sections 256B.06 and 256D.01 to 256D.21. The commissioner may adopt an existing fee scale from another assistance program or from the state facilities by publication in the State

Register. *The commissioner shall establish a separate fee scale for recipients of chemical dependency transitional rehabilitation services that provides for the collection of fees for board and lodging expenses. The fee schedule shall ensure that employed persons are allowed the income disregards and savings accounts that are allowed residents of community mental illness facilities under section 256D.06, subdivisions 1 and 1b. The fee scale must not provide assistance to persons whose income is more than 115 percent of the state median income. Payments of liabilities under this section are medical expenses for purposes of determining spend-down under sections 256B.06 and 256D.01 to 256D.21.*"

Amend the title as follows:

Page 1, line 7, delete ", subdivision 2"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 735: A bill for an act relating to human services; providing for a statewide interpreter service for hearing impaired persons; altering membership on Minnesota council for the hearing impaired; amending Minnesota Statutes 1986, sections 256C.24, subdivisions 2 and 3; 256C.25, subdivisions 1 and 2; and 256C.28, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 256C.28, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(1) advise the commissioner *and the governor* on the development of policies, programs, and services affecting the hearing impaired, and on the use of appropriate federal and state money;

(2) create a public awareness of the special needs and potential of hearing impaired persons; and

(3) provide the commissioner *and the governor* with a review of ongoing services, programs, and proposed legislation affecting the hearing impaired."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "subdivision 1" and insert "subdivisions 1 and 3"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 408: A bill for an act relating to human services; authorizing the commissioner of human services to establish a study committee on problems of elderly persons with mental retardation or related conditions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete "*of a*" and insert "*representing*"

Page 1, line 22, delete "*home trade association*" and insert "*homes*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 424: A bill for an act relating to the child abuse reporting act; providing a standard for the disclosure of the reporter's name; amending Minnesota Statutes 1986, section 626.556, subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 15, strike everything after "*confidential*"

Page 2, line 16, strike "*individual subject of the record upon*" and delete "*a finding by*"

Page 2, lines 17 and 18, delete the new language and insert. "*The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This provision does not alter disclosure responsibilities or obligations under the rules of criminal procedure*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 854: A bill for an act relating to government data practices; giving the department of energy and economic development access to certain employment data; amending Minnesota Statutes 1986, section 268.12, subdivision 12.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 32 to 34, delete the new language and insert "*The Minnesota department of energy and economic development or its successor agency for its internal use only shall have access to nonpublic data but not private data on individuals as defined in section 13.02, subdivisions 9 and 12;*"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 669: A bill for an act relating to transportation; authorizing special permits for 110-foot vehicle combinations to operate outside the metropolitan area on interstate highways; setting a fee for the permit; providing for the modification of certain interchanges, streets, and highways; amending Minnesota Statutes 1986, sections 169.81, subdivision 2; and 169.86, subdivision 5, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 341: A bill for an act relating to insurance; regulating unfair settlement practices of automobile insurers; requiring repairs with original equipment parts; providing an exception; regulating insurance appraisals; revising the truth-in-repairs act to require disclosure of whether new parts are original equipment parts; amending Minnesota Statutes 1986, sections 72A.20, subdivision 12a; 72B.091, subdivision 2; 325F.56, subdivision 8; and 325F.60, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 13, line 22, after the period, insert "*The appraisal must disclose to the vehicle owner any parts to be used which are not original equipment parts or which are not covered by the manufacturer's warranty on such parts.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 783: A bill for an act relating to public safety; local emergency telephone service; requiring automatic location identification for public safety answering points serving 50,000 telephones or more; increasing fee to cover service cost; amending Minnesota Statutes 1986, sections 403.02, subdivision 6, and by adding a subdivision; and 403.11, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 22 to 25, delete the new language and insert "*Minimum 911 service also includes the provision of automatic location identification if the public safety answering point has the capability of providing that service.*"

Page 2, delete section 3

Amend the title as follows:

Page 1, line 4, delete "serving 50,000" and insert "under certain circumstances;"

Page 1, delete line 5

Page 1, line 6, delete "cost;" and delete "sections" and insert "section"

Page 1, line 7, delete the semicolon and insert a period

Page 1, delete line 8

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 736: A bill for an act relating to public safety; regulating high pressure piping and pipefitters; providing penalties; amending Minnesota Statutes 1986, sections 326.461, subdivision 2; 326.47, subdivision 3; 326.48, subdivision 1; 326.50; 326.51; proposing coding for new law in Minnesota Statutes, chapter 326.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 23 to 25, reinstate the stricken language

Page 2, line 1, delete "*facilities utilizing*"

Page 2, lines 14 to 23, delete the new language

Page 2, lines 24 to 30, reinstate the stricken language

Page 3, line 8, after "passing" strike "a" and insert "an"

Page 3, line 9, delete "*written*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1015: A bill for an act relating to public safety; regulating boilers and their operation; amending Minnesota Statutes 1986, sections 183.375, subdivision 2; 183.411, by adding a subdivision; 183.42; 183.545, subdivision 4; and 183.56; repealing Minnesota Statutes 1986, section 183.545, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, reinstate the stricken language and after the reinstated "and" insert "*may appoint*"

Page 1, line 14, reinstate the stricken "chief"

Page 1, lines 23 and 24, reinstate the stricken language and delete the new language

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1074: A bill for an act relating to labor; regulating the administration of the occupational safety and health act; clarifying employee rights to sue; amending Minnesota Statutes 1986, sections 182.659, subdivisions 6 and 8; 182.661, by adding a subdivision; 182.666, subdivisions

1, 2, 4, 5, and 6; and 182.669, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 820: A bill for an act relating to the department of administration; amending, creating, and deleting various duties of the commissioner of administration; creating the productivity loan fund; providing definitions; amending Minnesota Statutes 1986, sections 4.31, subdivisions 1 and 5; 14.04; 16B.08, subdivisions 3 and 7; 16B.09, subdivision 1; 16B.24, subdivision 6; 16B.29; 16B.51, subdivision 3; 138.17, subdivision 7; and 139.19; amending Laws 1979, chapter 333, section 18; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, section 138.22.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 7, delete "*shall*" and insert "*must*"

Pages 4 to 6, delete section 8

Page 6, line 24, delete "*shall*" and insert "*must*"

Page 7, lines 5, 6, and 9, delete "*shall*" and insert "*must*"

Page 7, line 12, delete "*created as*"

Page 7, line 26, delete everything before the second "*committee*"

Page 8, line 1, delete "*shall*" and insert "*may*"

Page 8, line 4, delete "*shall*" and insert "*must*"

Page 16, line 17, delete "*9, 10, and 12*" and insert "*8, 9, and 11*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "16B.24, subdivision 6;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 90: A bill for an act relating to public safety; pipelines and underground facilities; enacting the Minnesota pipeline safety act; requiring a routing permit to construct a new pipeline; creating the office of pipeline safety and providing for its powers and duties; authorizing rulemaking for purposes of delegation of federal authority; creating the pipeline safety advisory commission; regulating the operation of certain pipelines; requiring the adoption of pipeline setback ordinances; providing for notification of excavation in the area of underground facilities; providing for a pipeline inspection fee; establishing the pipeline safety fund; requiring a study; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 116I.02, subdivisions 2 and 3; 216B.16, by adding a subdivision; 299F.56, by adding a subdivision; 299F.57; 299F.58; 299F.60;

299F61; 299F62; 299F63; and 299F64; proposing coding for new law in Minnesota Statutes, chapter 116I; proposing coding for new law as Minnesota Statutes, chapters 216C and 299J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 11, delete "*shall*"

Page 6, line 3, delete "*that*" and insert "*who*"

Page 6, line 13, delete "*, except that*" and insert a period and delete "*shall*" and insert "*may*"

Page 6, lines 33 and 36, delete "*must*" and insert "*shall*"

Page 7, lines 9, 21, and 32, delete "*must*" and insert "*shall*"

Page 8, lines 1, 8, 18, and 34, delete "*must*" and insert "*shall*"

Page 9, lines 4, 25, 27, 31, and 36, delete "*must*" and insert "*shall*"

Page 10, lines 11, 14, 17, 32, 34, and 36, delete "*must*" and insert "*shall*"

Page 11, lines 5 and 12, delete "*must*" and insert "*shall*"

Page 19, line 26, delete "*. The director shall be*"

Page 19, line 27, delete "*serve*" and insert "*servicing*"

Page 20, line 5, delete "*must*" and insert "*shall*"

Page 22, lines 13 and 29, delete "*must*" and insert "*shall*"

Page 23, line 1, delete "*is created and*"

Page 23, line 6, delete "*shall*" and insert "*must*"

Page 23, line 24, delete "*must*" and insert "*shall*"

Page 24, line 19, delete "*must*" and insert "*shall*"

Page 25, lines 1 and 27, delete "*must*" and insert "*shall*"

Page 26, lines 24, 27, 29, and 32, delete "*must*" and insert "*shall*"

Page 27, lines 2 and 9, delete "*must*" and insert "*shall*"

Page 27, line 34, delete "*shall*" and insert "*must*"

Page 28, line 5, delete "*shall*" and insert "*must*"

Page 29, line 18, delete "*must*" and insert "*shall*"

Page 30, line 31, delete "*shall*" and insert "*may*"

Page 31, line 3, delete "*established as*"

Page 31, lines 4 and 8, delete "*shall*" and insert "*must*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 924: A bill for an act relating to human services; creating the office of ombudsman for older Minnesotans; proposing coding for new law

in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "*department of human*" and insert "*board on aging*"

Page 1, line 10, delete "*services*"

Page 1, line 15, delete "*of the state*" and insert "*pursuant to section 256.01, subdivision 7*"

Page 1, line 15, delete "*to*"

Page 1, line 16, delete "*enable area agencies on aging to grant money*" and after "*programs*" insert "*or area agencies on aging*"

Page 1, line 17, delete "*providing*" and insert "*for the provision of*"

Page 2, line 17, delete "*investigate*" and insert "*gather information and evaluate*"

Page 3, line 1, delete "*acting*" and insert "*designated*"

Page 3, line 2, delete "*or ombudsman representative*" and insert "*pursuant to this section*" and delete "*any*"

Page 3, line 3, delete "*or criminal*"

Page 3, line 4, delete "*that person is acting*" and insert "*the person's actions are*"

Page 3, line 5, before the period, insert "*, are within the scope of the person's responsibilities as an ombudsman, and do not constitute willful or reckless misconduct*"

Page 3, line 19, delete "*AND LOCAL*"

Page 3, line 20, delete "*or local government*"

Page 3, line 21, delete "*that is*"

Page 3, line 23, delete the period and insert "*, or any other law. The data requested must be related to a specific case and is subject to section 13.03, subdivision 4. If the data concerns an individual, the office must first obtain the individual's consent.*"

Page 3, line 28, delete "*complaints,*"

Page 3, line 32, delete "*By February 1 of each year*" and insert "*At the request of the majority leader of the senate or the speaker of the house of representatives*"

Page 3, line 33, delete "*on the office*" and delete "*the governor,*" and after "*legislature*" delete "*, the*"

Page 3, delete line 34

Page 3, line 35, delete everything before the period

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 79: A bill for an act relating to occupations and professions; generally revising and updating the laws relating to licensure of podiatrists; providing for definitions, licensing, practice without a license, disciplinary action, and investigations; providing penalties; amending Minnesota Statutes 1986, sections 153.01, subdivisions 2 and 3; 153.02; 153.03; 214.01; and 319A.02; proposing coding for new law in Minnesota Statutes, chapter 153; repealing Minnesota Statutes 1986, sections 153.01, subdivision 4; 153.04 to 153.09; 153.13; 153.14; and 153.15.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, after "*tuberosity*" insert ", including amputation of the toe," and delete "*does*"

Page 1, line 22, delete "*include the*" and insert "*including*"

Page 1, line 28, delete "*The words*" and strike "*include*" and insert "*Podiatric medicine*" includes"

Page 2, line 16, reinstate the stricken "*resident*"

Page 2, line 34, delete "*secretary*" and insert "*director*"

Page 3, line 7, delete "*LICENSURE BY EXAMINATION; LICENSING*" and insert "*LICENSURE*"

Page 3, line 8, before "*The*" insert "*Subdivision 1. [LICENSE REQUIREMENTS.]*"

Page 3, line 21, delete "*and the federation of podiatric medical boards*"

Page 3, line 23, after "*medicine*" insert "*or a national clinical examination prepared and graded by the federation of podiatric medical boards*"

Page 3, line 25, delete "*1987*" and insert "*1986*"

Page 3, line 28, delete ", *or podiatric medical training*"

Page 4, line 13, after the period, insert "*No more than two reexaminations are allowed without a new application for a license.*"

Page 4, delete line 14

Page 4, line 15, delete "*Subdivision 1. [LICENSE.]*" and insert "*Subd. 2. [APPLICANTS LICENSED IN ANOTHER STATE.]*"

Page 4, line 16, after "*person*" insert "*currently or formerly licensed to practice podiatric medicine in another state*"

Page 4, line 19, delete everything after "*in*" and insert "*subdivision 1.*"

Page 4, delete lines 20 to 22

Page 4, line 24, delete "*that the applicant has a valid*" and insert "*indicating the current status of a*"

Page 4, line 27, after "*have*" insert "*had a license revoked,*"

Page 4, line 28, delete "*have*"

Page 4, line 29, after "*action*" insert a comma

Page 4, after line 33, insert:

“(d) *The applicant shall submit with the license application the following additional information for the five-year period preceding the date of filing of the application: (1) the name and address of the applicant's professional liability insurer in the other state; and (2) the number, date, and disposition of any podiatric medical malpractice settlement or award made to the plaintiff relating to the quality of podiatric medical treatment.*”

Page 4, line 34, delete “2” and insert “3”

Page 5, delete section 7

Page 5, line 13, delete “8. [153.19]” and insert “6. [153.17]”

Page 5, line 16, after “license” insert “or permit”

Page 5, line 31, before “docto:” insert “foot”

Page 6, line 1, delete “9. [153.20]” and insert “7. [153.18]”

Page 6, line 2, delete “8” and insert “6”

Page 6, delete lines 10 and 11

Page 6, line 12, delete “(3)” and insert “(2)”

Page 6, line 17, delete “(4)” and insert “(3)”

Page 6, line 20, delete “10. [153.21]” and insert “8. [153.19]”

Page 7, line 5, delete “. or that claims” and insert a semicolon

Page 7, delete lines 6 to 8

Page 8, line 2, delete the comma and insert “or chemical dependency”

Page 8, delete line 3

Page 8, line 4, delete “type of material”

Page 8, line 27, delete “14” and insert “13”

Page 8, line 29, delete “10” and insert “9”

Page 9, line 1, delete “11. [153.22]” and insert “9. [153.20]”

Page 9, line 15, delete “12. [153.23]” and insert “10. [153.21]”

Page 9, line 19, delete “10” and insert “8”

Page 9, line 21, after “examination” insert “or chemical dependency evaluation”

Page 9, line 25, delete “examining”

Page 9, line 26, delete “physicians” and insert “examiner's”

Page 10, line 11, delete “10” and insert “8”

Page 10, line 23, delete “13. [153.24]” and insert “11. [153.22]”

Page 10, line 25, delete “FORM” and insert “FORMS” and delete “ACTION GENERALLY” and insert “DISCIPLINARY ACTION”

Page 10, line 27, delete “sections 1 to 16” and insert “this chapter”

Page 10, line 32, before “medicine” insert “podiatric”

Page 12, line 12, delete “14. [153.26]” and insert “12. [153.23]”

Page 12, line 25, delete “15. [153.27]” and insert “13. [153.24]”

Page 12, line 28, delete "*sections 1 to 16*" and insert "*this chapter*"

Page 13, line 13, delete "*sections 1 to 16*" and insert "*this chapter*"

Page 13, lines 26, 28, and 32, delete "*medical*"

Page 14, line 6, delete "*sections 1 to 16*" and insert "*this chapter*"

Page 14, line 28, delete "16. [153.28]" and insert "14. [153.25]"

Page 14, line 32, delete "15" and insert "13"

Page 14, line 33, delete "10" and insert "8"

Page 15, lines 1 and 4, delete "*sections 1 to 13*" and insert "*this chapter*"

Page 15, line 5, delete "17" and insert "15"

Page 15, line 20, delete "18" and insert "16"

Page 16, line 2, delete "19" and insert "17"

And when so amended the bill do pass. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 787: A bill for an act relating to human services; providing for eligibility requirements for receiving medical assistance and general assistance medical care; allowing recovery of benefits paid after death of recipient; requiring assignment of benefits; providing services for pregnant women; allowing certain agencies to collect personal property by affidavit; amending Minnesota Statutes 1986, sections 256B.02, subdivision 8; 256B.06, subdivision 1, and by adding a subdivision; 256B.15; 256B.17, subdivisions 4 and 5; 256B.35, subdivisions 1 and 2; 256D.03, subdivision 3, and by adding a subdivision; and 524.3-1201; repealing Minnesota Statutes 1986, sections 256B.07; and 256D.051, subdivision 12.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 32, strike "*resources*" and insert "*assets*"

Page 7, delete line 36

Page 8, delete lines 1 and 2

Page 8, line 3, delete everything before the period

Page 9, line 10, reinstate the stricken "*unless*"

Page 9, line 14, strike "*unless*"

Page 10, line 4, delete "*before*" and insert "*at least 24 months prior to*"

Page 10, line 30, before the period, insert "*or, for families and children, not in excess of 116 percent of those income standards*"

Page 11, line 17, delete "100" and insert "116" and delete everything after "*of*" and insert "*that income standard*"

Page 11, delete line 18

Page 11, line 19, delete "*Budget*"

Page 15, line 29, after "*256D.05*" insert "*or 256D.051*"

Page 15, line 32, delete "; *and*" and insert a comma

Page 15, line 33, delete the paragraph coding and delete "(3)"

Page 15, line 35, delete the semicolon and insert a comma

Page 15, line 36, delete the paragraph coding and delete "(4)"

Page 17, after line 20, insert:

"Sec. 12. [APPROPRIATION.]

\$210,000 is appropriated from the general fund to the commissioner of human services for three staff persons for purposes of section 256B.15."

Page 17, line 21, delete "12" and insert "13"

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 598: A bill for an act relating to health; extending the moratorium on hospital capacity expansion; amending Laws 1984, chapter 654, article 5, section 57, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, strike "or"

Page 2, line 8, after "2" insert "; *or*

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated"

Page 2, after line 16, insert:

"Sec. 2. Laws 1984, chapter 654, article 5, section 57, subdivision 4, is amended to read:

Subd. 4. [DEFINITIONS.] Except as indicated in this subdivision, the terms used in this section have the meanings given them under Minnesota Statutes 1982, sections 145.832 to 145.845 and the rules adopted thereunder.

The term "hospital" has the meaning given it in section ~~144.696, subdivision 3~~ *144.50."*

Page 2, line 17, delete "2" and insert "3"

Page 2, line 18, delete "*Section*" and insert "*Sections*" and delete "*is*" and insert "*and 2 are*"

Amend the title as follows:

Page 1, line 4, delete "subdivision" and insert "subdivisions" and after

"1" insert "and 4"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 737: A bill for an act relating to health; authorizing the board of medical examiners to release certain information about disciplinary investigations and proceedings; amending Minnesota Statutes 1986, section 147.01, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, delete "may" and insert "shall"

Page 2, delete lines 11 to 13

Amend the title as follows:

Page 1, line 2, delete "authorizing" and insert "requiring"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 459: A bill for an act relating to the zoo board; exempting members of the board from filing statements of economic interest; amending Minnesota Statutes 1986, section 85A.01, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Elections and Ethics. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 922: A bill for an act relating to horse racing; regulating license suspensions and revocations of class C licenses; modifying the time periods and dollar limitations used to trigger contested case hearings; requiring rules that prohibit horses from carrying foreign substances when they race; requiring medical testing fee rules; making permanent the statutory provisions authorizing the use of certain medications; amending Minnesota Statutes 1986, sections 240.08, subdivision 5; 240.16, subdivision 1; 240.22; 240.24, subdivisions 1 and 3; and Laws 1985, chapter 211, section 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

H.F. No. 364: A bill for an act relating to cemeteries; increasing the limit on the permanent care and improvement fund; amending Minnesota Statutes 1986, section 306.41.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 717: A bill for an act relating to agriculture; strengthening the pesticide laws; imposing penalties; appropriating money; amending Minnesota Statutes 1986, sections 18A.21, subdivisions 1, 4, 5, 7, 8, 10, 12, 16, 19, 20, 21, 22, 23, 27, 29, 30, 31, 32, 33, 34, 35, 36, and by adding subdivisions; 18A.22, subdivisions 1, 2, 5, 7, and 8; 18A.23; 18A.24; 18A.25; 18A.27; 18A.28, subdivisions 1, 2, 3, 4, and by adding a subdivision; 18A.29, subdivisions 1, 3, and by adding subdivisions; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.37; 18A.39; 18A.41; 18A.42; 18A.43; 18A.44; and 18A.45; proposing coding for new law in Minnesota Statutes, chapter 18A; repealing Minnesota Statutes 1986, sections 18A.26; 18A.28, subdivisions 5 and 6; 18A.29, subdivision 2; and 18A.36.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"CHAPTER 18B

PESTICIDE REGULATION

Section 1. [18B.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.

Subd. 2. [APPROVED AGENCY.] "Approved agency" means a state agency other than the department of agriculture or an agency of a county, municipality, or other political subdivision that has signed a joint powers agreement under section 471.59 with the commissioner.

Subd. 3. [BENEFICIAL INSECTS.] "Beneficial insects" means insects that are effective pollinators of plants, parasites or predators of pests, or are otherwise beneficial, during their life cycle.

Subd. 4. [BULK PESTICIDE.] "Bulk pesticide" means a pesticide that is held in an individual container, with a pesticide content of 56 United States gallons or more, or 100 pounds or greater net dry weight.

Subd. 5. [COMMERCIAL APPLICATOR.] "Commercial applicator" means a person who has a commercial applicator license.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or an agent authorized by the commissioner.

Subd. 7. [DEVICE.] "Device" means an instrument or contrivance, other than a firearm, that is intended or used to destroy, repel, or mitigate a pest, a form of plant or animal life other than humans, or a bacterium, virus, or other microorganism on or in living animals, including humans. A device does not include equipment used for the application of pesticides if the equipment is sold separately from the instrument or contrivance.

Subd. 8. [DISTRIBUTE.] "Distribute" means offer for sale, sell, barter, ship, deliver for shipment, receive and deliver, and offer to deliver pesticides in this state.

Subd. 9. [ENVIRONMENT.] "Environment" means surface water, groundwater, air, land, plants, humans, and animals and their interrelationships.

Subd. 10. [FIFRA.] "FIFRA" means the Federal Insecticide, Fungicide,

Rodenticide Act, United States Code, title 7, sections 136 to 136y.

Subd. 11. [HAZARDOUS WASTE.] "Hazardous waste" means any substance identified or listed as hazardous waste in the rules adopted under section 116.07, subdivision 4.

Subd. 12. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, portable container rupture, leak, spill, or other event that releases or threatens to release a pesticide accidentally or otherwise, and may cause unreasonable adverse effects on the environment. "Incident" does not include the lawful use or intentional release of a pesticide in accordance with its approved labeling.

Subd. 13. [LABEL.] "Label" means the written, printed, or graphic matter on, or attached to, the pesticide or device or their containers or wrappers.

Subd. 14. [LABELING.] "Labeling" means all labels and other written, printed, or graphic matter:

- (1) accompanying the pesticide or device;*
- (2) referred to by the label or literature accompanying the pesticide or device; or*
- (3) that relates or refers to the pesticide or to induce the sale of the pesticide or device.*

"Labeling" does not include current official publications of the United States Environmental Protection Agency, United States Department of Agriculture, United States Department of Interior, United States Department of Health, Education and Welfare, state agricultural experiment stations, state agricultural colleges, and other similar federal or state institutions or agencies authorized by law to conduct research in the field of pesticides.

Subd. 15. [NONCOMMERCIAL APPLICATOR.] "Noncommercial applicator" means a person with a noncommercial applicator license.

Subd. 16. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, joint stock company, unincorporated organization, the state, a state agency, or political subdivision.

Subd. 17. [PEST.] "Pest" means an insect, rodent, nematode, fungus, weed, terrestrial or aquatic plant, animal life, virus, bacteria, or other organism designated by rule as a pest, except a virus, bacteria, or other microorganism on or in living humans or other living animals.

Subd. 18. [PESTICIDE.] "Pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 19. [PESTICIDE DEALER.] "Pesticide dealer" means a person with a pesticide dealer license.

Subd. 20. [PLANT REGULATOR.] "Plant regulator" means a substance or mixture of substances intended through physiological action to accelerate or retard the rate of growth or rate of maturation of a plant, or to otherwise alter the behavior of ornamental or crop plants or the produce of the plants. Plant regulator does not include substances to the extent that they are intended as plant nutrients, trace elements, nutritional chemicals, plant inoculants, or soil amendments.

Subd. 21. [PRIVATE APPLICATOR.] "Private applicator" means a person certified to use or supervise use of restricted use pesticides.

Subd. 22. [REGISTRANT.] "Registrant" means a person that has registered a pesticide under this chapter.

Subd. 23. [RESPONSIBLE PARTY.] "Responsible party" means a person who at the time of an incident has custody of, control of, or responsibility for a pesticide, pesticide container, or pesticide rinsate.

Subd. 24. [RESTRICTED USE PESTICIDE.] "Restricted use pesticide" means a pesticide formulation designated as a restricted use pesticide under FIFRA or by the commissioner under this chapter.

Subd. 25. [RINSATE.] "Rinsate" means a dilute mixture of a pesticide or pesticides with water, solvents, oils, commercial rinsing agents, or other substances, that is produced by or results from the cleaning of pesticide application equipment or pesticide containers.

Subd. 26. [SAFEGUARD.] "Safeguard" means a facility, device, or system, or a combination of these, designed to prevent the escape or movement of a pesticide from the place it is stored or kept under conditions that might otherwise result in contamination of the environment.

Subd. 27. [SITE.] "Site" means all land and water areas, including air space, and all plants, animals, structures, buildings, contrivances, and machinery whether fixed or mobile, including anything used for transportation.

Subd. 28. [STRUCTURAL PEST.] "Structural pest" means a pest, other than a plant, in, on, under, or near a structure.

Subd. 29. [STRUCTURAL PEST CONTROL.] "Structural pest control" means the control of any structural pest through the use of a device, a procedure, or application of pesticides in or around a building or other structures, including trucks, boxcars, ships, aircraft, docks, and fumigation vaults, and the business activity related to use of a device, a procedure, or application of a pesticide.

Subd. 30. [STRUCTURAL PEST CONTROL APPLICATOR.] "Structural pest control applicator" means a person with a structural pest control license.

Subd. 31. [UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.] "Unreasonable adverse effects on the environment" means any unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide.

Subd. 32. [WILDLIFE.] "Wildlife" means all living things that are not human, domesticated, or pests.

ADMINISTRATION

Sec. 2. [18B.02] [PREEMPTION OF OTHER LAW.]

Except as otherwise specifically provided in this chapter, this chapter has precedence over and preempts other state law, including ordinances by local governments, that prohibits or regulates any matter relating to the registration, labeling, distribution, sale, handling, transportation, use, application, or disposal of pesticides. Laws and ordinances that are preempted by this chapter are void.

Sec. 3. [18B.03] [POWERS AND DUTIES OF COMMISSIONER.]

Subdivision 1. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer, implement, and enforce this chapter and the department of agriculture is the lead state agency for the regulation of pesticides.

Subd. 2. [DELEGATION OF DUTIES.] The functions vested in the commissioner by this chapter may be delegated to designated employees or agents of the department of agriculture.

Subd. 3. [DELEGATION TO APPROVED AGENCIES.] The commissioner may, by written agreements, delegate specific inspection, enforcement, and other regulatory duties of this chapter to officials of approved agencies.

Sec. 4. [18B.04] [WATER QUALITY PROGRAM.]

The commissioner shall establish a water quality program to:

(1) determine the impact of pesticides on surface and groundwater in this state;

(2) develop recommendations for best management practices involving pesticide distribution, storage, handling, use, and disposal;

(3) establish regulations for protection of water resources from pesticide contamination; and

(4) cooperate with and assist other state agencies and local governments to protect public health and the environment from harmful exposure to pesticides.

Sec. 5. [18B.05] [PESTICIDE REGULATORY ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] A pesticide regulatory account is established in the state treasury. Fees and penalties collected under this chapter must be deposited in the state treasury and credited to the pesticide regulatory account.

Subd. 2. [ANNUAL APPROPRIATION.] Money in the account, including amount of interest attributable to money in the account and any money appropriated for the purposes of this chapter, is annually appropriated to the commissioner for the administration and enforcement of this chapter.

Sec. 6. [18B.06] [RULES.]

Subdivision 1. [AUTHORITY.] The commissioner shall adopt rules to implement and enforce this chapter including procedures addressing local control of pesticide regulation. The commissioner may adopt emergency rules.

Subd. 2. [CONFORMITY WITH FIFRA.] Rules adopted under this chapter:

(1) may not allow pesticide use that is prohibited by FIFRA and regulations or orders issued under FIFRA; or

(2) relating to private applicators of restricted use pesticides and special local needs registrations, may not be inconsistent with the requirements of FIFRA and regulations adopted under FIFRA.

Subd. 3. [PESTICIDE USE, HANDLING, AND DISPOSAL.] The commissioner shall adopt rules, including emergency rules, to govern the dis-

tribution, use, storage, handling, and disposal of pesticides, rinsates, and pesticide containers.

PESTICIDE USE AND REGULATION

Sec. 7. [18B.07] [PESTICIDE USE, APPLICATION, AND EQUIPMENT CLEANING.]

Subdivision 1. [PESTICIDE USE.] Pesticides must be applied in accordance with the product label or labeling and in a manner that will not cause unreasonable adverse effects on the environment within limits prescribed by state and federal laws, rules, and regulations.

Subd. 2. [PROHIBITED PESTICIDE USE.] (a) Regardless of intent, a person may not use, store, handle, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

(1) inconsistent with labeling;

(2) that endangers humans, damages agricultural products, food, livestock, fish, wildlife, or beneficial insects; or

(3) that contaminates the environment.

(b) A person may not direct a pesticide on property beyond the boundaries of the target site.

(c) A person may not directly apply a pesticide on a human by overspray or target site spray.

Subd. 3. [POSTING.] (a) If the pesticide labels prescribe specific hourly or daily intervals for human reentry following application, the person applying the pesticide must post fields, buildings, or areas where the pesticide has been applied. The posting must be done with placards in accordance with label requirements and rules adopted under this section.

(b) Fields being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment.

Subd. 4. [CHEMIGATION REQUIREMENTS.] (a) A person may apply pesticides through an irrigation system if the pesticide is suitable and labeled for this method of application and the systems are fitted with effective antisiphon devices or check valves that prevent the backflow of pesticides or pesticide-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump discharge and the point of pesticide injection; and

(2) the point of pesticide injection and the pesticide supply.

(b) Chemigation under paragraph (a) may be used to apply pesticides on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

Subd. 5. [PESTICIDE SAFEGUARDS AT APPLICATION SITES.] A person may not allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in or on any site without safeguards adequate to prevent the escape or movement of the pesticides from the site.

Subd. 6. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.] (a) A person may not fill pesticide application equipment directly from

public waters of the state, as defined in section 105.37, subdivision 14, unless the equipment contains proper and functioning anti-back-siphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

(b) This subdivision does not apply to permitted applications of aquatic pesticides to public waters.

Subd. 7. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.]
(a) A person may not:

(1) clean pesticide application equipment in surface waters of the state; or

(2) fill or clean pesticide application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, pesticides or materials contaminated with pesticides could enter or contaminate the surface waters, groundwater, or wells, as a result of overflow, leakage, or other causes.

(b) This subdivision does not apply to permitted application of aquatic pesticides to public waters.

Subd. 8. [PESTICIDE, RINSATE, AND CONTAINER DISPOSAL.] A person may only dispose of pesticide, rinsate, and pesticide containers in accordance with state and federal laws, rules, and regulations. The manner of disposal must not cause unreasonable adverse effects on the environment.

Sec. 8. [18B.08] [PESTICIDE APPLICATION IN CITIES.]

Subdivision 1. [APPLICABILITY.] This section applies only to statutory and home rule charter cities.

Subd. 2. [AUTHORITY.] Statutory and home rule charter cities may enact an ordinance containing the pesticide application warning information contained in subdivision 3, including their own licensing, penalty, and enforcement provisions. Statutory and home rule charter cities may not enact an ordinance that contains more restrictive pesticide application warning information than is contained in subdivision 3.

Subd. 3. [WARNING SIGNS FOR PESTICIDE APPLICATION.] (a) All commercial or noncommercial applicators who apply pesticides to turf areas must post or affix warning signs on the street frontage of the property where the pesticides are applied, or for golf courses, parks, and playgrounds signs must be posted at the entrance points.

(b) Warning signs must project at least 18 inches above the top of the grass line. The warning signs must be of a material that is rain-resistant for at least a 72-hour period and must remain in place up to 72 hours from the time of initial application.

(c) The following information must be printed on the warning sign in contrasting colors and capitalized letters measuring at least one-half inch, or in another format approved by the commissioner. The sign must provide the following information:

(1) the name of the business organization, entity, or person applying the pesticide; and

(2) the following language: "This area chemically treated. Keep children and pets off until _____(date of safe entry)_____" or a universally accepted symbol and text approved by the commissioner that is recognized as having

the same meaning or intent as specified in this paragraph. The warning sign may include the name of the pesticide used.

(d) The warning sign must be posted on a lawn or yard between two feet and five feet from the sidewalk or right-of-way. For parks, golf courses, athletic fields, or other similar recreational property, the warning signs must also be posted immediately adjacent to areas within the property where pesticides have been applied at or near the entrances to the property.

Sec. 9. [18B.09] [ACTION TO PREVENT GROUNDWATER CONTAMINATION.]

The commissioner may, by rule, special order, or delegation through written regulatory agreement with officials of other approved agencies, take action necessary to prevent the contamination of groundwater resulting from leaching of pesticides through the soil, from the back-siphoning or back-flowing of pesticides through water wells, or from the direct flowage of pesticides to groundwater.

Sec. 10. [18B.10] [SALE AND USE OF TCDD.]

A person may not sell, offer for sale, or use a pesticide containing in excess of 0.1 parts per million of 2,3,7, 8-tetrachlorodibenzo-para-dioxin (TCDD).

Sec. 11. [18B.11] [PESTICIDE STORAGE.]

Subdivision 1. [DISPLAY AND STORAGE.] (a) A person may only store or display pesticides and their containers in the original container and separated from food, feed, seed, livestock remedies, drugs, plants, and other products or materials stored, displayed, or offered for sale in a manner that prevents contamination which would cause injury or damage to the other products or materials.

(b) A person may not allow open pesticide containers to be displayed for sale under any circumstances.

Subd. 2. [BULK PESTICIDE STORAGE.] (a) A person storing pesticides in containers of a rated capacity of 500 gallons or more must obtain a pesticide storage permit from the commissioner.

(b) Applications must be on forms provided by the commissioner containing information established by rule. The initial application for a permit must be accompanied by a nonrefundable application fee of \$100 for each location where the pesticides are stored.

(c) The commissioner shall by rule develop and implement a program to regulate bulk pesticides. The rules must include installation of secondary containment devices, storage site security, safeguards, notification of storage site locations, criteria for permit approval, a schedule for compliance, and other appropriate requirements necessary to minimize potential adverse effects on the environment. The rules must conform with existing rules of the pollution control agency.

Sec. 12. [18B.12] [PESTICIDE RELEASE INCIDENTS.]

Subdivision 1. [DUTIES OF RESPONSIBLE PARTY.] (a) A person involved in an incident must immediately report the incident to the department of agriculture and provide information as requested by the commissioner. The responsible party must immediately take all action necessary to minimize or abate the release and to recover pesticides involved in the incident.

The costs of cleanup must be borne solely by the responsible party.

(b) The responsible party must submit a written report of the incident to the commissioner containing the information requested by the commissioner within the time specified by the commissioner.

Subd. 2. [COMMISSIONER'S ACTION.] (a) If in the judgment of the commissioner the responsible party does not take immediate and sufficient action to abate the release of and to recover the pesticide, the commissioner may take action necessary to mitigate or correct the conditions resulting from an incident. The commissioner must be reimbursed by the responsible party for the costs incurred by the commissioner in the enforcement of this subdivision.

(b) The department of agriculture is the lead state agency for responding to and taking action with regard to pesticide incidents.

Sec. 13. [18B.13] [EMPLOYER LIABILITY FOR EMPLOYEES.]

Licensed applicators and dealers may be found criminally and civilly liable for violations of this chapter or rules made under this chapter by persons employed by them or otherwise working under their supervision.

Sec. 14. [18B.14] [PRIVATE APPLICATOR LIABILITY LIMITED.]

A private applicator is not liable for damages resulting from pesticide application or use if the label instructions were followed by the private applicator.

INSPECTIONS AND ENFORCEMENT

Sec. 15. [18B.15] [COOPERATIVE INSPECTION AND ENFORCEMENT AGREEMENTS.]

The commissioner may enter into cooperative agreements with federal and state agencies for training, certification, inspection, and enforcement programs and may make reports to the United States Environmental Protection Agency and other federal agencies as required or requested. The commissioner may adopt and enforce federal standards, regulations, or orders relating to pesticide regulation when determined to be in the best interest of citizens of the state.

Sec. 16. [18B.16] [INSPECTION.]

Subdivision 1. [ACCESS AND ENTRY.] The commissioner, and the commissioner's agents, upon issuance of a notice of inspection, must be granted access at reasonable times to all sites where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a pesticide, rinsate, pesticide container, or device and to all sites affected, or possibly affected, by the use of a pesticide, rinsate, pesticide container, or device. The commissioner and commissioner's agents may enter sites for:

(1) inspection of equipment for the manufacture, formulation, distribution, disposal, or application of pesticides and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to pesticides;

(3) inspection of storage, handling, distribution, use, or disposal areas of pesticides or pesticide containers;

(4) inspection or investigation of complaints of injury to humans, wildlife, domesticated animals, crops, or the environment;

- (5) *sampling of pesticides;*
- (6) *observation of the use and application of a pesticide;*
- (7) *inspection of records related to the manufacture, distribution, use, or disposal of pesticides; and*
- (8) *other purposes necessary to implement this chapter.*

Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.] Before leaving the premises inspected, the commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.

Subd. 3. [SEARCH WARRANT.] If the commissioner is denied access to a site, the commissioner may apply to a court with jurisdiction over the site for a search warrant authorizing access to the site. The court may issue the search warrant for the purpose requested upon a showing that cause exists to believe that a violation of this chapter may be occurring or may have occurred.

Sec. 17. [18B.17] [PRIVATE REQUEST FOR VIOLATION INSPECTION.]

Subdivision 1. [STATEMENT OF VIOLATION.] A person that suspects a violation of this chapter or rules adopted under this chapter may file a written inspection request with the commissioner. The written request must contain:

- (1) *the person's name and address;*
- (2) *the name of the person for whom the application was done;*
- (3) *the name of the applicator;*
- (4) *the date of the application;*
- (5) *a description of the suspected violation; and*
- (6) *other information the commissioner may require.*

Subd. 2. [INSPECTION FOR SUSPECTED VIOLATION.] If the request for inspection is filed within 60 days after the pesticide was applied or damage has occurred, the commissioner shall investigate to determine if provisions of this chapter have been violated. The commissioner may discontinue the investigation after determining this chapter has not been violated.

Subd. 3. [INSPECTION FILE DISCLOSURE.] Copies of completed inspection files are available to the person making the inspection request, the applicator, or their agents, upon written request.

Sec. 18. [18B.18] [ENFORCEMENT.]

Subdivision 1. [ENFORCEMENT REQUIRED.] (a) The commissioner shall enforce this chapter and any rules adopted under this chapter.

(b) Upon the request of the commissioner or an agent authorized by the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws shall take action to the extent of their authority necessary or proper for the enforcement of this chapter, rules made under this chapter, special orders, standards, stipulations, and agreements.

Subd. 2. [CRIMINAL ACTIONS.] For a criminal action, the county attorney where a violation occurred is responsible for prosecuting a violation of this chapter or a rule adopted under this chapter. If the county attorney refuses to prosecute, the attorney general may prosecute.

Subd. 3. [CIVIL ACTIONS.] Civil judicial enforcement actions must be brought by the attorney general in the name of the state on behalf of the commissioner. A county attorney may bring a civil judicial enforcement action upon the request of the commissioner and the attorney general.

Subd. 4. [INJUNCTION.] The commissioner may apply to a court with jurisdiction for a temporary or permanent injunction to prevent, restrain, or enjoin violations of this chapter and any rules made under this chapter.

Subd. 5. [AGENT FOR SERVICE OF PROCESS.] All nonresident commercial and structural pest control applicator licensees licensed as individuals must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee.

Subd. 6. [SUBPOENAS.] The commissioner may issue subpoenas to compel the attendance of witnesses or submission of books, documents, and records affecting the authority or privilege granted by a license, registration, certification, or permit issued under this chapter.

Sec. 19. [18B.19] [ADMINISTRATIVE ACTION.]

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations by a written warning, administrative meeting, cease and desist, stop-use, stop-sale, or other special order, seizure, stipulation, or agreement, if the commissioner determines that the remedy is in the public interest.

Subd. 2. [REVOCATION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to renew a registration, permit, license, or certification if a person violates this chapter or a rule adopted under this chapter.

Subd. 3. [REMEDIAL ACTION ORDERS.] (a) If the commissioner has reasonable cause to believe a pesticide, pesticide container, rinsate, pesticide equipment, or device is being used, manufactured, distributed, stored, transported, or disposed of in violation of this chapter, or of rules adopted under this chapter, the commissioner may investigate and issue a written cease and desist, stop-sale, stop-use, or removal order or other remedial action to the owner, custodian, or other responsible party. If the owner, custodian, or other responsible party is not available for service of the order, the commissioner may attach the order to the pesticide, pesticide container, rinsate, pesticide equipment, or device or facility and notify the owner, custodian, other responsible party, or the registrant. The pesticide, pesticide container, rinsate, pesticide equipment, or device may not be sold, used, or removed until the violation has been corrected and the pesticide, pesticide container, rinsate, pesticide equipment, or device has been released in writing under conditions specified by the commissioner, or until the violation has been otherwise disposed of by a court.

(b) If violations of this chapter result in conditions that may have an unreasonable adverse effect on humans, domestic animals, wildlife, or the environment, the commissioner may, by order, require remedial action, including removal and proper disposal.

Sec. 20. [18B.20] [DAMAGES AGAINST STATE FOR ADMINISTRATIVE ACTION WITHOUT CAUSE.]

If there was no probable cause for an administrative action, including the issuance of a stop-sale, use, or removal order, a court may allow recovery for damages caused by the administrative action.

Sec. 21. [18B.21] [CIVIL PENALTIES.]

Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivision 2, a person who violates this chapter or a rule adopted under this chapter, a special order, standard, stipulation, agreement, or schedule of compliance is subject to a civil penalty of up to \$10,000 per day of violation as determined by the court.

Subd. 2. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who violates this chapter or a rule adopted under this chapter, a special order, standard, stipulation, agreement, or schedule of compliance that relates to disposal of pesticides so that they become hazardous waste, is subject to a civil penalty of up to \$25,000 per day of violation as determined by the court.

Subd. 3. [CLEANUP COSTS.] A person who violates this chapter or a rule adopted under this chapter is liable for and must pay to the state a sum that will compensate the state for the reasonable value of cleanup and other expenses directly resulting from the illegal use, storage, handling, or disposal of pesticides, whether accidental or otherwise.

Subd. 4. [WILDLIFE AND OTHER DAMAGES.] A person who violates this chapter or a rule adopted under this chapter is liable for and must pay to the state a sum to constitute just compensation for the loss or destruction of wildlife, fish, or other aquatic life, and for actual damages to the state caused by the illegal use, storage, handling, or disposal of pesticides.

Subd. 5. [DEFENSE TO CIVIL REMEDIES AND DAMAGES.] As a defense to a civil penalty or claim for damages under subdivisions 1 to 4, the defendant may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Subd. 6. [ACTIONS TO COMPEL PERFORMANCE.] In an action to compel performance of an order of the commissioner to enforce this chapter or rules adopted under this chapter, the court may require a defendant adjudged responsible to perform the acts within the person's power that are reasonably necessary to accomplish the purposes of the order.

Subd. 7. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney or the attorney general in the name of the state.

Subd. 8. [RECOVERY OF LITIGATION COSTS AND EXPENSES.] In an action brought by the attorney general or a county attorney in the name of the state under this chapter for civil penalties, injunctive relief, or in an action to compel compliance, if the state finally prevails, the state, in addition to other penalties provided in this chapter, must be allowed an amount determined by the court to be the reasonable value of all or a part of the litigation expenses including attorneys' fees incurred by the state or county attorney. In determining the amount of these litigation expenses

to be allowed, the court shall give consideration to the economic circumstances of the defendant.

Sec. 22. [18B.22] [UNSATISFIED JUDGMENTS.]

(a) An applicant for a commercial, noncommercial, or structural pest control license and a commercial, noncommercial, or structural pest control applicator may not allow a final judgment against the applicant or applicator for damages arising from a violation of this chapter or rules made under this chapter to remain unsatisfied for a period of more than 30 days.

(b) Failure to satisfy within 30 days a final judgment resulting from these pest control activities will result in automatic suspension of the applicator's license.

Sec. 23. [18B.23] [CRIMINAL PENALTIES.]

Subdivision 1. [GENERAL VIOLATION.] Except as provided in subdivisions 2 and 3, a person is guilty of a misdemeanor who violates this chapter or a rule adopted under this chapter, a special order, standard, stipulation, agreement, or schedule of compliance.

Subd. 2. [REPEAT VIOLATION.] A person is guilty of a gross misdemeanor if a second misdemeanor violation is committed within three years.

Subd. 3. [VIOLATION ENDANGERING HUMANS.] A person is guilty of a gross misdemeanor who violates this chapter or a rule adopted under this chapter, a special order, standard, stipulation, agreement, or schedule of compliance, and if the violation endangers humans.

Subd. 4. [VIOLATION WITH KNOWLEDGE.] A person is guilty of a gross misdemeanor who knowingly violates this chapter or a rule adopted under this chapter, standard, a special order, stipulation, agreement, or schedule of compliance.

Subd. 5. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who knowingly, or with reason to know, disposes of a pesticide so that the product becomes hazardous waste is subject to the penalties in section 115.071.

PESTICIDE REGISTRATION

Sec. 24. [18B.24] [PESTICIDE REGISTRATION.]

Subdivision 1. [REQUIREMENT.] A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year. Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

Subd. 2. [APPLICATION.] (a) A person must file an application for registration with the commissioner. The application must include:

(1) the name and address of the applicant and the name and address of the person whose name will appear on the label, if other than the applicant;

(2) the brand name of the pesticide;

(3) other necessary information required by the registration application form;

(4) a true and complete copy of the labeling accompanying the pesticide as provided for in FIFRA; and

(5) current material safety data sheets for each pesticide.

(b) As part of the application, the commissioner may require the submission of any relevant information including the complete formula of a pesticide, including the active and inert ingredients.

Subd. 3. [APPLICATION FEE.] (a) An application for initial registration and renewal must be accompanied by a nonrefundable application fee of \$100 for each pesticide to be registered.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) An additional fee of \$200 must be paid by the applicant for each pesticide distributed or used in the state before initial state registration.

Subd. 4. [EFFECT OF REGISTRATION AFTER RENEWAL APPLICATION.] If a registration is in effect on December 31 and a renewal application has been made and the application fee paid, the registration continues in full force and effect until the commissioner notifies the applicant that the registration is denied or canceled, or the renewed registration expires.

Subd. 5. [APPLICATION REVIEW AND REGISTRATION.] (a) The commissioner may not deny the registration of a pesticide because the commissioner determines the pesticide is not essential.

(b) The commissioner shall review each application and may approve, deny, or cancel the registration of any pesticide. The commissioner may impose state use restrictions on a pesticide as part of the registration to prevent unreasonable adverse effects on the environment.

(c) The commissioner must notify the applicant of the approval, denial, cancellation, or state use restrictions within 30 days after the application and fee are received.

(d) The applicant may request a hearing on any adverse action of the commissioner within 30 days after being notified by the commissioner.

Sec. 25. [18B.25] [PESTICIDE REGISTRATION FOR SPECIAL LOCAL NEEDS.]

Subdivision 1. [APPLICATION.] (a) A person must file an application for a special local need application with the commissioner. The application must meet the requirements of section 24, subdivision 2, and the commissioner may require other relevant information.

(b) The commissioner may require a full description of tests and test results upon which claims are based for:

(1) a pesticide use that is not registered under section 24 or FIFRA; or

(2) a pesticide on which restrictions are being considered.

(c) The applicant may request in writing privacy of information submitted as provided in section 36.

Subd. 2. [APPLICATION REVIEW.] (a) After reviewing the application accompanied by the application fee, the commissioner shall, subject to the terms and conditions of the authorization by the administrator of the United States Environmental Protection Agency to register pesticides to meet special local needs, register pesticides if the commissioner determines that:

(1) the pesticide's composition warrants the proposed claims for the pesticide;

(2) the pesticide's label and other material required to be submitted comply with this chapter;

(3) the pesticide will perform its intended function without unreasonable adverse effect on the environment;

(4) the pesticide will not generally cause unreasonable adverse effects on the environment when used in accordance with label directions; and

(5) a special local need for the pesticide exists.

(b) The commissioner may revoke or modify a special local need registration if the commissioner determines that the terms or conditions of the registration do not comply with paragraph (a).

Subd. 3. [APPLICATION FEE.] An application fee for a special local need registration must be accompanied by a nonrefundable fee of \$100.

Sec. 26. [18B.26] [EXPERIMENTAL USE REGISTRATION.]

Subdivision 1. [REQUIREMENT.] A person may not use or distribute an experimental use product pesticide in the state until it is registered with the commissioner. Experimental use product registrations expire on December 31 of each year and may be renewed on or before that date.

Subd. 2. [APPLICATION REVIEW AND REGISTRATION.] (a) After reviewing the application accompanied by the application fee, the commissioner may issue an experimental use product registration if the commissioner determines that the applicant needs the registration to accumulate information necessary to register a pesticide under section 24. The commissioner may prescribe terms, conditions, and a limited period of time for the experimental use product registration. After an experimental use product registration is issued, the commissioner may revoke or modify an experimental use product registration at any time if the commissioner finds that its terms or conditions are being violated or are inadequate to avoid unreasonable adverse effects on the environment.

(b) The commissioner may deny issuance of an experimental use product registration permit if the commissioner determines that issuance of a registration is not warranted or that the use to be made of the pesticide under the proposed terms and conditions may cause unreasonable adverse effects on the environment.

Subd. 3. [APPLICATION.] A person must file an application for experimental use product registration with the commissioner. An application to register an experimental use product must include:

(1) the name and address of the applicant;

(2) a federal environmental protection agency approval document;

(3) the purpose or objectives of the experimental use product;

(4) an accepted experimental use product label;

(5) the name, address, and telephone number of cooperators or participants in this state;

(6) the amount of material to be shipped or used in this state; and

(7) other information requested by the commissioner.

Subd. 4. [APPLICATION FEE.] (a) An application for registration of an experimental use product must be accompanied by a nonrefundable application fee of \$100.

(b) An additional fee of \$200 must be paid by the applicant for each pesticide distributed or used in the state before an initial experimental use product registration was issued for the pesticide.

PESTICIDE LICENSES AND CERTIFICATION

Sec. 27. [18B.27] [RECIPROCAL LICENSING AND CERTIFICATION AGREEMENTS.]

The commissioner may waive all or part of the examination requirements provided for in sections 27 to 33 on a reciprocal basis with any other jurisdiction which has substantially the same requirements. Licenses or certificates issued under sections 27 to 33 may be suspended or revoked upon suspension or revocation of the license or certificate of another jurisdiction supporting the issuance of a Minnesota license or certificate and in the same manner as other licenses and certificates.

Sec. 28. [18B.28] [PESTICIDE USE LICENSE REQUIREMENT.]

A person may not use or supervise the use of a restricted use pesticide without a license or certification required under sections 27 to 33 and the use may only be done under conditions prescribed by the commissioner.

Sec. 29. [18B.29] [PESTICIDE DEALER LICENSE.]

Subdivision 1. [REQUIREMENT.] (a) Except as provided in paragraph (b), a person may not distribute or possess restricted use pesticides or bulk pesticides with an intent to distribute a restricted use pesticide or bulk pesticide to an ultimate user without a pesticide dealer license.

(b) The pesticide dealer license requirement does not apply to:

(1) a licensed commercial applicator, noncommercial applicator, or structural pest control applicator who uses restricted use pesticides only as an integral part of a pesticide application service;

(2) a federal, state, county, or municipal agency using restricted use pesticides for its own programs;

(3) a licensed pharmacist, physician, dentist, or veterinarian when administering or dispensing a restricted use pesticide for use in the pharmacist's, physician's, dentist's, or veterinarian's practice; or

(4) a distributor or wholesaler shipping restricted use pesticides to commercial applicators who are the ultimate users.

(c) A licensed pesticide dealer may only sell restricted use pesticides to an applicator licensed or certified by the commissioner, unless a sale is allowed by rule.

Subd. 2. [RESPONSIBILITY.] A pesticide dealer is responsible for the acts of a person who assists the dealer in the solicitation and sale of restricted use pesticides.

Subd. 3. [LICENSE.] A pesticide dealer license:

(1) expires on December 31 of each year unless it is suspended or revoked before that date; and

(2) is not transferable to another person.

Subd. 4. [APPLICATION.] (a) A person must apply to the commissioner for a pesticide dealer license on the forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible to sell bulk pesticides or restricted use pesticides.

(b) The commissioner may require an additional demonstration of dealer qualification if the dealer has had a license suspended or revoked, or has otherwise had a history of violations of this chapter.

Subd. 5. [APPLICATION FEE.] (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of \$50.

(b) If an application for renewal of a pesticide dealer license is not filed before January 1 of the year for which the license is to be issued, an additional fee of \$20 must be paid by the applicant before the license is issued.

Sec. 30. [18B.30] [STRUCTURAL PEST CONTROL LICENSE.]

Subdivision 1. [REQUIREMENT.] (a) A person may not engage in structural pest control applications:

(1) for hire without a structural pest control license; and

(2) as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations.

(b) A structural pest control licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Subd. 2. [LICENSES.] (a) A structural pest control license:

(1) expires on December 31 of the year for which the license is issued; and

(2) is not transferable.

(b) The commissioner shall establish categories of master, journeyman, and fumigator for a person to be licensed under a structural pest control license.

Subd. 3. [APPLICATION.] (a) A person must apply to the commissioner for a structural pest control license to be licensed as a master, journeyman, or fumigator on forms and in the manner required by the commissioner. The commissioner shall require the applicant to pass a written, closed-book, monitored examination or oral examination, or both, and may also require a practical demonstration regarding structural pest control. The commissioner shall establish the examination procedure, including the phases and contents of the examination.

(b) The commissioner may license a person as a master under a structural pest control license if the person has the necessary qualifications through knowledge and experience to properly plan, determine, and supervise the selection and application of pesticides in structural pest control. To demonstrate the qualifications and become licensed as a master, a person must:

(1) pass closed-book testing administered by the commissioner; and

(2) by direct experience as a full-time licensed master or licensed journeyman under a structural pest control license for at least two years by this state or a state with equivalent certification requirements, show practical knowledge and field experience in the actual selection and application of pesticides under varying conditions.

(c) The commissioner may license a person as a journeyman under a structural pest control license if the person:

(1) has the necessary qualifications in the practical selection and application of pesticides;

(2) has passed a closed-book examination given by the commissioner; and

(3) is engaged as an employee of or is working under the direction of a person licensed as a master under a structural pest control license.

(d) The commissioner may license a person as a fumigator under a structural pest control license if the person:

(1) has the qualifications in the practical selection and application of fumigants;

(2) has passed a closed-book examination given by the commissioner; and

(3) is licensed by the commissioner as a master or journeyman under a structural pest control license.

Subd. 4. [RENEWAL.] (a) A structural pest control applicator's license may be renewed on or before the expiration of an existing license subject to reexamination, attendance at workshops approved by the department of agriculture, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competency and ability to use pesticides safely and properly. The commissioner may require an additional demonstration of applicator qualification if the applicator has had a license suspended or revoked or has otherwise had a history of violations of this chapter.

(b) If a person fails to renew a structural pest control license within three months of its expiration, the person must obtain a structural pest control license subject to the requirements, procedures, and fees required for an initial license.

Subd. 5. [FINANCIAL RESPONSIBILITY.] (a) A structural pest control license may not be issued unless the applicant furnishes proof of financial responsibility. The financial responsibility may be demonstrated by: (1) proof of net assets equal to or greater than \$50,000; or (2) a performance bond or insurance covering the applicant's pest control activities in an amount determined by the commissioner.

(b) The bond or insurance must cover a period of time at least equal to the term of the applicant's license. The commissioner must immediately

suspend the license of a person who fails to maintain the required bond or insurance. The performance bond or insurance policy must contain a provision requiring the insurance or bonding company to notify the commissioner by ten days before the effective date of cancellation, termination, or any other change of the bond or insurance. If there is recovery against the bond or insurance, additional coverage must be secured to maintain financial responsibility equal to the original amount required.

(c) An employee of a licensed person is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.

(d) Applications for reinstatement of a license suspended under the provisions of this section must be accompanied by proof of satisfaction of judgments previously rendered.

Subd. 6. [FEES.] (a) An applicant for a structural pest control license for a business must pay a nonrefundable application fee of \$100. An employee of a licensed business must pay a nonrefundable application fee of \$50 for an individual structural pest control license.

(b) An application received after expiration of the structural pest control license is subject to a penalty fee of 50 percent of the application fee.

(c) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

Sec. 31. [18B.31] [COMMERCIAL APPLICATOR LICENSE.]

Subdivision 1. [REQUIREMENT.] (a) A person may not apply a pesticide for hire without a commercial applicator's license for the appropriate use categories except a structural pest control applicator.

(b) A person with a commercial applicator's license may not apply pesticides on or into surface waters without an aquatic category endorsement on a commercial applicator license.

(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Subd. 2. [RESPONSIBILITY.] A person required to be licensed under this section who performs pesticide applications for hire or who employs a licensed applicator to perform pesticide application for pro rata compensation is responsible for proper application of the pesticide or device.

Subd. 3. [LICENSE.] A commercial applicator license:

(1) expires on December 31 of the year for which it is issued, unless suspended or revoked before that date; and

(2) is not transferable to another person.

Subd. 4. [APPLICATION.] (a) A person must apply to the commissioner for a commercial applicator license on forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible for the commercial applicator license.

(b) *Aerial applicators must also fulfill applicable requirements in chapter 360.*

(c) *An applicant that desires an aquatic category endorsement must pass an examination prepared by the commissioner of natural resources and administered by the department of agriculture.*

Subd. 5. [RENEWAL APPLICATION.] A person must apply to the commissioner to renew a commercial applicator license. The commissioner may renew a commercial applicator's license accompanied by the application fee, subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competence and ability to use pesticides safely and properly. The applicant may renew a commercial applicator license within 12 months after expiration of the license without having to meet initial testing requirements. The commissioner may require additional demonstration of applicator qualification if a person has had a license suspended or revoked or has had a history of violations of this chapter.

Subd. 6. [FINANCIAL RESPONSIBILITY.] (a) A commercial applicator license may not be issued unless the applicant furnishes proof of financial responsibility. The financial responsibility may be demonstrated by: (1) proof of net assets equal to or greater than \$50,000; or (2) by a performance bond or insurance covering the applicant's pest control activities in an amount determined by the commissioner.

(b) The bond or insurance must cover a period of time at least equal to the term of the applicant's license. The commissioner must immediately suspend the license of a person who fails to maintain the required bond or insurance. The performance bond or insurance policy must contain a provision requiring the insurance or bonding company to notify the commissioner by ten days before the effective date of cancellation, termination, or any other change of the bond or insurance. If there is recovery against the bond or insurance, additional coverage must be secured to maintain financial responsibility equal to the original amount required.

(c) An employee of a licensed person is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.

(d) Applications for reinstatement of a license suspended under the provisions of this section must be accompanied by proof of satisfaction of judgments previously rendered.

Subd. 7. [APPLICATION FEES.] (a) A person initially applying or renewing a commercial applicator license must pay a nonrefundable application fee of \$50, except for a person who is an employee of a business that has a commercial applicator license the nonrefundable application fee is \$25.

(b) If a renewal application is not filed before March 1 of the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the commercial applicator license may be issued.

Sec. 32. [18B.32] [NONCOMMERCIAL APPLICATOR LICENSE.]

Subdivision 1. [REQUIREMENT.] (a) Except for a commercial applicator, private applicator, or structural pest control applicator, a person,

including a government employee, may not use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) A person with a noncommercial applicator license may not apply pesticides into or on surface waters without an aquatic category endorsement on the license.

(c) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Subd. 2. [LICENSE.] A noncommercial applicator license:

(1) expires on December 31 of the year for which it is issued unless suspended or revoked before that date; and

(2) is not transferable.

Subd. 3. [APPLICATION.] A person must apply to the commissioner for a noncommercial applicator license on forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible to acquire a noncommercial applicator license. An applicant desiring to apply pesticides into or on surface waters must pass an examination prepared by the department of natural resources and administered by the commissioner of agriculture.

Subd. 4. [RENEWAL.] (a) A person must apply to the commissioner to renew a noncommercial applicator license. The commissioner may renew a license subject to reexamination, attendance at workshops approved by the commissioner of agriculture, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competence and ability to use pesticides safely and properly. The commissioner may require an additional demonstration of applicator qualification if the applicator has had a license suspended or revoked or has otherwise had a history of violations of this chapter.

(b) An applicant has 12 months to renew the license after expiration without having to meet initial testing requirements.

Subd. 5. [FEES.] (a) A person initially applying for or renewing a noncommercial applicator license must pay a nonrefundable application fee of \$50, except an applicant who is a government employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.

(b) If an application for renewal of a noncommercial license is not filed before March 1 in the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the renewal license may be issued.

Sec. 33. [18B.33] [APPLICATION CATEGORIES WITHIN APPLICATOR LICENSES.]

Subdivision 1. [ESTABLISHMENT.] (a) The commissioner may establish categories of structural pest control, commercial applicator, and noncommercial applicator licenses for administering and enforcing this chapter. The categories may include pest control operators and ornamental,

agricultural, aquatic, forest, and right-of-way pesticide applicators. Separate subclassifications of categories may be specified as to ground, aerial, or manual methods to apply pesticides or to the use of pesticides to control insects, plant diseases, rodents, or weeds.

(b) Each category is subject to separate testing procedures and requirements.

Subd. 2. [NO ADDITIONAL FEE.] A person may not be required to pay an additional fee for a category or subclassification of a category of a license.

Sec. 34. [18B.34] [PRIVATE APPLICATOR CERTIFICATION.]

Subdivision 1. [REQUIREMENT.] (a) Except for a commercial or non-commercial applicator, only a person certified as a private applicator may use or supervise the use of a restricted use pesticide to produce an agricultural commodity:

(1) as a traditional exchange of services without financial compensation; or

(2) on a site owned, rented, or managed by the person or the person's employees.

(b) A private applicator may not purchase a restricted use pesticide without presenting a private applicator card or the card number.

Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training to certify persons as private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies.

(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of five years from the applicant's nearest birthday.

(c) The commissioner shall issue a private applicator card to a private applicator.

Subd. 3. [FEES.] (a) A person applying to be certified as a private applicator must pay a nonrefundable \$10 application fee for the certification period.

(b) A \$5 fee must be paid for the issuance of a duplicate private applicator card.

Sec. 35. [18B.35] [RECORDS, REPORTS, PLANS, AND INSPECTIONS.]

Subdivision 1. [PESTICIDE DEALER.] (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept on forms supplied by the commissioner or on the pesticide dealer's forms if they are approved by the commissioner.

(b) Records must be submitted with the application for a pesticide dealer license or upon request of the commissioner.

(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the

pesticide sale.

Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.]

(a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. The record must include the:

- (1) date of the pesticide use;*
- (2) time the pesticide application was completed;*
- (3) pesticide and dosage used;*
- (4) number of units treated;*
- (5) temperature, wind speed, and wind direction;*
- (6) location of the site where the pesticide was applied;*
- (7) name and address of the customer;*
- (8) name, license number, address, and signature of applicator; and*
- (9) any other information required by the commissioner.*

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained on a single sheet of paper for each pesticide application. Invoices containing the required information may constitute the required record.

(d) A commercial applicator must give a copy of the record to the customer when the application is completed.

(e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Subd. 3. [STRUCTURAL PEST CONTROL APPLICATORS.] (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

- (1) date of structural pest control application;*
- (2) target pest;*
- (3) name of the pesticide used;*
- (4) for fumigation, the temperature and exposure time;*
- (5) name and address of the customer;*
- (6) structural pest control applicator's company name and address, applicator's signature, and license number; and*
- (7) any other information required by the commissioner.*

(b) Invoices containing the required information may constitute the record.

(c) Records must be retained for five years after the date of treatment.

(d) A copy of the record must be given to an adult present at the site where the structural pest control application is conducted or left at the site where the structural pest control application is conducted immediately after the application of the pesticides.

Subd. 4. [STORAGE, HANDLING, AND DISPOSAL PLAN.] A com-

mercial, noncommercial, or structural pest control applicator or the licensed business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, and disposal practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.

Subd. 5. [INSPECTION OF RECORDS.] The commissioner may enter a commercial, noncommercial, or structural pest control applicator's business and inspect the records required in this section at any reasonable time and may make copies of the records. Unless required for enforcement of this chapter, the information in the records is private.

Sec. 36. [18B.36] [PROTECTION OF TRADE SECRETS.]

Subdivision 1. [REQUIREMENTS.] In submitting data required by this chapter, the applicant may:

(1) clearly mark any portions that in the applicant's opinion are trade secrets, commercial, or financial information; and

(2) submit the marked material separately from other material.

Subd. 2. [INFORMATION REVEALED.] After consideration of the applicant's request submitted under subdivision 1, the commissioner shall not make any information public that in the commissioner's judgment contains or relates to trade secrets or to commercial or financial information obtained from an applicant. When necessary, information relating to formulas of products may be revealed to any state or federal agency consulted with similar protection of trade secret authority and may be revealed at a public hearing or in findings of facts issued by the commissioner.

Subd. 3. [NOTIFICATION.] If the commissioner proposes to release information that the applicant or registrant believes to be protected from disclosure under subdivision 2, the commissioner shall notify the applicant or registrant by certified mail. The commissioner shall not make the information available for inspection until 30 days after receipt of the notice by the applicant or registrant. During this period the applicant or registrant may institute an action in an appropriate court for a declaratory judgment as to whether the information is subject to protection under this section.

Sec. 37. [PRIOR LIABILITY.]

This act does not terminate or in any way modify any civil or criminal liability for an act of commission or omission occurring prior to August 1, 1987.

Sec. 38. [EXISTING RULES.]

Rules of the commissioner of agriculture in effect on the effective date of this act relating to the distribution, use, storage, handling, and disposal of pesticides, rinsates, and pesticide containers remain in effect until they are superseded by new permanent or emergency rules adopted under section 6.

Sec. 39. [PESTICIDE CONTAINER DEPOSIT REPORT.]

The commissioner of agriculture in consultation with the director of the pollution control agency shall develop a program for pesticide container deposit and return of triple rinsed pesticide containers. The commissioner

shall prepare a report on a proposed program and legislative recommendations and submit the report to the house of representatives and senate committees on agriculture by January 15, 1988.

Sec. 40. [APPROPRIATION.]

Subdivision 1. [PESTICIDE REGULATORY ACCOUNT.] \$_____ is appropriated from the general fund to the pesticide regulatory account. The amount is appropriated from the pesticide regulatory account to the commissioner of agriculture for administration and enforcement of this act.

This amount must be repaid to the general fund from the pesticide regulatory account by June 30, 1989.

The general fund complement for the department is reduced by 15.5 positions and the special revenue complement is increased by 22.5 positions.

Subd. 2. [WATER QUALITY PROGRAM.] \$_____ is appropriated from the general fund to the commissioner of agriculture for the water quality program under section 4.

The complement of the department of agriculture is increased by eight positions.

Sec. 41. [REPEALER.]

Minnesota Statutes 1986, sections 18A.21; 18A.22; 18A.23; 18A.24; 18A.25; 18A.26; 18A.27; 18A.28; 18A.29; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.36; 18A.37; 18A.38; 18A.39; 18A.40; 18A.41; 18A.42; 18A.43; 18A.44; 18A.45; and 18A.48 are repealed.

Sec. 42. [EFFECTIVE DATE.]

This act is effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to agriculture; relating to environment; providing for pesticide registration and regulation; licensing applicators; clarifying and recodifying pesticide laws; providing penalties; requiring a report; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 18B; repealing Minnesota Statutes 1986, sections 18A.21; 18A.22; 18A.23; 18A.24; 18A.25; 18A.26; 18A.27; 18A.28; 18A.29; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.36; 18A.37; 18A.38; 18A.39; 18A.40; 18A.41; 18A.42; 18A.43; 18A.44; 18A.45; and 18A.48."

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 892: A bill for an act relating to employment; providing for severance pay and insurance coverage to certain terminated employees; requiring employers to provide notice of certain actions related to work force reductions; appropriating money; amending Minnesota Statutes 1986, section 268.07, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 268A.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 267.05, is amended by adding a subdivision to read:

Subd. 3. [SUBCOMMITTEE.] A subcommittee of the full productivity and opportunity council is created consisting of the coordinator, the commissioner of jobs and training, the commissioner of energy and economic development, the director of the vocational technical education system, the representative from organized labor, and the representative from business. The subcommittee shall meet within 14 days after the commissioner of jobs and training receives a plant closing notification as required under section 4 and shall develop a plan for coordinating existing programs and services provided by the state and federal government to assist employees, businesses, and municipalities affected by a plant closing or major work force reduction.

State agencies and units of local government shall, to the extent feasible, make available those programs called for in the subcommittee plan.

Sec. 2. [268.073] [ADDITIONAL UNEMPLOYMENT COMPENSATION BENEFITS.]

Subdivision 1. [ADDITIONAL BENEFITS; WHEN AVAILABLE.] Additional unemployment compensation benefits are authorized under this section only if the commissioner determines that:

(1) an employer has reduced operations at a facility employing 100 or more individuals for at least six months during the preceding year resulting in the reduction of at least 50 percent of the employer's work force and the lay-off of at least 50 employees at that facility;

(2) the employer does not intend to resume operations which would lead to the reemployment of those employees at any time in the future; and

(3) the unemployment rate for the county in which the facility is located was ten percent during the month of the reduction or any of the three months preceding or succeeding the reduction.

Subd. 2. [PAYMENT OF BENEFITS.] All benefits payable under this section are payable from the fund.

Subd. 3. [ELIGIBILITY CONDITIONS.] An individual is eligible to receive additional benefits under this section for any week during the individual's benefit year if the commissioner finds that:

(1) the individual's unemployment is the result of a reduction in operations as provided under subdivision 1;

(2) the individual is unemployed and meets the eligibility requirements for the receipt of unemployment benefits under section 268.08;

(3) the individual is not subject to a disqualification for benefits under section 268.09; for the purpose of this subdivision, the disqualifying conditions set forth in section 268.09, and the requalifying requirements thereunder, apply to the receipt of additional benefits under this section;

(4) the individual has exhausted all rights to regular benefits payable under section 268.07, is not entitled to receive extended benefits under

section 268.071, and is not entitled to receive unemployment compensation benefits under any other state or federal law for the week in which the individual is claiming additional benefits:

(5) the individual has made a claim for additional benefits with respect to any week the individual is claiming benefits in accordance with the regulations as the commissioner may prescribe with respect to claims for regular benefits; and

(6) the individual has worked at least 26 weeks during the individual's base period in employment with an employer for whom the commissioner has determined there was a reduction in operations under subdivision 1.

Subd. 4. [WEEKLY BENEFIT AMOUNT.] A claimant's weekly benefit amount under this section shall be the same as the individual's weekly benefit amount payable during the individual's current benefit year under section 268.08.

Subd. 5. [MAXIMUM BENEFITS PAYABLE.] A claimant's maximum amount of additional benefits payable in the individual's benefit year shall be six times the individual's weekly benefit amount. Unemployment compensation benefits paid to an individual under any state or federal law other than regular benefits payable under section 268.07 shall be deducted from that individual's maximum amount of additional benefits.

Subd. 6. [RETROACTIVITY.] The additional benefits provided under this section are payable to any claimant who meets the eligibility conditions under subdivision 3 whose unemployment occurred on July 1, 1985, or thereafter, provided the claimant has filed a claim for additional benefits which is effective January 1, 1987, or thereafter.

Sec. 3. [268A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of sections 3 to 7, the terms defined in this section have the meanings given them.

Subd. 2. [AFFECTED EMPLOYEE.] "Affected employee" means an employee whose employment is terminated or will be terminated as a result of a plant closing.

Subd. 3. [AFFECTED EMPLOYEE ORGANIZATION.] "Affected employee organization" means a labor union, association, or other employee organization that represents affected employees.

Subd. 4. [AFFECTED MUNICIPALITY.] "Affected municipality" means each home rule or statutory city or town in which a facility engaged in a plant closing is located.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of the department of jobs and training.

Subd. 6. [EMPLOYER.] "Employer" means a person, partnership, corporation, or other for profit or nonprofit legal entity that owns or is operating one or more facilities within this state, either directly or indirectly. If a change in ownership of a facility results in a plant closing, the "employer" is the legal entity owning or operating the facility at the time of the plant closing.

Subd. 7. [PLANT CLOSING.] "Plant closing" means a situation where, as a result of a closing, relocation, or reduction in operations, an employer terminates or will terminate 20 percent or more of the employees employed

at a facility employing 100 or more individuals for at least six months during the preceding year. "Plant closing" does not include the termination of employees at a construction site or other temporary work place.

Sec. 4. [268A.02] [NOTICES.]

An employer must notify in writing the commissioner, each affected employee, each affected employee organization, and each affected municipality of a plant closing at least 90 days before the commencement of a plant closing or before a change in ownership that may result in a plant closing. If an employer can establish that the employer could not reasonably have anticipated the plant closing 90 days prior to the commencement of the plant closing, notice is required as soon as the employer makes the decision that a plant closing will occur.

Sec. 5. [268A.03] [COLLECTIVE BARGAINING RIGHTS.]

A provision of a collective bargaining agreement that requires greater protection for an affected employee or places greater obligations upon an employer than that provided by sections 3 to 7 takes precedence over the requirements of sections 3 to 7.

Sec. 6. [268A.04] [SEVERANCE PAY.]

Subdivision 1. [SEVERANCE PAY.] Each employer owning or operating a facility engaged in a plant closing shall make a severance payment to an affected employee if the affected employee has been employed by the employer for three or more years. The payment may, at the option of the employer, be made before or at the termination of the affected employee. The severance payment must be equal to the gross weekly wage of the affected employee at the time of termination multiplied by the number of full and partial years for which the employee has been employed by the employer. For an affected employee whose gross weekly wage has been reduced within one year of a plant closing as a result of a reduction in the average weekly number of hours worked by the employee, the severance payment must be equal to the affected employee's gross weekly wage prior to the reduction in the average weekly number of hours worked multiplied by the number of full and partial years for which the employee has been employed by the employer.

Subd. 2. [OTHER PAYMENTS.] Vacation pay, accrued wages, and other types of payments made for any reason other than as compensation for termination of employment are not severance payments under subdivision 1.

Subd. 3. [HEALTH CARE COVERAGE.] Each employer commencing a plant closing who has a health insurance plan in place before or at the time of the plant closing shall continue to make the health insurance plan available to affected employees for a period of 12 months and shall notify affected employees of their rights under this section as provided in section 62A.17, subdivision 5. The employer shall continue the existing employer-paid health insurance coverage for an affected employee for at least 120 days; thereafter, the affected employee may elect to continue coverage at the employee's expense. The employer's obligation to pay for health care coverage under this subdivision is limited to the same portion of the premium which the employer paid prior to the termination of the affected employee. The employer's obligation under this subdivision ceases when an affected employee obtains coverage through new employment or receives equivalent coverage as a dependent. An affected employee may elect to be

excluded from coverage under this subdivision.

Sec. 7. [268A.05] [PRIORITY OF CLAIMS.]

A money claim on behalf of an affected employee against an employer engaged in a plant closing has priority over all other claims against an employer except wage claims.

Sec. 8. [268A.06] [ENFORCEMENT; DAMAGES.]

Subdivision 1. [EMPLOYEE CLAIMS.] An employee may bring a civil action in district court to recover damages, including attorney's fees, caused by a violation of sections 3 to 7. The remedy provided by this subdivision is in addition to any other available remedy.

Subd. 2. [ATTORNEY GENERAL.] The attorney general may bring an action in district court on behalf of the state for (1) injunctive relief to restrain any violation or threatened violation of sections 3 to 7, or (2) a civil penalty of up to \$25,000 for a violation of sections 3 to 7. Money recovered by the attorney general under this subdivision must be deposited in the general fund of the state treasury and is annually appropriated to the commissioner of the department of jobs and training to carry out the commissioner's duties under sections 3 to 7."

Delete the title and insert:

"A bill for an act relating to employment; providing for severance pay and insurance coverage to certain terminated employees; requiring employers to provide notice of certain actions related to work force reductions; appropriating money; amending Minnesota Statutes 1986, section 267.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268; proposing coding for new law as Minnesota Statutes, chapter 268A."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 853: A bill for an act relating to public safety; establishing the "McGruff" symbol as the sign for a safe house for children; creating a safe house program; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, delete "provide" and insert "make available"

Page 1, line 17, delete "all"

Page 1, line 21, after "(4)" insert "require the appropriate local law enforcement agency to"

Page 1, line 22, before "law" insert "the appropriate"

Page 1, delete line 25

Page 2, delete lines 1 to 4 and insert:

"Subd. 3. [DISPLAY OF SYMBOL.] A person displaying the "McGruff" symbol so that it is visible from the outside of their house must be approved

as a safe house by the appropriate local law enforcement agency. The appropriate law enforcement agency must supply the symbol to the person. The symbol is the property of the law enforcement agency, and a person must return the symbol to the law enforcement agency if the agency determines that the house no longer qualifies as a "McGruff" house. Violation of this subdivision is a misdemeanor."

Page 2, line 5, delete "All school districts"

Page 2, line 6, delete "and" and insert "The appropriate" and delete "agencies" and insert "agency"

Page 2, line 9, delete "a" and insert "the appropriate"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing penalties;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 348: A bill for an act relating to Cook county; permitting the sale of certain land.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [COOK COUNTY; LAND SALE.]

Notwithstanding Minnesota Statutes, section 282.018, and the public sale provisions of Minnesota Statutes, chapter 282, Cook county may sell the property described in this section to Mr. Barney Peet, U.S. Highway 61, Lutsen, Minnesota, by private sale.

The property that may be sold is described as:

The East 500 feet of the West 700 feet of Government Lot 2, south of Highway 61, Section 12, Township 59 North, Range 4 West.

The county and state shall provide a proper conveyance. The price may not be less than the appraised value of the property.

The size and location of the property do not allow the property to be developed for public use and it is no longer beneficial for state ownership.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; allowing the private sale of certain land in Cook county."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 207: A bill for an act relating to wild animals; permits for possession of wildlife; amending Minnesota Statutes 1986, section 97A.041, subdivisions 2, 3, and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [97A.043] [POSSESSION OF NON-DOMESTICATED WILD ANIMALS.]

Subdivision 1. [PERMIT REQUIRED.] Except as provided in subdivision 5, a person may not possess a live, non-domesticated wild animal that endangers humans, other wild animals, or the environment without a permit from the commissioner. The commissioner shall charge an annual permit fee of \$50.

Subd. 2. [LIST OF NON-DOMESTICATED WILD ANIMALS.] The commissioner shall, by order, prescribe a list of non-domesticated wild animal species that require a permit under this section. A non-domesticated wild animal includes indigenous and nonindigenous wild animals that the commissioner determines cannot be domesticated to an extent that assures human safety, protects other wild animals, or assures protection of the environment. A non-domesticated wild animal does not include llama or the American bison or other livestock raised for food purposes.

Subd. 3. [PERMIT CONDITIONS.] The commissioner shall prescribe conditions in a permit for keeping non-domesticated wild animals to assure human safety, protect other wild animals, or assure protection of the environment. The conditions must provide for inspections of the wild animal and the area where the wild animal is kept. The commissioner shall charge a fee for the inspection that reflects the cost of the inspection. The commissioner shall prescribe the inspection fee in the permit.

Subd. 4. [PERMIT DOES NOT EXEMPT LIABILITY OR STANDARDS OF CARE.] A person that receives a permit to possess a non-domesticated wild animal is not exempt from:

(1) liability or damages resulting from the wild animal under chapter 346, section 609.205, or other laws;

(2) standards of care required under section 346.42, other provisions of chapter 346, or other provisions of law; or

(3) local zoning requirements.

Subd. 5. [PERMIT EXEMPTIONS.] This section does not apply to:

(1) a publicly owned zoo or wildlife exhibit, privately owned traveling zoo or circus, or a pet shop;

(2) wildlife in captivity for public exhibition purposes that are required to have a permit under section 97A.041;

(3) wild animals kept in captivity at an educational or research institution; or

(4) wild animals that are lawfully possessed by license or permit under the game and fish laws.

Sec. 2. [COMPLEMENT.]

The complement of the department of natural resources, division of fish and wildlife, is increased by one position."

Delete the title and insert:

"A bill for an act relating to game and fish; requiring a permit to possess dangerous non-domesticated wild animals; proposing coding for new law in Minnesota Statutes, chapter 97A."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 11: A bill for an act relating to tax forfeited land; providing for the sale of a certain tract.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [LAND SALE.]

Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may sell the land described in this section to Fred Schmiede of Route 2, Aurora, Minnesota, by private sale.

The land is the Northerly 160 feet of Easterly 520 feet of NE 1/4 of NW 1/4, Section 30, Township 58, Range 15, St. Louis county.

The county and state shall provide a proper conveyance. The price may not be less than the appraised value of the property excluding the value of the improvements.

The tract is tax forfeited land on which Mr. Schmiede inadvertently constructed part of an improvement. The property is not otherwise improved or used for any purpose.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state land; allowing the private sale of a certain tract in St. Louis county."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 450: A bill for an act relating to natural resources; changing certain provisions relating to state park motor vehicle permits; amending Minnesota Statutes 1986, section 85.05, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [85.0501] [SPECIAL USES OF STATE PARKS.]

Subdivision 1. [RULES.] The commissioner may make rules for the use of state parks including:

(1) special parking space for automobiles or other motor-driven vehicles in a state park or state recreation area;

(2) special parking spurs, campgrounds for automobiles, sites for tent camping, and special auto trailer coach parking spaces, for the use of the individual charged for the space;

(3) improvement and maintenance of golf courses already established in state parks, and charging reasonable use fees;

(4) state park pageant areas that may be established in a state park to have historical or other pageants conducted by the commissioner of a state agency or other public agency; and

(5) providing water, sewer, and electric service to trailer or tent campsites and charging a reasonable use fee.

Subd. 2. [STATE PARK PAGEANTS.] The commissioner may stage state park pageants in a state park, municipal park, or on other land near or adjoining a state park and charge an entrance or use fee for the pageant. All receipts from the pageants must be used in the same manner as though the pageants were conducted in a state park.

Subd. 3. [FEE FOR CERTAIN PARKING AND CAMPSITE USE.] (a) An individual using spaces in state parks under subdivision 1, clause (2), shall be charged daily rates determined and set by the commissioner in a manner and amount consistent with the type of facility provided for the accommodation of guests in a particular park and with similar facilities offered for tourist camping and similar use in the area.

(b) The fee for special parking spurs, campgrounds for automobiles, sites for tent camping, and special auto trailer coach parking spaces is one-half of the fee set in paragraph (a) on Sunday through Thursday of each week for:

(1) an individual age 65 or over who is a resident of the state and who furnishes satisfactory proof of age and residence;

(2) a physically handicapped person with a motor vehicle that has special plates issued under section 168.021, subdivision 1; or

(3) a physically handicapped person who possesses a certificate issued under section 169.345, subdivision 3.

Subd. 4. [DEPOSIT OF FEES.] (a) Fees paid for special state park uses under this section shall be deposited in the state treasury and credited to the state park maintenance and operation account.

(b) Gross receipts derived from sales, rentals, or leases of natural resources within state parks, recreation areas, and waysides, other than those on trust fund lands, must be deposited in the state treasury and be credited to the state park maintenance and operation account.

Sec. 2. [85.0502] [STATE PARK PERMITS.]

Subdivision 1. [FORM, ISSUANCE, VALIDITY.] (a) The commissioner

shall prepare and provide state park permits for each calendar year that state a motor vehicle may enter and use state parks, state recreation areas, and state waysides over 50 acres in area. State park permits must be available and placed on sale by October 1 of the year preceding the calendar year that the permit is valid.

(b) A state park permit may be affixed when purchased and used from the time it is affixed until the end of the calendar year for which it is issued. State park permits in each category must be numbered consecutively for each year of issue.

(c) State park permits shall be issued by employees of the division of parks and recreation as designated by the commissioner.

Subd. 2. [REQUIREMENT.] Except as provided in section 3, a motor vehicle may not enter a state park, state recreation area, or state wayside over 50 acres in area, without a state park permit issued under this section. The state park permit must be affixed to the lower right corner windshield of the motor vehicle and must be completely affixed by its own adhesive to the windshield.

Subd. 3. [SECOND VEHICLE PERMITS.] The commissioner shall prescribe and issue second vehicle state park permits for persons who own more than one motor vehicle and who request a second permit for the second vehicle on a form prescribed by the commissioner. The commissioner may issue an applicant only one second vehicle permit.

Subd. 4. [TWO-DAY PERMITS.] The commissioner shall prescribe a special state park permit for use of state parks, state recreation areas, or state waysides up to two days under conditions prescribed by the commissioner.

Subd. 5. [DAILY VEHICLE PERMIT FOR GROUPS.] The commissioner may authorize special daily vehicle state park permits for groups by rule.

Subd. 6. [EMPLOYEE'S PERMIT.] (a) The commissioner shall prescribe and issue an employee's state park permit to state employees, peace officers, and contractors, that must enter areas where state park permits are required to perform official duties. An employee, peace officer, or contractor must display the special permit on the motor vehicle in the same manner as state park permits are displayed.

(b) A motor vehicle displaying only an employee's state park permit may not enter a place where state park permits are required if the vehicle is used for purposes other than performing official duties.

Subd. 7. [HANDICAPPED PERSONS AND PERSONS OVER AGE 65.] (a) The commissioner shall prescribe and issue special state park permits for:

(1) an individual age 65 years or older who furnishes satisfactory proof of age and is a resident of the state;

(2) a physically handicapped person with a motor vehicle that has special plates issued under section 168.021, subdivision 1; and

(3) up to two days for a physically handicapped person who possesses a certificate issued under section 169.345, subdivision 3.

(b) The permit or the decal issued under this subdivision is valid only when displayed on a vehicle owned and occupied by the person to whom

the permit is issued.

Sec. 3. [85.0503] [STATE PARK PERMIT EXEMPTIONS.]

Subdivision 1. [STATE PARK OPEN HOUSE DAY.] (a) A state park permit is not required for a motor vehicle to enter a state park, state monument, state recreation area, or state wayside, on one day each calendar year, which the commissioner may designate as state park open house day. The commissioner may designate two consecutive days as state park open house day, if the open house is held in conjunction with a special pageant described in section 1, subdivision 2.

(b) The commissioner shall announce the date of state park open house day at least 30 days in advance of the date it occurs.

(c) The state park open house day is to acquaint the public with state parks, recreation areas, and waysides.

Subd. 2. [WATER ACCESS SITES.] The commissioner may designate areas where a state park permit is not required to launch watercraft at a water access site within a state park, state recreation area, or state wayside where a state park permit is otherwise required, if the water access site is clearly separated from and is entered by an entrance separate from other park, recreation area, or wayside facilities. The commissioner must post the water access site and the necessary related area with appropriate signs that indicate that a state park permit is not required at the site.

Subd. 3. [FORT SNELLING MEMORIAL CHAPEL ISLAND.] A state park permit is not required and a fee may not be charged for motor vehicle entry or parking at the Fort Snelling Memorial Chapel Island portion of Fort Snelling State Park.

Subd. 4. [INTERSTATE PARK.] A Minnesota state park permit is not required at Interstate Park if a valid, current, Wisconsin state park permit or sticker authorizing entry of a motor vehicle into Wisconsin state parks is appropriately displayed on the vehicle and the commissioner has entered into an agreement with appropriate officials of the state of Wisconsin that authorizes motor vehicles displaying Minnesota state park permits free entry into Interstate State Park of Wisconsin on a reciprocal basis.

Sec. 4. [85.0504] [STATE PARK PERMIT FEES.]

Subdivision 1. [FEES.] The fee for state park permits for:

(1) an annual use of state parks is \$15;

(2) a second vehicle state park permit is one-half the annual state park permit fee in clause (1);

(3) a special state park permit valid up to two days is \$3;

(4) a special daily vehicle state park permit for groups is as prescribed by the commissioner;

(5) an employee's state park permit is without charge;

(6) a special state park permit for handicapped persons and persons over age 65 under section 2, subdivision 7, clauses (1) and (2), is one-half the annual state park permit fee in clause (1) of this subdivision; and

(7) a special state park permit valid up to two days for handicapped persons and persons over age 65 under section 2, subdivision 7, clauses (1) and (3), is one-half of the special state park permit fee in clause (3)

of this subdivision.

Subd. 2. [FEE DEPOSIT AND APPROPRIATION.] The fees collected under this section shall be deposited in the state treasury and credited to the state park maintenance and operation account. Appropriations from the account shall be for state park maintenance and operation.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, section 85.05, is repealed.

Sec. 6. [EFFECTIVE DATE.]

This act is effective 30 days after final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; changing certain provisions relating to state park permits; authorizing and assessing fees for state park permits for second vehicles, authorizing a state park permit exemption for Interstate Park under reciprocal agreement with Wisconsin; authorizing a state park permit exemption for water access sites designated by the commissioner; proposing coding for new law in Minnesota Statutes, chapter 85; repealing Minnesota Statutes 1986, section 85.05."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 244: A bill for an act relating to public improvements; providing for a nursing care veterans facility at Moorhead under certain conditions; providing for a bond issue; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete "200" and insert "250"

And when so amended the bill do pass and be re-referred to the Committee on Health and Human Services. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 313: A bill for an act relating to veterans; providing for special motor vehicle license plates for former prisoners of war free of charge; amending Minnesota Statutes 1986, section 168.125.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Transportation. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred the following appointment as reported in the Journal for March 12, 1987:

DEPARTMENT OF PUBLIC SERVICE
DIRECTOR

Tony Perpich

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 641, 844, 617, 348, 424, 341, 783, 736, 1015, 1074, 598, 737, 922, 892, 853 and 450 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 364, 348 and 11 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Waldorf moved that the name of Mr. Dicklich be added as a co-author to S.F. No. 444. The motion prevailed.

Mr. Dahl moved that the name of Mr. Frank be added as a co-author to S.F. No. 614. The motion prevailed.

Mrs. Adkins moved that the names of Mrs. Lantry and Ms. Berglin be added as co-authors to S.F. No. 735. The motion prevailed.

Mr. Dahl moved that the name of Mr. Merriam be added as a co-author to S.F. No. 865. The motion prevailed.

Mr. Dahl moved that the names of Messrs. Merriam and Wegscheid be added as co-authors to S.F. No. 934. The motion prevailed.

Mr. Dahl moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 935. The motion prevailed.

Mr. Davis moved that the name of Mr. Bernhagen be added as a co-author to S.F. No. 1016. The motion prevailed.

Mr. Solon moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 1030. The motion prevailed.

Ms. Berglin moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1040. The motion prevailed.

Mr. Dahl moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1061. The motion prevailed.

Mr. Willet moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1092. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Pehler be added as a co-author to S.F. No. 1103. The motion prevailed.

Mr. Pehler moved that the name of Mr. Cohen be added as a co-author to S.F. No. 1106. The motion prevailed.

Mrs. Adkins moved that S.F. No. 767 be withdrawn from the Committee on Economic Development and Housing and returned to its author. The motion prevailed.

Mr. Benson moved that the Conference Committee on H.F. No. 1 be discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House. The motion did not prevail.

CALENDAR

H.F. No. 369: A bill for an act relating to human rights; changing certain requirements related to disabled persons; amending Minnesota Statutes 1986, sections 363.01, subdivision 25; 363.02, subdivision 3; and 363.03, subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	DeCramer	Knutson	Moe, D.M.	Schmitz
Beckman	Dicklich	Kroening	Moe, R. D.	Solon
Belanger	Diessner	Laidig	Morse	Spear
Benson	Frank	Langseth	Novak	Storm
Berg	Frederick	Lantry	Olson	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Purfeerst	Wegscheid
Chmielewski	Hughes	McQuaid	Ramstad	Willet
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 133: A resolution memorializing the President and Congress to enact legislation to exempt nonprofit organizations from the federal excise tax and the unrelated business income tax on charitable gambling it conducts.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Renneke
Anderson	Davis	Johnson, D.J.	Metzen	Samuelson
Beckman	DeCramer	Jude	Moe, D.M.	Schmitz
Belanger	Dicklich	Kroening	Moe, R. D.	Solon
Benson	Diessner	Laidig	Morse	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Taylor
Bertram	Frederickson, D.R.	Lessard	Piper	Vickerman
Brataas	Freeman	Luther	Purfeerst	Waldorf
Chmielewski	Gustafson	Marty	Ramstad	Willet
Cohen	Hughes	McQuaid	Reichgott	

Mr. Merriam voted in the negative.

So the resolution passed and its title was agreed to.

S.F. No. 440: A bill for an act relating to statutes; removing certain substantive gender references in Minnesota Statutes; amending Minnesota Statutes 1986, sections 13.83, subdivision 2; 88.11, subdivision 1; 176.111, subdivisions 3, 15, and 21; 218.021, subdivision 2; 252.07; 315.44; 315.48; 353.01, subdivision 2b; 358.14; 387.15; 387.16; 540.05; 548.06; 593.01, subdivision 1; 631.412; 641.06; 641.14; and 642.08; repealing Minnesota Statutes 1986, sections 176.011, subdivision 13; 315.49; 382.17; 459.16; and 593.02.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Schmitz
Anderson	DeCramer	Knutson	Moe, D.M.	Solon
Beckman	Dicklich	Kroening	Moe, R. D.	Spear
Belanger	Diessner	Laidig	Morse	Storm
Benson	Frank	Langseth	Olson	Stumpf
Berg	Frederick	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Piper	Waldorf
Bertram	Freeman	Luther	Purfeerst	Wegscheid
Brataas	Gustafson	Marty	Ramstad	Willet
Chmielewski	Hughes	McQuaid	Reichgott	
Cohen	Johnson, D.E.	Mehrkens	Renneke	
Dahl	Johnson, D.J.	Merriam	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 291: A bill for an act relating to intoxicating liquor; allowing counties to issue seasonal intoxicating liquor licenses subject to certain restrictions; amending Minnesota Statutes 1986, section 340A.404, subdivision 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Metzen	Renneke
Anderson	Dicklich	Knutson	Moe, D.M.	Samuelson
Beckman	Diessner	Kroening	Moe, R. D.	Schmitz
Belanger	Frank	Laidig	Morse	Solon
Benson	Frederick	Lantry	Novak	Spear
Berglin	Frederickson, D.J.	Larson	Olson	Storm
Bernhagen	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Bertram	Freeman	Luther	Peterson, R.W.	Taylor
Brataas	Gustafson	Marty	Piper	Vickerman
Cohen	Hughes	McQuaid	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ramstad	Wegscheid
Davis	Johnson, D.J.	Merriam	Reichgott	Willet

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 128: A bill for an act relating to liquor; authorizing municipalities to permit holders of both on-sale wine and nonintoxicating malt liquor licenses to sell intoxicating malt liquors; amending Minnesota Statutes 1986, section 340A.404, subdivision 5; repealing Laws 1979, chapter 200.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Moe, D.M.	Samuelson
Anderson	Dicklich	Kroening	Moe, R.D.	Schmitz
Beckman	Diessner	Langseth	Morse	Solon
Belanger	Frank	Lantry	Novak	Spear
Benson	Frederickson, D.J.	Larson	Olson	Storm
Berg	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Berglin	Freeman	Luther	Peterson, R.W.	Taylor
Bertram	Gustafson	Marty	Piper	Vickerman
Brataas	Hughes	McQuaid	Purfeerst	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ramstad	Wegscheid
Dahl	Johnson, D.J.	Merriam	Reichgott	Willet
Davis	Jude	Metzen	Renneke	

Messrs. Bernhagen, Chmielewski, Frederick and Laidig voted in the negative.

So the bill passed and its title was agreed to.

S.F No. 333: A bill for an act relating to game and fish; allowing raccoon dog field trials to tree raccoons during certain periods by permit; amending Minnesota Statutes 1986, section 97B.621, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	DeCramer	Knutson	Moe, D.M.	Samuelson
Beckman	Dicklich	Laidig	Moe, R.D.	Schmitz
Belanger	Frank	Langseth	Morse	Solon
Benson	Frederick	Lantry	Novak	Spear
Berg	Frederickson, D.J.	Larson	Olson	Storm
Berglin	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Bernhagen	Freeman	Luther	Peterson, R.W.	Taylor
Bertram	Gustafson	Marty	Piper	Vickerman
Brataas	Hughes	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	Mehrkens	Ramstad	Willet
Dahl	Johnson, D.J.	Merriam	Reichgott	

Messrs. Chmielewski, Kroening and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

H.F No. 400: A bill for an act relating to game and fish; authorizing commissioner to allow a person to take two deer; amending Minnesota Statutes 1986, section 97B.301, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Renneke
Anderson	Davis	Jude	Metzen	Samuelson
Beckman	DeCramer	Knutson	Moe, D.M.	Schmitz
Belanger	Dicklich	Kroening	Moe, R.D.	Solon
Benson	Diessner	Laidig	Morse	Storm
Berg	Frank	Langseth	Novak	Stumpf
Berglin	Frederick	Lantry	Olson	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	Willet
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 73: A bill for an act relating to game and fish; authorizing nonresident high school foreign exchange students to obtain resident licenses to take deer by archery; amending Minnesota Statutes 1986, section 97A.455.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Renneke
Anderson	Davis	Jude	Metzen	Samuelson
Beckman	DeCramer	Knutson	Moe, D.M.	Schmitz
Belanger	Dicklich	Kroening	Moe, R.D.	Solon
Benson	Diessner	Laidig	Morse	Spear
Berg	Frank	Langseth	Novak	Storm
Berglin	Frederick	Lantry	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	Willet
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	

Mr. Vickerman voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 397: A bill for an act relating to elections; setting times for changing election precincts and redistricting certain election districts; amending Minnesota Statutes 1986, sections 204B.14, subdivision 3; and 375.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Renneke
Anderson	Davis	Jude	Metzen	Samuelson
Beckman	DeCramer	Knutson	Moe, D.M.	Schmitz
Belanger	Dicklich	Kroening	Moe, R.D.	Solon
Benson	Diessner	Laidig	Morse	Spear
Berg	Frank	Langseth	Novak	Storm
Berglin	Frederick	Lantry	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Purfeerst	Wegscheid
Chmielewski	Hughes	McQuaid	Ramstad	Willet
Cohen	Johnson, D.E.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 324 and 420, which the committee recommends to pass.

S.F. No. 21, which the committee recommends be re-referred to the Committee on Judiciary.

S.F. No. 121, which the committee recommends to pass with the following amendment offered by Mr. Storm:

Page 1, line 26, after "15" insert ". *The department of public safety shall not record a violation of this subdivision on a person's driving record*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Gustafson	Metzen	Samuelson
Beckman	Dahl	Johnson, D.E.	Novak	Schmitz
Benson	Davis	Jude	Olson	Storm
Berg	Diessner	Knutson	Pogemiller	Stumpf
Berglin	Frank	Larson	Purfeerst	Taylor
Bernhagen	Frederick	Lessard	Ramstad	
Bertram	Frederickson, D.R.	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Laidig	Merriam	Solon
Belanger	Frederickson, D.J.	Langseth	Morse	Spear
Brandl	Freeman	Lantry	Peterson, D.C.	Vickerman
Brataas	Hughes	Luther	Peterson, R.W.	Waldorf
Cohen	Johnson, D.J.	Marty	Piper	Wegscheid
DeCramer	Kroening	McQuaid	Reichgott	Willet

The motion prevailed. So the amendment was adopted.

H.F. No. 23, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Amend H.F. No. 23, the unofficial engrossment, as follows:

Page 3, line 2, delete everything after the period

Page 3, delete lines 3 to 11

The motion prevailed. So the amendment was adopted.

H.F. No. 202, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1986, section 64B.08, is amended by adding a subdivision to read:

Subd. 4. [ADVANCES.] If a person is made or threatened to be made a party to a proceeding, the person is entitled, upon written request to the society, to payment or reimbursement by the society of reasonable expenses, including attorneys' fees and disbursements, incurred by the person in advance of the final disposition of the proceeding, (1) upon receipt by the society of a written affirmation by the person of a good faith belief that the criteria for indemnification set forth in subdivision 2 and the bylaws of the society have been satisfied and a written undertaking by the person to repay all amounts so paid or reimbursed by the society, if it is ultimately determined that the criteria for indemnification have not been satisfied; and (2) after a determination that the facts then known to those making the determination would not preclude indemnification under this section. The written undertaking required by clause (1) is an unlimited general obligation of the person making it, but need not be secured and shall be accepted without reference to financial ability to make the repayment.

Sec. 2. Minnesota Statutes 1986, section 64B.08, is amended by adding a subdivision to read:

Subd. 5. [ELIMINATION OR LIMITATION OF LIABILITY.] A director's personal liability to the society, supreme governing body, or members for monetary damages for breach of fiduciary duty as a director may be eliminated or limited in the articles. The articles shall not eliminate or limit the liability of a director:

(1) for any breach of the director's duty of loyalty to the society, the supreme governing body, or its members;

(2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

(3) for any transaction from which the director derived an improper personal benefit; or

(4) for any act or omission occurring prior to the date when the provision in the articles eliminating or limiting liability becomes effective.”

Page 2, lines 20 and 25, after “stockholders” insert “or members”

Page 2, line 24, delete “(a)” and insert “(1)”

Page 2, line 26, delete “(b)” and insert “(2)”

Page 2, line 28, delete “(c)” and insert “(3)”

Page 2, line 29, delete “(d)” and insert “(4)”

Page 2, line 30, delete “(e)” and insert “(5)”

Page 2, line 32, delete “(f)” and insert “(6)”

Page 2, line 36, delete “and 2” and insert “to 4”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, before the semicolon, insert "of certain corporations and fraternal benefit societies"

Page 1, line 3, after the semicolon, insert "authorizing certain advances by fraternal benefit societies;"

Page 1, line 4, after "sections" insert "64B.08, by adding subdivisions;"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Solon introduced—

S.F. No. 1114: A bill for an act relating to liquor; items which may be sold in exclusive liquor stores; amending Minnesota Statutes 1986, section 340A.101, subdivision 10.

Referred to the Committee on Commerce.

Mr. Bertram introduced—

S.F. No. 1115: A bill for an act relating to game and fish; establishing a program to compensate landowners and lessees for damages done by wild animals; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mr. Merriam introduced—

S.F. No. 1116: A bill for an act relating to taxation; providing for payment of refunds to certain purchasers of energy conservation equipment; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

S.F. No. 1117: A bill for an act relating to crimes; taxes; providing for collection from convicted person's tax refund of court-ordered restitution to crime victims; amending Minnesota Statutes 1986, sections 270A.02; and 270A.03, subdivisions 2, 5, and by adding a subdivision.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1118: A bill for an act relating to education; extending the authorization for a desegregation levy to certain additional districts; amending Minnesota Statutes 1986, section 275.125, subdivision 6e.

Referred to the Committee on Education.

Mses. Reichgott; Peterson, D.C.; Mr. Cohen, Ms. Olson and Mr. Laidig introduced—

S.F. No. 1119: A bill for an act relating to education; providing for capital expenditure funding by school districts; amending Minnesota Statutes 1986, sections 124.245, by adding a subdivision; and 275.125, by adding a subdivision.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 1120: A bill for an act relating to human services; establishing service principles and rate-setting procedures for day training and habilitation services provided to adults with mental retardation and related conditions; amending Minnesota Statutes 1986, sections 245.782, subdivision 5; 252.21; 252.22; 252.23; 252.24, subdivisions 1 and 4; 252.25; 256B.501, subdivisions 1, 2, and 8; 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 1986, sections 256B.501, subdivisions 5, 6, 7, and 9; and 256E.06, subdivision 2a; repealing Minnesota Rules, parts 9525.1210, subparts 11 and 12; 9525.1230, subpart 2; 9525.1260; 9525.1270; 9525.1280; and 9525.1310.

Referred to the Committee on Health and Human Services.

Mr. Stumpf introduced—

S.F. No. 1121: A bill for an act relating to motor vehicles; establishing titling system for salvage and rebuilt motor vehicles; providing penalties; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 10, 16, and 17, and by adding subdivisions; 168A.01, subdivision 1, and by adding subdivisions; and 168A.15; proposing coding for new law in Minnesota Statutes, chapter 168A.

Referred to the Committee on Transportation.

Mr. Bertram introduced—

S.F. No. 1122: A bill for an act relating to taxation; sales and use; exempting farm machinery and replacement parts; amending Minnesota Statutes 1986, sections 297A.01, subdivision 15; 297A.02, subdivision 2; 297A.14; and 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Luther and Jude introduced—

S.F. No. 1123: A bill for an act relating to motor vehicles; authorizing confiscation of motor vehicle registration plates when dishonored check used to pay registration tax; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Mr. Samuelson introduced—

S.F. No. 1124: A bill for an act relating to taxation; tax-forfeited lands; requiring payment for a certain tract in Morrison county by the state of Minnesota.

Referred to the Committee on Environment and Natural Resources.

Mr. Samuelson introduced—

S.F. No. 1125: A bill for an act relating to natural resources; allowing handicapped hunters to carry uncased weapons; amending Minnesota Statutes 1986, section 97B.055, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Mehrkens introduced—

S.F. No. 1126: A bill for an act relating to agriculture; making certain changes in the farmer-lender mediation act; amending Minnesota Statutes 1986, sections 583.26, subdivisions 1 and 2; and 583.27, by adding a subdivision.

Referred to the Committee on Agriculture.

Mr. Mehrkens introduced—

S.F. No. 1127: A bill for an act relating to health; creating an exception to the nursing home moratorium; amending Minnesota Statutes 1986, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Frederickson, D.R.; Mehrkens; Beckman; Schmitz and Purfeerst introduced—

S.F. No. 1128: A bill for an act relating to taxation; sales; changing the requirements for designation of a distressed county for purposes of the capital equipment exemption; amending Minnesota Statutes 1986, section 297A.257, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Benson introduced—

S.F. No. 1129: A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to article VIII; providing for the recall of elected officials.

Referred to the Committee on Elections and Ethics.

Mr. Stumpf introduced—

S.F. No. 1130: A bill for an act relating to education; providing for loans to certain school districts having property tax delinquencies; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Frederickson, D.R.; Davis; Willet; Renneke and Moe, R.D. introduced—

S.F. No. 1131: A bill for an act relating to the environment; disapproving a nuclear waste repository in Minnesota; approval of new nuclear power plants; proposing coding for new law in Minnesota Statutes, chapter 116C.

Referred to the Committee on Environment and Natural Resources.

Messrs. Moe, D.M.; Wegscheid; Waldorf; Renneke and Pogemiller introduced—

S.F. No. 1132: A bill for an act relating to retirement; teachers retirement association; making various changes in the law governing the association for the purpose of facilitating administration of retirement benefits and contributions; amending Minnesota Statutes 1986, sections 354.05, subdivision 35, and by adding a subdivision; 354.06, subdivision 1; 354.07, subdivision 3; 354.094, subdivision 1; 354.44, subdivision 5; 354.46, subdivision 5; 354.48, subdivision 7; 354.51, subdivision 5; 354.55, subdivision 11; 354.62, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1986, section 354.44, subdivision 1a.

Referred to the Committee on Governmental Operations.

Messrs. Jude and Ramstad introduced—

S.F. No. 1133: A bill for an act relating to health; creating an exception to the nursing home moratorium; amending Minnesota Statutes 1986, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Ms. Reichgott, Messrs. Schmitz and Belanger introduced—

S.F. No. 1134: A bill for an act relating to taxation; property; modifying the metropolitan revenue distribution system; phasing out certain exemptions; decreasing the contribution percentage; changing certain definitions; prohibiting use of proceeds for special purposes; amending Minnesota Statutes 1986, sections 473F01; 473F02, subdivisions 3 and 12; 473F06; 473F07, subdivisions 1 and 3; 473F08, subdivisions 2 and 6; and 473F13, subdivision 1; repealing Minnesota Statutes 1986, sections 473F02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F12; and 473F13, subdivisions 2 and 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Wegscheid, Merriam, Luther, Vickerman and Laidig introduced—

S.F. No. 1135: A bill for an act relating to tax increment financing; requiring an authority to obtain permission from the county wherein the proposed district is located before including the county's portion of the assessed value within the captured assessed value; amending Minnesota Statutes 1986, section 273.76, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Messrs. Luther and Spear introduced—

S.F. No. 1136: A bill for an act relating to civil actions; clarifying the statute of limitations applicable to actions regarding manufacturers or suppliers of material containing asbestos; proposing coding for new law in Minnesota Statutes, chapter 541.

Referred to the Committee on Judiciary.

Messrs. Luther, Metzen, Dahl and Ms. Peterson, D.C. introduced—

S.F. No. 1137: A bill for an act relating to insurance; regulating cancellations of insurance agency contracts; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce.

Mr. Peterson, R.W. introduced—

S.F. No. 1138: A bill for an act relating to taxation; changing the aggregate material tax; amending Minnesota Statutes 1986, section 298.75.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knaak introduced—

S.F. No. 1139: A bill for an act relating to retirement; public employees retirement association; authorizing the purchase of credit for prior service as an employee of the Fond du Lac Indian Reservation.

Referred to the Committee on Governmental Operations.

Messrs. Stumpf; Langseth; Moe, R.D.; Davis and Bernhagen introduced—

S.F. No. 1140: A bill for an act relating to education; authorizing revenue for cooperating school districts for technology capital and operating purposes; appropriating money; amending Minnesota Statutes 1986, section 275.125, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Frederickson, D.J.; DeCramer; Johnson, D.E.; Mrs. Adkins and Mr. Vickerman introduced—

S.F. No. 1141: A bill for an act relating to transportation; providing for state park road account funds to be used for lake access roads; amending Minnesota Statutes 1986, section 162.06, subdivision 5.

Referred to the Committee on Transportation.

Ms. Reichgott, Messrs. Peterson, R.W.; Schmitz and Taylor introduced—

S.F. No. 1142: A bill for an act relating to local government; permitting the establishment of special service districts; providing taxing and other authority; proposing coding for new law as Minnesota Statutes, chapter 429A.

Referred to the Committee on Local and Urban Government.

Messrs. Davis and Pehler introduced—

S.F. No. 1143: A bill for an act relating to the administration of state property; extending the period for which the commissioner of administration may lease state property; amending Minnesota Statutes 1986, section 16B.24, subdivision 5.

Referred to the Committee on Governmental Operations.

Mr. Berg introduced—

S.F. No. 1144: A bill for an act relating to Traverse county; allowing a property tax levy for the county agricultural society.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Novak, Purfeerst, Willet, Langseth and Bernhagen introduced—

S.F. No. 1145: A bill for an act relating to environment; requiring vehicle weighing scales at sanitary landfills; amending Minnesota Statutes 1986, section 169.872, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Samuelson introduced—

S.F. No. 1146: A bill for an act relating to local government aids; modifying the definition of municipal levy; amending Minnesota Statutes 1986, section 477A.011, subdivision 13.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson introduced—

S.F. No. 1147: A bill for an act relating to motor vehicles; providing for free license plates for former prisoners of war; amending Minnesota Statutes 1986, section 168.125, subdivision 1.

Referred to the Committee on Veterans.

Mr. Wegscheid introduced—

S.F. No. 1148: A bill for an act relating to financial institutions; authorizing certain charges on open-end loan accounts secured by real estate; amending Minnesota Statutes 1986, section 48.185, subdivision 4.

Referred to the Committee on Commerce.

Mr. Samuelson introduced—

S.F. No. 1149: A bill for an act relating to human services; establishing a floor for rate limitation ratios that apply to a nursing home's interim property-related cost rate; appropriating money; amending Minnesota Statutes 1986, section 256B.431, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Chmielewski, Brandl, Benson, Mrs. Adkins and Mr. Wegscheid introduced—

S.F. No. 1150: A bill for an act relating to state government; civil service; providing opportunities for persons with disabilities; amending Minnesota Statutes 1986, sections 43A.10, subdivision 8; 43A.13, subdivision 7; 43A.191, by adding a subdivision; 43A.42; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations.

Messrs. Samuelson and Kroening introduced—

S.F. No. 1151: A bill for an act relating to state contracts; requiring bidders on state construction contracts to submit lists of subcontractors and prohibiting subcontracts with persons not listed; providing penalties; amending Minnesota Statutes 1986, sections 16B.07, by adding a subdivision; and 161.32, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Solon introduced—

S.F. No. 1152: A bill for an act relating to alcoholic beverages; restricting sales to tax delinquent licensees; limiting imports by individuals; maximum volume for volume prices; purchases by delinquent licensees; restricting employment of minors in nonintoxicating liquor premises; repealing non-discriminatory price law; amending Minnesota Statutes 1986, sections 297A.151, subdivisions 2 and 3; 297C.09; 340A.302, subdivision 1; 340A.312, subdivision 2; 340A.318, subdivisions 1 and 3; and 340A.411, by adding a subdivision; repealing Minnesota Statutes 1986, section 340A.307, subdivision 3.

Referred to the Committee on Commerce.

Ms. Peterson, D.C.; Messrs. Stumpf; Johnson, D.J. and Ms. Berglin introduced—

S.F. No. 1153: A bill for an act relating to education; providing for long-range Indian education plans; amending Minnesota Statutes 1986, sections 124.481; and 126.48, by adding a subdivision.

Referred to the Committee on Education.

Mr. Waldorf introduced—

S.F. No. 1154: A bill for an act relating to motor vehicles; taxation; imposing a \$25 sales tax on certain collector motor vehicles; amending Minnesota Statutes 1986, sections 297B.02, subdivision 2, and by adding a subdivision; and 297B.025.

Referred to the Committee on Transportation.

Mr. Schmitz introduced—

S.F. No. 1155: A bill for an act relating to Scott county; authorizing the issuance of county bonds for capital improvements.

Referred to the Committee on Local and Urban Government.

Ms. Peterson, D.C.; Messrs. Laidig and Frank introduced—

S.F. No. 1156: A bill for an act relating to public nuisances; defining a nuisance; providing for the enjoyment of nuisances; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1986, sections 617.33; 617.34; 617.35; 617.36; 617.37; 617.38; 617.39; 617.40; and 617.41.

Referred to the Committee on Judiciary.

Messrs. Samuelson and Willet introduced—

S.F. No. 1157: A bill for an act relating to local government; authorizing the organization of a Crow Wing-Cass county airport authority; providing for the appointment of directors; providing for the financing and operations of the authority.

Referred to the Committee on Local and Urban Government.

Messrs. Vickerman; Frederickson, D.J.; Davis and Bertram introduced—

S.F. No. 1158: A bill for an act relating to state parks; regulating the use of metal detectors in state parks; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Environment and Natural Resources.

Messrs. Marty, Wegscheid, Pogemiller and Freeman introduced—

S.F. No. 1159: A bill for an act relating to corrections; removing the Minnesota correctional industries from state competitive bidding requirements; amending Minnesota Statutes 1986, section 241.27, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1160: A bill for an act relating to state lands; providing for exchange of tax-forfeited peat lands in Aitkin county.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 1161: A bill for an act relating to unemployment compensation; regulating administration of unemployment compensation; providing for benefits and contribution rates; amending Minnesota Statutes 1986, sections 268.04, subdivisions 2, 4, 24, and by adding subdivisions; 268.06, subdivisions 2, 3a, 8, and by adding a subdivision; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.08, subdivision 1; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121; 268.15, subdivision 3; 268.16, subdivision 2; repealing Minnesota Statutes 1986, section 268.04, subdivisions 29 and 30.

Referred to the Committee on Employment.

Mr. Pogemiller introduced—

S.F. No. 1162: A bill for an act relating to local improvements; permitting the issuance of general obligation bonds for certain pedestrian skyways; amending Minnesota Statutes 1986, section 429.091, subdivision 2.

Referred to the Committee on Local and Urban Government.

Messrs. Marty, Belanger and Jude introduced—

S.F. No. 1163: A bill for an act relating to statutes; revising the text of

certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986, chapters 84A; 105; 112; 274; 276; 352; 352B; 365; 430; and 447.

Referred to the Committee on Judiciary.

Messrs. Vickerman; Frederickson, D.J.; Beckman and Morse introduced—

S.F. No. 1164: A bill for an act relating to traffic regulations; requiring damage vehicle release sticker on motor vehicle damaged in accident; requiring garages and vehicle towers to report to law enforcements agencies under certain circumstances; amending Minnesota Statutes 1986, section 169.09, subdivisions 9, 12, and by adding subdivisions.

Referred to the Committee on Transportation.

Messrs. Jude, Wegscheid, Freeman, Renneke and Johnson, D.E. introduced—

S.F. No. 1165: A bill for an act relating to state government; prohibiting certain mandated leaves of absence for state employees; amending Minnesota Statutes 1986, section 43A.32, subdivision 2, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Luther, Knutson and Peterson, R.W. introduced—

S.F. No. 1166: A bill for an act relating to civil actions; requiring future damages to be discounted in arbitration proceedings; requiring the court to instruct the jury on an award of future damages; amending Minnesota Statutes 1986, section 604.07, subdivisions 2, 3, 4, and by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Brandl, Ms. Berglin, Messrs. Chmielewski, Benson and Ms. Piper introduced—

S.F. No. 1167: A bill for an act relating to family law; providing for the unenforceability of surrogate parenting contracts; proposing coding for new law in Minnesota Statutes, chapter 257.

Referred to the Committee on Judiciary.

Messrs. Solon and Gustafson introduced—

S.F. No. 1168: A bill for an act relating to retirement; Duluth police pension association and Duluth firefighters relief association; authorizing the voluntary consolidation of those local relief associations with the public employees police and fire fund; authorizing the individual election of applicable benefit coverage upon the consolidation of those relief associations; amending Minnesota Statutes 1986, sections 353.01, subdivisions 2b, 10, and 16; 353.271; 353.64, subdivision 1; and 353.65, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 353; proposing coding for new law as Minnesota Statutes, chapters 353A and 353B.

Referred to the Committee on Governmental Operations.

Mr. Moe, D.M. introduced—

S.F. No. 1169: A bill for an act relating to retirement; public employees retirement association; mandating plan membership by elected officials; authorizing purchases of credit for prior elected official service; amending Minnesota Statutes 1986, sections 353.01, subdivisions 7 and 16; and 353.36, subdivision 2b, and by adding subdivisions; repealing Minnesota Statutes 1986, sections 353.36, subdivisions 2, 2a, and 2c; and 353.69.

Referred to the Committee on Governmental Operations.

Mr. Moe, D.M. introduced—

S.F. No. 1170: A bill for an act relating to retirement; first class city police officers and firefighters; authorizing extensions of employment beyond the mandatory retirement age upon meeting medical qualifications; amending Minnesota Statutes 1986, section 423.075, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 1171: A resolution memorializing the United States Congress to maintain the Veteran's Administration system of health care facilities.

Referred to the Committee on Veterans.

Mr. Frederickson, D.R.; Mses. Reichgott, Olson, Mr. Pehler and Ms. Peterson, D.C. introduced—

S.F. No. 1172: A bill for an act relating to education; appropriating money for mastery learning sites.

Referred to the Committee on Education.

Messrs. Peterson, R.W.; Merriam; Pogemiller; Johnson, D.J. and Pehler introduced—

S.F. No. 1173: A bill for an act relating to education; changing the name of the school of the arts; increasing the powers of its board; permitting its staff and certain students to be in the unclassified service; appropriating money; amending Minnesota Statutes 1986, sections 43A.08, subdivisions 1 and 1a; 43A.18, subdivision 4; 129C.10, subdivisions 1, 3, 4, 5, 6, and by adding subdivisions.

Referred to the Committee on Governmental Operations.

Mr. Luther introduced—

S.F. No. 1174: A bill for an act relating to the office of the attorney general; removing the numerical limit on the number of assistant attorneys general; authorizing the attorney general to delegate contract review duties; amending Minnesota Statutes 1986, section 8.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 8.

Referred to the Committee on Governmental Operations.

Messrs. Luther and Cohen introduced—

S.F. No. 1175: A bill for an act relating to courts; authorizing the court to sell computer software and apply the proceeds to court functions; establishing a client security fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 480 and 481.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. and Mr. Dicklich introduced—

S.F. No. 1176: A bill for an act relating to education; authorizing a school district to designate a day care site or the home of a relative as the home of a pupil for transportation aid purposes; amending Minnesota Statutes 1986, section 124.223.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pehler and DeCramer introduced—

S.F. No. 1177: A bill for an act relating to education; requiring special instruction and services for handicapped children from birth to age two; expanding the definition of a handicapped child under age five; establishing an advisory council for interagency coordination; clarifying the duty to provide certain transportation for handicapped children and the eligibility for transportation aid; amending Minnesota Statutes 1986, sections 120.03, subdivision 1; 120.17, subdivisions 1, 2, 3, 3a, 5, 7a, 12, and by adding subdivisions; 123.39, subdivision 1; and 124.223; repealing Minnesota Statutes 1986, section 120.17, subdivision 13.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Luther, Willet and Marty introduced—

S.F. No. 1178: A bill for an act relating to health; requiring the elimination of designated smoking areas in certain instances; protecting complainants of smoke-induced discomfort; amending Minnesota Statutes 1986, sections 144.412; and 144.415; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C. introduced—

S.F. No. 1179: A bill for an act relating to education; establishing demonstration sites for coordinated interagency delivery of services for young children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 121.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 1180: A bill for an act relating to veterans; transferring administration of the Minnesota veterans home to the commissioner of human services; requiring staff levels comparable to state nursing home staff; appropriating money; amending Minnesota Statutes 1986, sections 196.052; 198.001, subdivision 5; 198.03; 198.16; 198.161; 198.31; and 198.32,

subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C.; Messrs. Pogemiller, Cohen and Solon introduced—

S.F. No. 1181: A bill for an act relating to education; appropriating money for districts implementing mandatory desegregation plans.

Referred to the Committee on Education.

Mr. Cohen, Mrs. Lantry, Messrs. Marty; Moe, D.M. and Waldorf introduced—

S.F. No. 1182: A bill for an act relating to independent school district No. 625; authorizing the issuance of bonds for the purpose of deferred capital improvements; authorizing a tax levy for debt service; authorizing an excess levy for deferred capital maintenance; providing for local approval.

Referred to the Committee on Education.

Mr. Jude introduced—

S.F. No. 1183: A bill for an act relating to alcoholic beverages; authorizing the city of Minneapolis to issue an on-sale liquor license to the American Swedish Institute.

Referred to the Committee on Commerce.

Mr. Chmielewski introduced—

S.F. No. 1184: A bill for an act relating to state lands; authorizing the conveyance of certain lands in Pine county to the Amherst H. Wilder Foundation; amending Laws 1981, chapter 354, section 1, subdivisions 1 and 5; repealing Laws 1981, chapter 354, section 1, subdivisions 2 and 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 1185: A bill for an act relating to taxation; property; changing the meeting dates for local boards of review and the state board of equalization; changing other miscellaneous dates; providing for appraisal of commercial-industrial property by the county assessor; providing for assessment of commercial-industrial property in the city of St. Cloud; modifying the appeal process; suspending the annual assessment requirement for one year; amending Minnesota Statutes 1986, sections 270.11, subdivisions 1, 2, 5, and 7; 270.12, subdivisions 2 and 3; 270.13; 270.87; 271.21, subdivision 2; 273.061, subdivisions 7, 8, and 9; 273.063; 273.11, by adding a subdivision; 273.33, subdivision 2; 273.37, subdivision 2; 274.01, subdivision 1; 274.14; 274.16; 275.07, subdivision 1; and Laws 1974, chapter 175, section 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.J. introduced—

S.F. No. 1186: A bill for an act relating to local government; permitting the establishment of a joint economic development authority in Cook county.

Referred to the Committee on Economic Development and Housing.

Mr. Knaak introduced—

S.F. No. 1187: A bill for an act relating to retirement; removing age limits on commencement of membership in firefighters relief associations; amending Minnesota Statutes 1986, section 424.04.

Referred to the Committee on Governmental Operations.

Mr. Knaak introduced—

S.F. No. 1188: A bill for an act relating to traffic regulations; providing for the operation by certain police departments and sheriff's offices of specially marked vehicles for highway traffic law enforcement; amending Minnesota Statutes 1986, section 169.98, subdivision 1, and by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Cohen and Frank introduced—

S.F. No. 1189: A bill for an act relating to landlord and tenant; authorizing tenants in single-metered residential buildings to pay for gas and electric utilities and deduct the payments from rent due; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Economic Development and Housing.

Mr. Kroening introduced—

S.F. No. 1190: A bill for an act relating to the Minneapolis park and recreation board; permitting the establishment of a park board personnel system; requiring the park board to adopt current Minneapolis civil service commission provisions; providing employee protections.

Referred to the Committee on Local and Urban Government.

Messrs. Marty and Dicklich introduced—

S.F. No. 1191: A bill for an act relating to utilities; providing for expedited hearings by public utilities commission to review adjustments to rates of public utilities and telephone companies due to tax reform act; providing for repeal.

Referred to the Committee on Public Utilities and Energy.

Messrs. Marty and Dicklich introduced—

S.F. No. 1192: A bill for an act relating to utilities; providing for investigation by and limited proceedings in certain cases before the public utilities commission; providing for triennial rate filing; prohibiting commission from ordering interim rate schedule for six months after final determination in previously filed rate change, with exceptions; providing that management practices be a factor in determining rates; providing for limited hearings

in certain circumstances; allowing the commission to order refunds of discriminatory rates; providing that appellants have ten days to apply for rehearing of commission order; providing for commission review of sales or acquisitions of utilities located outside of the state under certain circumstances; prohibiting utility from shutting off gas or electric service to tenant when utility contracted for service with defaulting landlord; exempting small utilities and telephone companies from indirect cost assessments; amending Minnesota Statutes 1986, sections 216.13; 216.14; 216.15; 216.16; 216B.16, subdivision 3, and by adding subdivisions; 216B.17, subdivision 1; 216B.23, subdivision 1; 216B.27, subdivisions 1 and 2; 216B.50, subdivision 1; 216B.62, subdivision 3; 237.075, subdivision 3, and by adding subdivisions; 237.081, subdivision 1a; 237.295, subdivision 2; and 325E.025, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 216B and 237.

Referred to the Committee on Public Utilities and Energy.

Messrs. Marty and Dicklich introduced—

S.F. No. 1193: A bill for an act relating to utilities; imposing minimum requirements for coin-operated telephones; providing that free or reduced telephone rates for employees of telephone companies not be paid for by ratepayers; providing for public utilities commission to reopen telephone rate case; requiring application for rehearing before judicial review; amending Minnesota Statutes 1986, sections 237.01, subdivision 2, and by adding a subdivision; and 237.14; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Public Utilities and Energy.

Messrs. Dicklich and Johnson, D.J. introduced—

S.F. No. 1194: A bill for an act relating to utilities; requiring the public utilities commission to annually review authorized rates of return; requiring the commission to consider nonutility income under certain circumstances; amending Minnesota Statutes 1986, section 216B.16, by adding subdivisions.

Referred to the Committee on Public Utilities and Energy.

Mr. Dicklich introduced—

S.F. No. 1195: A bill for an act relating to state government; authorizing award of state contracts to other than lowest bidders in distressed counties; amending Minnesota Statutes 1986, section 16B.09, subdivision 1, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Knaak introduced—

S.F. No. 1196: A bill for an act relating to the White Bear Lake conservation district; providing for the membership of its governing board; amending Laws 1971, chapter 355, section 2, subdivision 2, as amended.

Referred to the Committee on Local and Urban Government.

Messrs. Dicklich; Johnson, D.J. and Ms. Peterson, D.C. introduced—

S.F. No. 1197: A bill for an act relating to state government; creating the

council on Martin Luther King, Jr. holidays and providing for the council's powers and duties; proposing coding for new law as Minnesota Statutes, chapter 44B.

Referred to the Committee on Governmental Operations.

Mr. Pehler introduced—

S.F. No. 1198: A bill for an act relating to public employees; prohibiting employees from commencing eligibility for certain benefits relating to accumulated sick leave; clarifying a related effective date; amending Minnesota Statutes 1986, section 465.72; subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Spear, Ms. Peterson, D.C.; Messrs. Marty and Moe, D.M. introduced—

S.F. No. 1199: A bill for an act relating to peace officers; requiring licensure as a prerequisite to exercising the authority of a peace officer; prohibiting persons from misrepresenting themselves as peace officers or part-time peace officers; prescribing penalties; amending Minnesota Statutes 1986, section 626.84; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

Messrs. Spear and Merriam introduced—

S.F. No. 1200: A bill for an act relating to family law; appropriating money to the University of Minnesota for the Hubert H. Humphrey Institute of Public Affairs to study mediation in marriage dissolution cases.

Referred to the Committee on Judiciary.

Mses. Reichgott; Peterson, D.C. and Mr. Cohen introduced—

S.F. No. 1201: A bill for an act relating to human rights; requiring certain boards and commissions to develop certain programs for persons subject to prejudice and discrimination; changing certain procedures in cases before the department of human rights; amending Minnesota Statutes 1986, sections 3.922, subdivision 6; 3.9222, by adding a subdivision; 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 256.482, subdivision 5; 363.05, subdivision 1; 363.06, subdivisions 1 and 4; 363.071; 363.072, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 363.

Referred to the Committee on Judiciary.

Messrs. Pehler and Frederickson, D.R. introduced—

S.F. No. 1202: A bill for an act relating to environment; establishing a siting process for a low-level radioactive waste facility; providing for volunteer sites and an alternative site selection process; establishing a siting board; appropriating money; amending Minnesota Statutes 1986, sections 116C.832, subdivision 1, and by adding subdivisions; 116C.834, subdivision 1; and 116C.842, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116C.

Referred to the Committee on Environment and Natural Resources.

Messrs. Luther; Moe, R.D. and Cohen introduced—

S.F. No. 1203: A bill for an act relating to state government; reorganizing the department of agriculture, the department of energy and economic development, and the department of public service, and providing for the powers and duties of the three departments; changing the name of the department of energy and economic development to the department of trade and economic development; designating the department of jobs and training as the administrative agency for certain juvenile justice and delinquency prevention purposes; providing grants for youth intervention programs; transforming the Minnesota world trade center board into a public corporation; changing the membership of its governing board; establishing the world trade center institute as a joint venture of the corporation and the Minnesota trade office; authorizing the corporation and the world trade center office to contract for certain services and programs; transferring assets and liabilities of the world trade center board to the corporation; appropriating money; amending Minnesota Statutes 1986, sections 15.057; 17.03, subdivision 1; 18.023, subdivision 11; 18.024, subdivision 1; 43A.08, subdivision 1; 44A.01; 44A.02; 44A.031; 44A.08; 104.35, subdivisions 2 and 3; 115A.12, subdivision 2; 116C.03, subdivision 2; 116J.01; 116J.03; 116J.58, subdivision 2; 116J.60; and 116J.63, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 17; 44A; 116J; and 268; proposing coding for new law as Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1986, sections 4.09; 17.03, subdivision 5; 44A.03; 44A.04; 44A.05; 44A.06; 44A.07; 116J.404; and 116J.405.

Referred to the Committee on Economic Development and Housing.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 30, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWENTY-SIXTH DAY

St. Paul, Minnesota, Monday, March 30, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Marcus Hess.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	DeCramer	Knaak	Metzen	Reichgott
Beckman	Dicklich	Knutson	Moe, D.M.	Renneke
Benson	Diessner	Kroening	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Langseth	Novak	Solon
Bernhagen	Frederickson, D.J.	Lantry	Olson	Spear
Bertram	Frederickson, D.R.	Larson	Pehler	Storm
Brandl	Freeman	Lessard	Peterson, D.C.	Stumpf
Brataas	Gustafson	Luther	Peterson, R.W.	Taylor
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid
				Willett

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Belanger was excused from the Session of today. Mr. Kroening was excused from the Session of today from 2:00 to 2:20 p.m. Messrs. Freeman, Luther and Ms. Peterson, D.C. were excused from the Session of today from 2:00 to 2:25 p.m. Mr. Storm was excused from the Session of today from 2:00 to 2:40 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Chair of the Waste Management Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Joe Pavelich, 15 Cypress Blvd., Babbitt, St. Louis County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Environment and Natural Resources.)

Sincerely,

Rudy Perpich, Governor

March 25, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1987 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
85		4	March 17	March 18
211		5	March 17	March 18
	191	6	March 25	March 25
87		7	March 25	March 25
208		8	March 25	March 25
258		9	March 25	March 25
302		10	March 25	March 25
402		11	March 25	March 25

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 97: A bill for an act relating to frauds; fixing conditions for the legal determination of fraud in property transfers; enacting the uniform fraudulent transfer act; proposing coding for new law in Minnesota Statutes, chapter 513; repealing Minnesota Statutes 1986, sections 513.20; 513.21; 513.22; 513.23; 513.24; 513.25; 513.26; 513.27; 513.28; 513.29; 513.30; 513.31; and 513.32.

Senate File No. 97 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 26, 1987

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 97 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 97 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Morse	Schmitz
Beckman	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Stumpf
Berg	Frederickson, D.J.	Lantry	Pehler	Taylor
Berglin	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Gustafson	Marty	Piper	Waldorf
Bertram	Hughes	McQuaid	Purfeerst	Willet
Brandl	Johnson, D.E.	Mehrkens	Ramstad	
Chmielewski	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	
Davis	Knaak	Moe, R.D.	Samuelson	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 29, 375, 444, 575, 661, 424, 526, 545, 542, 557, 687 and 713.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 29: A bill for an act relating to traffic regulations; requiring motor vehicle operators to use child passenger restraint system when transporting child under age of four; assessing court costs to violator under certain conditions; imposing penalty; amending Minnesota Statutes 1986, section 169.685, subdivision 5, and by adding a subdivision.

Referred to the Committee on Transportation.

H.F. No. 375: A bill for an act relating to corrections; clarifying the commissioner of corrections authority in licensing and supervising insti-

tutions and facilities; providing for restitution by inmates for destruction of state property; clarifying terminology; authorizing the commissioner to adopt rules relating to payment of restitution by inmates; authorizing the forfeiture of contraband money or property; clarifying provisions relating to county probation reimbursement; providing a penalty for assaults on correctional employees; amending Minnesota Statutes 1986, sections 241.021, subdivision 1; 241.08, subdivision 1; 241.26, subdivision 5; 241.69, subdivision 2; 243.23, subdivision 3; 243.24, subdivision 1, and by adding a subdivision; 260.311, subdivision 4; 609.2231, by adding a subdivision; and 641.264, subdivision 2.

Referred to the Committee on Judiciary.

H.F. No. 444: A bill for an act relating to insurance; regulating funeral and burial expenses; allowing persons to select funeral or burial services and supplies of their choice; amending Minnesota Statutes 1986, section 72A.325.

Referred to the Committee on Commerce.

H.F. No. 575: A resolution memorializing the President and Congress to immediately direct the Farmers Home Administration to participate in and cooperate with the Farmer-Lender Mediation Program in the State of Minnesota.

Referred to the Committee on Agriculture.

H.F. No. 661: A bill for an act relating to commerce; granting motor fuel retailers the option to purchase from wholesalers other than the refiner; proposing coding for new law in Minnesota Statutes, chapter 80C.

Referred to the Committee on Commerce.

H.F. No. 424: A bill for an act relating to the military; authorizing the adjutant general to delegate certain duties to subordinates; amending Minnesota Statutes 1986, section 190.16, by adding a subdivision.

Referred to the Committee on Veterans.

H.F. No. 526: A bill for an act relating to human services; authorizing the department of human services to enter into shared service agreements; amending Minnesota Statutes 1986, section 246.57, subdivisions 1, 2, and by adding a subdivision; repealing Minnesota Statutes 1986, sections 246.57, subdivision 3; 246.61; 246.62; and 246.63.

Referred to the Committee on Finance.

H.F. No. 545: A bill for an act relating to natural resources; revising qualifications for the office of director of the division of waters; amending Minnesota Statutes 1986, section 105.40, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 542: A bill for an act relating to transportation; providing an alternative procedure to record town roads; proposing coding for new law in Minnesota Statutes, chapter 164.

Referred to the Committee on Transportation.

H.F. No. 557: A bill for an act relating to state departments and agencies; renaming the mental retardation division of the department of human services; amending Minnesota Statutes 1986, section 245.072.

Referred to the Committee on Health and Human Services.

H.F. No. 687: A bill for an act relating to collection and dissemination of data; allowing law enforcement agencies to release the date of birth of persons involved in traffic accidents; amending Minnesota Statutes 1986, section 169.09, subdivision 13.

Referred to the Committee on Judiciary.

H.F. No. 713: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1986, sections 1.135, subdivision 3; 8.31, subdivision 1; 13.43, subdivision 6; 14.02, subdivision 4; 15.61; 17.59, subdivision 5; 17A.04, subdivision 1; 28A.15, subdivision 4; 38.27, subdivision 3; 41A.05, subdivision 2; 48.13, subdivision 2; 48.26; 49.01, subdivision 3; 49.44; 60A.17, subdivision 12; 64B.18; 72A.41, subdivision 1; 79.38, subdivision 1; 84A.08; 97A.021, subdivision 2; 97A.065, subdivision 4; 97A.205; 97A.441, subdivision 5; 97A.445, subdivision 3; 97A.465, subdivision 4; 97A.501, subdivision 2; 97A.545, subdivision 4; 97B.315; 97B.921; 97B.925; 115A.07, subdivision 1; 115A.12, subdivision 1; 115A.14, subdivision 5; 115A.162; 116C.57, subdivision 3; 116E.03, subdivision 9; 116J.72; 120.17, subdivision 5a; 121.904, subdivisions 11a and 11b; 122.541, subdivision 2; 124.01, subdivision 1; 124.195, subdivisions 8 and 9; 124.2138, subdivisions 3 and 4; 124.32, subdivision 1c; 124.472; 126.39, subdivision 11; 136.44; 136A.04, subdivision 2; 136A.06; 136D.28, subdivision 2; 136D.89, subdivision 2; 147.09; 152.02, subdivision 12; 160.283, subdivision 1; 171.05, subdivision 3; 174.255, subdivisions 1 and 2; 174.29, subdivision 1; 176.83, subdivision 7; 177.24, subdivision 2; 179A.12, subdivision 1; 182.651, subdivision 18; 193.141, subdivision 2; 193.145, subdivision 2; 214.01, subdivision 3; 219.691; 219.692; 219.743; 219.755; 222.61; 241.31, subdivision 2; 243.24, subdivision 2; 246.51, subdivision 1; 246A.02; 246A.11, subdivision 1; 246A.12, subdivisions 1 and 7; 246A.13, subdivision 1; 250.05, subdivision 2; 256.12, subdivision 14; 256.462, subdivision 2; 256B.03, subdivision 2; 257.34, subdivision 1; 260.015, subdivision 3; 260.151, subdivision 1; 268.072, subdivision 6; 271.15; 273.13, subdivision 22; 275.125, subdivisions 6a, 8, and 11c; 278.06; 290.01, subdivision 20b; 295.34, subdivision 1; 296.14, subdivision 4; 297.03, subdivision 3; 297A.06; 297A.25, subdivision 10; 308.341; 317.03; 317.65, subdivision 6; 319A.03; 319A.05; 319A.12, subdivisions 1a and 2; 322A.70; 326.03, subdivision 2; 326.06; 327.18, subdivision 3; 327C.07, subdivision 3a; 349.2121, subdivision 3; 354.05, subdivision 2; 355.311, subdivision 1; 361.26, subdivision 2; 366.095, subdivision 1; 378.43, subdivision 1; 383A.404, subdivision 7; 383B.035, subdivision 1; 383B.237; 383C.76; 386.71; 393.13, subdivision 1; 412.381; 412.501; 447.42, subdivision 2; 453.53, subdivision 3; 458A.03, subdivision 8; 458C.17; 462.601; 462.605; 462A.04, subdivision 8; 462A.05, subdivision 18; 462A.20, subdivision 3; 462C.04, subdivision 2; 462C.12, subdivision 2; 471.467, subdivision 1; 471.74, subdivision 2; 471.993, subdivision 1; 471A.03, subdivision 2; 473.149, subdivision 4; 473.181, subdivision 3; 473.811, subdivisions 6, 7, 8, and 9; 473F06; 473F07, subdivision 1; 473F09; 474A.09; 604.06; 609.53, subdivisions 1 and 1a; 609.687, subdivision 4; 611.14; 626A.05, subdivision 2; 645.02; amending Laws 1982, chapter 523, article 30, section 4, subdivision 1; and Laws 1986, chapter 399, article 1, section 17; repealing Minnesota Statutes 1986, sections 193.145, subdivision 3; and

325D.69, subdivision 1; repealing Laws 1986, chapter 463, section 3; and Laws 1986, First Special Session chapter 3, article 1, section 84.

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1093: A bill for an act relating to employees; providing for a wage protection program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after "4" insert a comma and delete "those" and insert "*remuneration for services provided by an employee to an employer which is*"

Page 1, line 15, delete "wages" and insert "*such remuneration*"

Page 2, line 7, delete "may" and insert "shall" and delete the second "the" and insert "an"

Page 2, line 14, delete the comma and after "\$200" insert a comma

Page 2, line 15, delete "shall" and insert "must"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1110: A bill for an act relating to labor; regulating mediation, fact finding, and other functions of the bureau of mediation services; providing for violations of the labor union democracy act; amending Minnesota Statutes 1986, sections 179.02, subdivision 2, and by adding a subdivision; 179.07; 179.08; 179.083; 179.22; 179.38; proposing coding for new law in Minnesota Statutes, chapter 179; repealing Minnesota Statutes 1986, sections 179.05; 179.23; and 179.24.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 916: A bill for an act relating to workers' compensation; providing a permanent partial disability rating for certain losses; proposing coding for new law in Minnesota Statutes, chapter 176.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 494: A bill for an act relating to the Duluth airport authority; providing that authority employees hired after a certain date are not covered by any civil service system.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, strike the semicolon

Page 2, lines 7 to 9, delete the new language

Page 2, line 9, after the period, insert "*No employee hired after June 20, 1969, is subject to a civil service system, but is covered by chapter 353 and sections 197.455 and 197.46.*"

Page 2, after line 9, insert:

"Sec. 2. [APPLICATION TO LEGAL ACTIONS.]

This act governs a cause of action arising after January 30, 1987."

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 981: A bill for an act relating to state government; providing for affirmative action improvements; regulating job eligibility lists; providing for the title of state agency heads; regulating hiring and personnel practices; amending Minnesota Statutes 1986, sections 15.06, subdivision 1; 15.46; 43A.08, subdivision 1; 43A.13, subdivisions 1 and 7; 43A.18, subdivision 4; 43A.191, subdivision 3; 43A.24, subdivision 2; 43A.30, subdivision 4; 43A.33, subdivision 3; 43A.34, subdivision 3; repealing Minnesota Statutes 1986, sections 15.45, subdivision 3; 15.47; and 43A.34, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 3 and insert:

"Sec. 3. [15.461] [EPIDEMIOLOGIC STUDIES.]

The commissioner of health may conduct epidemiologic studies necessary to investigate, prevent, or reduce morbidity or mortality among state employees. Solely for the purposes of those studies or investigations, the commissioner has access to data on individual state employees, including data classified as private or confidential under chapter 13."

Page 6, line 20, delete "*which*" and insert "*that*"

Page 6, line 21, delete "*have justification for*" and insert "*fails to justify*"

Page 6, line 22, delete "75" and insert "25"

Page 7, line 36, reinstate the stricken language

Page 8, lines 1 and 2, reinstate the stricken language

Page 8, lines 5, 8, and 10, reinstate the stricken language and delete the new language

Page 9, line 20, after "from" insert "determining"

Page 10, after line 36, insert:

"Sec. 12. Minnesota Statutes 1986, section 43A.34, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY RETIREMENT AGE.] Employees in the executive branch who are subject to the provisions of the Minnesota state retirement system or the teacher's retirement association *and who are serving as faculty members or administrators under a contract of unlimited terms or similar arrangement providing for unlimited tenure at an institution of higher education, as defined in section 1201(a) of the federal Higher Education Act of 1965, as amended through January 1, 1987,* must retire from employment by the state upon reaching the age of 70, except as provided in other law. *Other employees in the executive branch who are subject to the provisions of the Minnesota state retirement system or the teacher's retirement association, except as provided in subdivision 3 or 4, or as provided in section 354.44, subdivision 1a, shall not be subject to a mandatory retirement age provision.*"

Page 11, after line 29, insert:

"Sec. 14. Minnesota Statutes 1986, section 43A.34, subdivision 4, is amended to read:

Subd. 4. [STATE PATROL, CONSERVATION AND CRIME BUREAU OFFICERS EXEMPTED.] Notwithstanding any provision to the contrary, (a) conservation officers and crime bureau officers who were first employed on or after July 1, 1973 and who are members of the state patrol retirement fund by reason of their employment, and members of the Minnesota state patrol division of the department of public safety who are members of the state patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60 years, except for a fractional portion of one year that will enable the employee to complete the employee's next full year of allowable service as defined pursuant to section 352B.01, subdivision 3; and (b) conservation officers and crime bureau officers who were first employed and are members of the state patrol retirement fund by reason of their employment before July 1, 1973, shall not continue employment after attaining the age ~~specified in subdivision 4~~ of 70 years.

Sec. 15. [WAIVER OF STATUTES, RULES, AND ADMINISTRATIVE PROCEDURES FOR EXPERIMENTAL OR RESEARCH PROJECTS.]

The commissioner of employee relations may conduct experimental or research projects designed to improve recruitment, selection, referral, or appointment processes for the filling of state classified positions. Any provision of Minnesota Statutes, sections 43A.09 to 43A.15, associated personnel rules adopted under section 43A.04, subdivision 3, or administrative procedures established under section 43A.04, subdivision 4, is waived for the purpose of these projects. This waiver is limited to no more than five percent of appointments made under the waived provisions in the preceding fiscal year. The commissioner shall report by March 1, 1988, and January 15, 1989, to the legislative commission on employee relations

the results of the experimental or research projects."

Page 12, line 4, delete "*subdivisions 1 and*" and insert "*subdivision*"

Page 12, line 5, delete "3" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "giving the commissioner of health access to private or confidential data on individual state employees for purposes of epidemiologic studies; setting a mandatory retirement age for certain employees and abolishing it for others;"

Page 1, line 11, delete "subdivision" and insert "subdivisions 1," and after "3" insert ", and 4; proposing coding for new law in Minnesota Statutes, chapter 15"

Page 1, line 13, delete "subdivisions 1 and" and insert "subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 927: A bill for an act relating to driver's licenses; providing for a medical alert identifier; amending Minnesota Statutes 1986, section 171.07, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 637: A bill for an act relating to transportation; creating a state institutions town road account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 162.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 161.082, subdivision 2a, is amended to read:

Subd. 2a. An amount equal to 20 percent of the county turnback account must be expended; ~~within counties having two or more towns~~, on town road bridge structures that are 10 feet or more in length and on town road culverts that replace existing town road bridges. In addition, if the present bridge structure is less than ten feet in length but a hydrological survey indicates that the replacement bridge structure or culvert must be ten feet or more in length, then the bridge or culvert is eligible for replacement funds. The expenditures on bridge structures and culverts may be on a matching basis, and if on a matching basis, not more than 90 percent of the cost of a bridge structure or culvert may be paid from the county turnback account.

An amount equal to 37 percent of the county turnback account must be set aside as a town road account and distributed as provided in section 162.081.

Sec. 2. [162.55] [STATE INSTITUTIONS ROAD AND HIGHWAY ACCOUNT.]

A state institutions road and highway account is created in the state treasury. Money in the account is appropriated to the commissioner of transportation to pay state aid to towns, cities, and counties to maintain and improve roads, streets, and highways that:

- (1) do not otherwise receive state aid under this chapter; and*
- (2) provide substantial access to a state institution or a unit of the state outdoor recreation system as defined in section 86A.04.*

The balance in the account must not be canceled. Distribution of money in the account is governed by a committee appointed by the commissioner of transportation, consisting of a county highway engineer, a county board member, a city council member, and two town supervisors. Roads, streets, and highways maintained or improved with money from this account must meet the same maintenance standards that apply to roads, streets, and highways that are maintained or improved with money from the state-aid system, except that town roads maintained with money from this account must meet the maintenance standards that apply to town roads maintained with money from the town road account in the county state-aid highway fund.

Sec. 3. [APPROPRIATION.]

The sum of \$_____ is appropriated from the general fund to the state institutions road and highway account created in section 2."

Delete the title and insert:

"A bill for an act relating to transportation; creating a state institutions road and highway account; appropriating money; amending Minnesota Statutes 1986, section 161.082, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 162."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 451: A bill for an act relating to traffic regulations; providing for handicapped license plate and handicapped parking certificate conferring certain parking privileges; establishing designated handicapped parking spaces; providing penalties; amending Minnesota Statutes 1986, sections 168.021, subdivisions 1, 1a, 3, and 5; 169.345; and 169.346, subdivisions 1 and 3; repealing Minnesota Statutes 1986, section 168.021, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.021, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL PLATES; APPLICATION FOR ISSUANCE.]
When a motor vehicle registered under section 168.017, or a self-propelled recreational vehicle, is owned or primarily operated by a *permanently*

physically handicapped person, the owner may apply for and secure from the registrar of motor vehicles two license ~~number~~ plates with attached emblems, one plate to be attached to the front, and one to the rear of the vehicle. Application for ~~issuance of these~~ the plates must be made at the time of renewal or first application for registration. *When the owner first applies for the plates, the owner must submit a physician's statement on a form developed by the commissioner under section 169.345.*

Sec. 2. Minnesota Statutes 1986, section 168.021, subdivision 1a, is amended to read:

Subd. 1a. [SCOPE OF PRIVILEGE.] If ~~any a~~ a physically handicapped person parks a vehicle displaying license plates described in this section or any person parks ~~such a the~~ vehicle ~~while transporting~~ for a physically handicapped person, that person shall be entitled to ~~courtesy in the parking of park~~ the vehicle and be relieved of any liability with respect to parking except as provided in sections 169.32 and 169.34; provided that any municipal governing body may, by ordinance, prohibit parking on any street or highway for the purpose of creating a fire lane, or to provide for the accommodation of heavy traffic during morning and afternoon rush hours and the privileges extended to handicapped persons shall not apply on streets or highways where and at the time parking is prohibited. The license plates specified in this section shall also serve to identify vehicles properly parked in designated handicapped parking spaces, as provided in section 169.346 as provided in section 169.345.

Sec. 3. Minnesota Statutes 1986, section 168.021, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF PLATES; FURNISHING BY REGISTRAR.] The registrar of motor vehicles shall design and furnish two license number plates with attached emblems to each ~~such~~ eligible owner. The emblem ~~shall must~~ bear the internationally accepted wheelchair symbol, as designated in section 16.8632, approximately three inches square. The emblem ~~shall must~~ be of ~~such~~ size as large enough to be visible plainly from a distance of 50 feet. ~~Applicants~~ An applicant eligible for ~~these the~~ special plates shall pay the motor vehicle registration fee authorized by law less a credit of \$1 for each month registered.

Sec. 4. Minnesota Statutes 1986, section 168.021, subdivision 3, is amended to read:

Subd. 3. [PENALTIES FOR UNAUTHORIZED USE OF PLATE PLATES.] A person who ~~appropriates or~~ uses the ~~plate plates~~ provided in under this section ~~upon on~~ a motor vehicle ~~other than as authorized by~~ in violation of this section is guilty of a gross misdemeanor, and is subject to a fine of \$500. This subdivision does not preclude a person who is not physically handicapped from operating a vehicle ~~upon which these bearing the~~ plates are displayed ~~where if~~ the person is the owner of the vehicle and permits its operation by a physically handicapped person, or ~~where if~~ the person operates the vehicle with the consent of the owner who is physically handicapped. A ~~nonhandicapped~~ driver who is not handicapped is not entitled to the parking privileges provided in this section and in section 169.346 unless ~~transporting parking the vehicle for~~ a physically handicapped person.

Sec. 5. Minnesota Statutes 1986, section 168.021, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] For the purposes of this section, ~~a the~~ term

“physically handicapped person” means a person who has sustained an amputation or material disability of either or both arms or legs, or who has been otherwise disabled in any manner, rendering it difficult and burdensome for the person to walk *has the meaning given it in section 169.345.*

Sec. 6. Minnesota Statutes 1986, section 168.021, subdivision 6, is amended to read:

Subd. 6. [DRIVERS DRIVER'S LICENSE LAW NOT AFFECTED.] Nothing in this section shall be construed to revoke, limit, or amend any of the terms of the drivers license law chapter 171.

Sec. 7. Minnesota Statutes 1986, section 169.345, is amended to read:
169.345 [PARKING PRIVILEGES FOR PHYSICALLY HANDICAPPED.]

Subdivision 1. [SCOPE OF PRIVILEGE.] Any physically handicapped person who displays prominently upon the vehicle parked by or under the direction and for the use of the handicapped person, A vehicle that prominently displays the distinguishing certificate specified in authorized by this section shall be entitled to courtesy in the parking of the vehicle and be relieved of any liability with respect to parking except as provided in sections 169.32 and 169.34; provided that any municipal governing body, or bears license plates issued under section 168.021, may be parked by or for a physically handicapped person:

(1) in a designated handicapped parking space, as provided in section 169.346;

(2) in a limited time parking space without regard to the posted time limit; and

(3) in a metered parking space without obligation to pay the meter fee.

Notwithstanding clauses (1) to (3), this section does not permit parking in areas prohibited by sections 169.32 and 169.34, in designated no parking spaces, or in parking spaces reserved for specified purposes or vehicles. A local governmental unit may, by ordinance, prohibit parking on any street or highway for the purpose of creating to create a fire lane, or to provide for the accommodation of accommodate heavy traffic during morning and afternoon rush hours and the privileges extended to such handicapped persons shall not these ordinances also apply on streets or highways where and at such time parking is prohibited. The certificate specified in this section shall also serve to identify vehicles properly parked in designated handicapped parking spaces as provided in section 169.346 to physically handicapped persons.

Subd. 2. [DEFINITIONS.] For the purpose of this section “physically handicapped person” means any a person who has sustained an amputation or material disability of either or both arms or legs, or who has been otherwise disabled in any manner rendering it difficult and burdensome to walk:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or requires the use of a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's

forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one meter;

(5) has an arterial oxygen tension (PAO₂) of less than 60 mm/hg on room air at rest;

(6) uses portable oxygen; or

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association.

Subd. 2a. [PHYSICIAN'S STATEMENT.] The commissioner shall develop a form for the physician's statement. The statement must be signed by a licensed physician who certifies that the applicant is a physically handicapped person as defined in subdivision 2. The commissioner may request additional information from the physician if needed to verify the applicant's eligibility. The physician's statement must specify whether the disability is permanent or temporary, and if temporary, the opinion of the physician as to the duration of the disability. A physician who fraudulently certifies to the commissioner that a person is a physically handicapped person as defined in subdivision 2, and that the person is entitled to the license plates authorized by section 168.021 or to the certificate authorized by this section, is guilty of a misdemeanor and is subject to a fine of \$500.

Subd. 3. [IDENTIFYING CERTIFICATE.] (a) The division of driver and vehicle services in the department of public safety shall issue without charge a special identifying certificate for a marked motor vehicle to any when a physically handicapped applicant upon submission by the applicant of a certificate by a qualified physician to the division that the applicant is a physically handicapped person within the meaning of subdivision 2 submits a physician's statement. The commissioner shall issue a single type of certificate to both permanently and temporarily physically handicapped persons. The certificate is valid for the duration of the person's disability, as specified in the physician's statement, up to a maximum of five years. A person with a disability of longer duration will be required to renew the certificate for additional periods of time, up to five years each, as specified in the physician's statement.

(b) Upon submission of satisfactory evidence When the commissioner is satisfied that a motor vehicle is used primarily for the purpose of transporting physically handicapped persons within the meaning of subdivision 2, the division may issue without charge a special identifying certificate or insignia for the vehicle. The operator of the a vehicle, when displaying the certificate or insignia, has the same parking privileges provided in subdivision 1 for the physically handicapped during the period while the vehicle is in use for transporting physically handicapped persons. The certificate issued to a person transporting physically handicapped persons must be renewed every third year. On application and renewal, the person must present evidence that the vehicle continues to be used for transporting physically handicapped persons.

The commissioner of public safety shall determine the form, size and promulgate rules governing their issuance and use necessary to carry out the provisions of this section. The physician's certificate shall specify whether the disability is permanent or temporary, and if temporary, the opinion of the physician as to the duration of the disability. The commissioner may issue special identifying certificates to temporarily physically

handicapped persons for limited periods of time-

(c) A certificate must be made of plastic or similar durable material, must be distinct from certificates issued before December 31, 1987, and must bear its expiration date prominently on its face. The commissioner may charge a fee of \$5 for issuance or renewal of a certificate, and a fee of \$5 for a duplicate to replace a lost, stolen, or damaged certificate.

Subd. 4. [UNAUTHORIZED USE; REVOCATION; PENALTY.] ~~If the police of the state or any city, or other local government shall find a peace officer finds that the certificate is being improperly used, they the officer shall report the violation to the division of driver and vehicle services in the department of public safety any violation and the commissioner of public safety may remove revoke the privilege certificate. A person who uses the certificate in violation of this section is guilty of a misdemeanor and is subject to a fine of \$500.~~

Sec. 8. Minnesota Statutes 1986, section 169.346, is amended to read:

169.346 [PARKING FOR PHYSICALLY HANDICAPPED; PROHIBITIONS; PENALTIES.]

Subdivision 1. [PARKING CRITERIA.] ~~No~~ A person shall not:

(1) park a motor vehicle in or obstruct access to a parking space designated and reserved for the physically handicapped, on either private or public property;

(2) park a motor vehicle in or obstruct access to an area designated by a local governmental unit as a handicapped transfer zone; or

(3) exercise the parking privilege provided in section 169.345, unless:

(a) (i) that person is a physically handicapped person as defined in section 169.345, subdivision 2, or the person is transporting or parking a vehicle for a physically handicapped person; and

(b) (ii) the vehicle visibly displays ~~the certificate or one of the following: a license plate issued to physically handicapped persons or the under section 168.021, a certificate issued to persons transporting physically handicapped persons by the department of public safety pursuant to under section 169.345, subdivision 3, or 168.021, or if the vehicle visibly displays~~ an equivalent certificate, insignia, or license plate issued by another state or one of its political subdivisions.

Subd. 2. [SIGNS; PARKING SPACES TO BE FREE OF OBSTRUCTIONS.] (a) Handicapped parking spaces must be designated and identified by the posting of signs incorporating the international symbol of access in white on blue and indicating that the parking space is reserved for the handicapped persons with vehicles displaying the required certificate, license plates, or insignia. Spaces ~~which have been that are~~ clearly identified for handicapped parking by signs ~~which that~~ are not in compliance with the design standards as set forth in this subdivision shall also be deemed designated and reserved for the physically handicapped for the purposes of this section. A sign posted for the purpose of this section must be visible from inside a vehicle parked in the space, be kept clear of snow or other obstructions which block its visibility, and be nonmovable or only movable by authorized persons.

(b) The owner or manager of the property on which the designated parking space is located shall ensure that the space is kept free of ob-

struction. If the owner or manager allows the space to be blocked by snow, merchandise, or similar obstructions for 24 hours after receiving a warning from a peace officer, the owner or manager is guilty of a misdemeanor and subject to a fine of \$500.

Subd. 3. [PENALTY.] ~~Any~~ A person who violates ~~the provisions of~~ subdivision 1 is guilty of a ~~petty~~ misdemeanor and shall be fined ~~not less than \$25 nor more than \$100~~ \$500. This subdivision shall be enforced in the same manner as parking ordinances or regulations ~~are enforced~~ in the governmental subdivision in which the violation occurs. Law enforcement officers have the authority to tag vehicles parked on either private or public property in violation of ~~the provisions of~~ subdivision 1. A *physically handicapped person, or a person parking a vehicle for a handicapped person, who is charged with violating subdivision 1 because the person parked in a handicapped parking space without the required certificate or insignia license plates shall not be convicted upon producing if the person produces in court or prior to before the court appearance the required certificate or insignia evidence that the person has been issued license plates under section 168.021, and demonstrates entitlement to the certificate or insignia plates at the time of arrest or tagging.*

Sec. 9. [TRANSITION.]

From January 1, 1988, to December 31, 1988, the owner of a vehicle with license plates issued under section 168.021 before January 1, 1988, must reapply for the plates and submit the physician's statement required under section 169.345, subdivision 2a, to the commissioner when the registration for the plates expires. A certificate issued under section 169.345 before January 1, 1988, expires on December 31, 1988, unless it is reissued by the commissioner before that date. The commissioner of public safety shall develop and implement an informational campaign to notify the public and holders of certificates and license plates issued before January 1, 1988, of the need to reapply for certificates and license plates and of other changes made by sections 1 to 8 in the certificate and license plate program for physically handicapped persons. The council for the handicapped shall assist the commissioner and officials charged with enforcing municipal parking restrictions in the implementation of sections 1 to 8.

Sec. 10. [REPEALER.]

Minnesota Statutes 1986, section 168.021, subdivision 7, is repealed.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 8 and 10 are effective January 1, 1988. Section 9 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public safety; parking for handicapped persons; imposing a fine for violations of handicapped parking provisions; providing penalties; amending Minnesota Statutes 1986, sections 168.021, subdivisions 1, 1a, 2, 3, 5, and 6; 169.345; and 169.346; repealing Minnesota Statutes 1986, section 168.021, subdivision 7."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 884: A bill for an act relating to appropriations; appropriating money for demonstration project involving production of butanol and ethanol from sweet sorghum.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete "\$394,000" and insert "\$_____"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 364: A bill for an act relating to agriculture; reactivating the agricultural data collection task force; appropriating money; amending Laws 1985, chapter 19, section 6, subdivision 6, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, strike "January" and insert "April" and delete "1988" and insert "1989"

Page 1, line 19, strike "March" and insert "June" and delete "1988" and insert "1989"

Page 1, line 24, delete "March 1, 1988" and insert "June 30, 1989"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 793: A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; prescribing certain arbitration procedures for all automobile manufacturers doing business and offering express warranties on their vehicles sold in Minnesota; amending Minnesota Statutes 1986, section 325F665.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 21, strike "procedure or"

Page 4, line 5, delete "shall have" and insert "has"

Page 5, line 32, delete "shall" and insert "does"

Page 6, line 26, delete "shall have" and insert "has"

Page 6, line 35, delete "shall" and insert "must"

Page 7, line 8, before the period, insert "as set forth in subdivision 3"

Page 8, line 8, strike "PROCEDURE" and insert "MECHANISM"

Page 8, line 14, strike "procedure" and insert "mechanism located in the state of Minnesota"

Page 8, line 19, strike "procedure" and insert "mechanism"

Page 8, line 21, delete "*procedure*" and insert "*mechanism*"

Page 8, line 23, strike "*procedure*" and delete "*or*"

Page 8, line 35, delete "*mechanism from considering*" and insert "*consideration of*"

Page 9, line 3, strike "*procedure*" and insert "*mechanism*"

Page 9, line 16, strike the comma

Page 9, lines 19 and 20, delete "*procedure*" and insert "*mechanism's meeting*"

Page 9, line 29, after "*to*" insert "*appear and*"

Page 9, line 30, after "*presentation*" insert "*in the state of Minnesota*"

Page 9, line 31, before the comma, insert "*or by telephone*"

Page 9, line 35, delete "*shall*" and insert "*may*"

Page 10, line 11, delete "*shall*" and insert "*must*"

Page 10, lines 27 and 32, delete "*procedure*" and insert "*mechanism*"

Page 10, line 28, delete "*shall*" and insert "*may*"

Page 11, line 1, delete "*procedure*" and insert "*mechanism*" and delete "*shall*" and insert "*may*"

Page 11, line 4, delete "*PROCEDURE*" and insert "*MECHANISM*"

Page 11, lines 11 and 25, delete "*procedure*" and insert "*mechanism*"

Page 11, line 27, delete "*that is*"

Page 12, line 10, after "*consumer*" insert a semicolon

Page 12, line 11, after "*that*" insert a comma

Page 12, line 24, delete "*shall*" and insert "*may*"

Page 12, after line 25, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1987, and applies to all motor vehicles that are still under an applicable express manufacturer's warranty and which were originally delivered to the consumer during the previous one-year period."

Amend the title as follows:

Page 1, line 5, delete "*procedures*" and insert "*mechanisms*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 701: A bill for an act relating to labor; prohibiting certain terminations; requiring notice of reasons for terminations; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 29 to 32 and insert:

"Subdivision 1. [NOTICE REQUIRED.] An employee who has been involuntarily terminated may, within five working days following such termination, request in writing that the employer inform the employee of the reason for the termination. Within five working days following receipt of such request, an employer shall inform the terminated employee in writing of the reason for the termination."

Page 3, delete lines 2 and 3 and insert *"The department of labor and industry shall promulgate rules for notification of employees by employers of an employee's rights under sections 1 to 5."*

Page 3, line 4, after "REMEDIES" insert "; PENALTY"

Page 3, line 5, before "In" insert "(a)" and delete the second "any" and insert "an"

Page 3, line 6, delete "person" and insert "employee" and delete "sections 2 to 4" and insert "section 2"

Page 3, after line 10, insert:

"(b) An employer who failed to notify, as required under section 3 or 4, an employee injured by a violation of section 2 is subject to a civil penalty not to exceed \$750 per injured employee."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing a penalty;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 2: A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; allowing the legislature to authorize certain lotteries.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [PROPOSED AMENDMENT.]

The following amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XIII, section 5, will read as follows:

Sec. 5. The legislature shall not authorize any lottery or the sale of lottery tickets, *other than a lottery operated by the state.*

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment shall be submitted to the people at the 1988 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to permit the legislature to authorize a lottery operated by the state?"

Yes _____
No _____” ”

Amend the title as follows:

Page 1, line 4, delete “certain lotteries” and insert “the state to operate a lottery”

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 28 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
28	148				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 28 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 28 and insert the language after the enacting clause of S.F. No. 148, the first engrossment; further, delete the title of H.F. No. 28 and insert the title of S.F. No. 148, the first engrossment.

And when so amended H.F. No. 28 will be identical to S.F. No. 148, and further recommends that H.F. No. 28 be given its second reading and substituted for S.F. No. 148, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 123 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
123	287				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 123 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 123 and insert the language after the enacting clause of S.F. No. 287, the first engrossment; further, delete the title of H.F. No. 123 and insert the title of S.F. No. 287, the first engrossment.

And when so amended H.F. No. 123 will be identical to S.F. No. 287, and further recommends that H.F. No. 123 be given its second reading and substituted for S.F. No. 287, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 312 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		312	438		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 134 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				134	182

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 134 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 134 and insert the language after the enacting clause of S.F. No. 182, the third engrossment; further, delete the title of H.F. No. 134 and insert the title of S.F. No. 182, the third engrossment.

And when so amended H.F. No. 134 will be identical to S.F. No. 182, and further recommends that H.F. No. 134 be given its second reading and substituted for S.F. No. 182, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1110, 916, 494, 981, 927, 451, 793 and 701 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 28, 123, 312 and 134 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Mehrkens moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Morse be added as chief author to S.F. No. 145. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Hughes be added as a co-author to S.F. No. 247. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 899. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 954. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Novak be added as a co-author to S.F. No. 1032. The motion prevailed.

Mr. Willet moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1039. The motion prevailed.

Mr. Luther moved that the name of Mr. Anderson be added as a co-author to S.F. No. 1123. The motion prevailed.

Mr. Luther moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1136. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1153. The motion prevailed.

Mr. Schmitz moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 1155. The motion prevailed.

Mr. Bertram moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1171. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1177. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1178. The motion prevailed.

Mr. Bertram introduced—

Senate Concurrent Resolution No. 7: A Senate concurrent resolution proclaiming 1987 as Minnesota Veterans Home Centennial Year.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 43: A Senate resolution commending Margaret Jacobson of Brooten, Minnesota, for 42 years of extraordinary teaching.

Referred to the Committee on Rules and Administration.

Mr. Taylor introduced—

Senate Resolution No. 44: A Senate resolution congratulating the girls basketball team from Mankato East High School for winning the Class AA State High School Girls Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Benson moved that S.F. No. 449, No. 18 on General Orders, be

stricken and re-referred to the Committee on Finance. The motion prevailed.

CALENDAR

S.F. No. 121: A bill for an act relating to traffic regulations; clarifying that a child under four is not required to use a seat belt; imposing penalty for failure to wear seat belt; amending Minnesota Statutes 1986, section 169.686, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 34 and nays 30, as follows:

Those who voted in the affirmative were:

Beckman	Diessner	Knutson	Mehrkens	Piper
Berglin	Frank	Laidig	Merriam	Pogemiller
Brandl	Frederick	Langseth	Novak	Reichgott
Brataas	Frederickson, D.J.	Lantry	Olson	Spear
Cohen	Freeman	Luther	Pehler	Storm
Dahl	Hughes	Marty	Peterson, D.C.	Wegscheid
DeCramer	Knaak	McQuaid	Peterson, R.W.	

Those who voted in the negative were:

Adkins	Chmielewski	Johnson, D.J.	Moe, D.M.	Samuelson
Anderson	Davis	Jude	Moe, R.D.	Schmitz
Benson	Dicklich	Kroening	Morse	Stumpf
Berg	Frederickson, D.R.	Larson	Purfeerst	Taylor
Bernhagen	Gustafson	Lessard	Ramstad	Vickerman
Bertram	Johnson, D.E.	Metzen	Renneke	Willet

So the bill passed and its title was agreed to.

H.F. No. 23: A bill for an act relating to health; requiring hospitals to establish a protocol to obtain organs for transplantation; proposing coding for new law in Minnesota Statutes, chapter 525.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Metzen	Reichgott
Anderson	Dicklich	Knutson	Moe, D.M.	Renneke
Beckman	Diessner	Kroening	Moe, R.D.	Samuelson
Benson	Frank	Laidig	Morse	Schmitz
Berg	Frederick	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Lantry	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pehler	Taylor
Bertram	Freeman	Lessard	Peterson, D.C.	Vickerman
Brandl	Gustafson	Luther	Peterson, R.W.	Waldorf
Brataas	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Willet
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	
Davis	Jude	Merriam	Ramstad	

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 324: A bill for an act relating to traffic regulations; removing exemptions regarding alcohol- or controlled substance-related activities of persons engaged in work upon the highway; amending Minnesota Statutes 1986, section 169.03, subdivision 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	DeCramer	Knaak	Metzen	Reichgott
Beckman	Dicklich	Knutson	Moe, D.M.	Renneke
Benson	Diessner	Kroening	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pehler	Taylor
Brandl	Freeman	Lessard	Peterson, D.C.	Vickerman
Brataas	Gustafson	Luther	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Willet
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 420: A bill for an act relating to crimes; metropolitan transit; authorizing peace officers hired by the metropolitan transit commission to make arrests within the metropolitan area; amending Minnesota Statutes 1986, section 629.40, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	DeCramer	Knaak	Metzen	Reichgott
Beckman	Dicklich	Knutson	Moe, D.M.	Renneke
Benson	Diessner	Kroening	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pehler	Taylor
Brandl	Freeman	Lessard	Peterson, D.C.	Vickerman
Brataas	Gustafson	Luther	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Pogemiller	
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

H.F. No. 202: A bill for an act relating to corporations; providing for modification of the personal liability of directors; amending Minnesota Statutes 1986, sections 300.45; and 300.64, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Dahl	Frederick	Johnson, D.E.
Anderson	Bertram	Davis	Frederickson, D.J.	Johnson, D.J.
Beckman	Brandl	DeCramer	Frederickson, D.R.	Knutson
Benson	Brataas	Dicklich	Freeman	Kroening
Berg	Chmielewski	Diessner	Gustafson	Laidig
Berglin	Cohen	Frank	Hughes	Langseth

Lantry	Merriam	Pehler	Reichgott	Vickerman
Larson	Metzen	Peterson, D.C.	Renneke	Waldorf
Lessard	Moe, D.M.	Peterson, R.W.	Samuelson	Wegscheid
Luther	Moe, R.D.	Piper	Schmitz	Willet
Marty	Morse	Pogemiller	Spear	
McQuaid	Novak	Purfeerst	Stumpf	
Mehrkens	Olson	Ramstad	Taylor	

Messrs. Jude and Knaak voted in the negative.

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 364: A bill for an act relating to cemeteries; increasing the limit on the permanent care and improvement fund; amending Minnesota Statutes 1986, section 306.41.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Ramstad
Anderson	Davis	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Diessner	Laidig	Morse	Samuelson
Berg	Frank	Langseth	Novak	Schmitz
Berglin	Frederick	Lantry	Olson	Spear
Bernhagen	Frederickson, D.J.	Larson	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brandl	Freeman	Luther	Peterson, R.W.	Vickerman
Brataas	Gustafson	Marty	Piper	Wegscheid
Chmielewski	Hughes	McQuaid	Pogemiller	Willet
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 348: A bill for an act relating to Cook county; permitting the sale of certain land.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Reichgott
Anderson	DeCramer	Knaak	Metzen	Renneke
Beckman	Dicklich	Knutson	Moe, D.M.	Samuelson
Benson	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Spear
Berglin	Frederick	Langseth	Novak	Stumpf
Bernhagen	Frederickson, D.J.	Lantry	Olson	Taylor
Bertram	Frederickson, D.R.	Larson	Pehler	Vickerman
Brandl	Freeman	Lessard	Peterson, D.C.	Waldorf
Brataas	Gustafson	Luther	Peterson, R.W.	Wegscheid
Chmielewski	Hughes	Marty	Piper	Willet
Cohen	Johnson, D.E.	McQuaid	Pogemiller	
Dahl	Johnson, D.J.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 11: A bill for an act relating to tax forfeited land; providing for the sale of a certain tract.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	DeCramer	Knaak	Metzen	Reichgott
Beckman	Dicklich	Knutson	Moe, D.M.	Renneke
Benson	Diessner	Kroening	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pehler	Taylor
Brandl	Freeman	Lessard	Peterson, D.C.	Vickerman
Brataas	Gustafson	Luther	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Willet
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 27, which the committee recommends to pass.

S.F. No. 63, which the committee reports progress, subject to the following motions:

Mr. Dahl moved to amend S.F. No. 63 as follows:

Page 2, delete lines 13 to 21 and insert:

“(3) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, ~~motoreycles, motorized bicyeles, and motor scooters~~ shall be issued for a ~~six-year period starting not later than October 1986, or until the next general reissuance of plates every six years thereafter, which ever is less; and the life of the vehicle.~~”

Pages 4 and 5, delete section 4 and insert:

“Sec. 4. [STUDY.]

The commissioner of public safety shall study license plate technologies using ABS plastic.”

Page 5, delete line 16

Amend the title as follows:

Page 1, line 3, delete “every six years” and insert “for the life of the vehicle”

Page 1, line 3, after the semicolon, insert “requiring a study of license plate technologies;”

Mr. Merriam moved to amend the Dahl amendment to S.F. No. 63 as follows:

Page 1, line 9, delete "and insert:"

Page 1, delete lines 10 to 12

Page 1, after line 13, insert:

"Renumber the sections in sequence

Amend the title amendment as follows:

Page 1, delete lines 17 and 18"

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

The question recurred on the Dahl amendment, as amended.

The roll was called, and there were yeas 33 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Morse	Renneke
Berg	Davis	Kroening	Pehler	Samuelson
Berglin	Frank	Langseth	Peterson, D.C.	Spear
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Stumpf
Brandl	Freeman	Luther	Pogemiller	Willet
Chmielewski	Gustafson	Marty	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	

Those who voted in the negative were:

Anderson	Diessner	Knutson	Metzen	Purfeerst
Beckman	Frederick	Laidig	Moe, D.M.	Schmitz
Benson	Frederickson, D.J.	Lantry	Moe, R.D.	Storm
Bernhagen	Hughes	Larson	Novak	Taylor
Brataas	Johnson, D.E.	McQuaid	Olson	Vickerman
DeCramer	Knaak	Mehrkens	Piper	Wegscheid

The motion prevailed. So the Dahl amendment, as amended, was adopted.

S.F. No. 63 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Luther, Cohen and Knaak introduced—

S.F. No. 1204: A bill for an act relating to community dispute resolution programs; authorizing the state and municipalities to make grants to programs; proposing coding for new law in Minnesota Statutes, chapter 494.

Referred to the Committee on Judiciary.

Mr. Luther introduced—

S.F. No. 1205: A bill for an act relating to courts; authorizing additional judgeships in certain judicial districts; authorizing imposition of a judicial fee in civil actions; increasing the amount of penalty assessment levied for traffic offenses; amending Minnesota Statutes 1986, sections 2.722, subdivision 1; and 626.861, subdivisions 1 and 3; proposing coding for new

law in Minnesota Statutes, chapter 480.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Wegscheid, Solon, Freeman and Anderson introduced—

S.F. No. 1206: A bill for an act relating to insurance; correcting certain errors; removing ambiguities; expanding certain insurers' investment authority; authorizing the commissioner to adopt investment rules; providing for miscellaneous changes and clarification; amending Minnesota Statutes 1986, sections 60A.11, subdivisions 10, 11, 13, 14, 15, 17, 18, 19, 21, 23, 24, 26, and by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Schmitz introduced—

S.F. No. 1207: A bill for an act relating to waste management; permitting towns to charge a fee for certain deposits; amending Minnesota Statutes 1986, section 115A.921.

Referred to the Committee on Environment and Natural Resources.

Mr. Bertram introduced—

S.F. No. 1208: A bill for an act relating to coroners; requiring that the office of coroner be elective; amending Minnesota Statutes 1986, sections 390.005; and 390.34.

Referred to the Committee on Local and Urban Government.

Messrs. DeCramer and Bertram introduced—

S.F. No. 1209: A bill for an act relating to agriculture; providing a cattle export program; making export enhancement payments to cattle raisers and exporters; appropriating money.

Referred to the Committee on Agriculture.

Ms. Berglin introduced—

S.F. No. 1210: A bill for an act relating to health; establishing the Minnesota institute for health research; creating a health research trust fund with cigarette and tobacco products taxes; prescribing a floor stocks tax on cigarettes and tobacco products distributors; amending Minnesota Statutes 1986, sections 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.32, subdivisions 1, 2, and 9; proposing coding for new law as Minnesota Statutes, chapter 152A; proposing coding for new law in Minnesota Statutes, chapter 297.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson, Wegscheid, Ramstad and Vickerman introduced—

S.F. No. 1211: A bill for an act relating to health; appropriating money for community health services.

Referred to the Committee on Finance.

Messrs. DeCramer, Dicklich, Taylor and Ms. Reichgott introduced—

S.F. No. 1212: A bill for an act relating to education; establishing a task force on financing post-secondary education; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Education.

Mr. Samuelson introduced—

S.F. No. 1213: A bill for an act relating to Morrison county; removing special qualifications for newspapers; repealing Laws 1980, chapter 526.

Referred to the Committee on Local and Urban Government.

Mr. Samuelson introduced—

S.F. No. 1214: A bill for an act relating to public employees; providing that public safety dispatchers are essential employees; amending Minnesota Statutes 1986, section 179A.03, subdivision 7.

Referred to the Committee on Governmental Operations.

Mrs. Adkins, Messrs. Jude, Wegscheid and Mrs. Brataas introduced—

S.F. No. 1215: A bill for an act relating to state government; establishing a certification process in the department of transportation for set-aside programs; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Governmental Operations.

Mr. Moe, D.M. introduced—

S.F. No. 1216: A bill for an act relating to appropriations; providing funds for the Minnesota telecenter project.

Referred to the Committee on Finance.

Ms. Piper, Messrs. Luther, Kroening and Samuelson introduced—

S.F. No. 1217: A bill for an act relating to public employees; prohibiting use of strikebreakers during a teacher strike; amending Minnesota Statutes 1986, sections 179A.03, by adding a subdivision; and 179A.13, subdivision 2.

Referred to the Committee on Employment.

Mr. Laidig introduced—

S.F. No. 1218: A bill for an act relating to the office of the secretary of state; providing for the preservation of land surveys; establishing time for the permanent microfilming of the surveys; appropriating money; amending Minnesota Statutes 1986, section 5.03.

Referred to the Committee on Governmental Operations.

Mr. Kroening introduced—

S.F. No. 1219: A bill for an act relating to occupations and professions; providing advertising restrictions for plumbers; imposing penalties; amend-

ing Minnesota Statutes, section 326F75.

Referred to the Committee on Employment.

Messrs. Stumpf; Johnson, D.J.; Dicklich and Samuelson introduced—

S.F. No. 1220: A bill for an act relating to education; authorizing aid for certain nonpublic tribal schools; appropriating money; amending Minnesota Statutes 1986, section 124.175; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Merriam introduced—

S.F. No. 1221: A bill for an act relating to taxation; increasing the rate of taxes on cigarettes and tobacco products; amending Minnesota Statutes 1986, sections 297.02, subdivision 1; 297.03, subdivision 5; 297.32, subdivisions 1 and 2; and 297.35, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

S.F. No. 1222: A bill for an act relating to firearms; allowing possession of machine guns by ammunition manufacturers for testing purposes only; amending Minnesota Statutes 1986, section 609.67, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Spear, Merriam, Mrs. Lantry and Mr. Moe, D.M. introduced—

S.F. No. 1223: A bill for an act relating to state departments and agencies; creating a commission for the quincentennial of the Hispanic presence in the western hemisphere.

Referred to the Committee on Governmental Operations.

Mr. Lessard introduced—

S.F. No. 1224: A bill for an act relating to Itasca county; permitting the county to levy a tax for economic development.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knutson introduced—

S.F. No. 1225: A bill for an act relating to highway traffic regulations; authorizing recreational vehicle combinations and restricting their use; amending Minnesota Statutes 1986, section 169.01, by adding a subdivision; and 169.81, subdivision 3, and by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Willet introduced—

S.F. No. 1226: A bill for an act relating to economic development; providing for the selection of board members of community development corporations; amending Minnesota Statutes 1986, section 116M.04, sub-

division 6.

Referred to the Committee on Economic Development and Housing.

Mr. Luther introduced—

S.F. No. 1227: A bill for an act relating to financial institutions; reciprocal interstate banking; authorizing acquisitions by those who express a commitment to provide certain forms of affordable credit; amending Minnesota Statutes 1986, sections 48.93, subdivision 3; and 48.99, subdivision 1.

Referred to the Committee on Commerce.

Mr. Morse, Mses. Peterson, D.C.; Reichgott and Mr. Moe, R.D. introduced—

S.F. No. 1228: A bill for an act relating to education; allowing the student council member of the higher education coordinating board to vote; amending Minnesota Statutes 1986, section 136A.02, subdivision 1.

Referred to the Committee on Education.

Messrs. Kroening, Merriam, Ms. Peterson, D.C.; Messrs. Johnson, D.J. and Dicklich introduced—

S.F. No. 1229: A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature; authorizing issuance of state bonds; appropriating money.

Referred to the Committee on Finance.

Ms. Piper, Messrs. DeCramer; Moe, D.M.; Moe, R.D. and Renneke introduced—

S.F. No. 1230: A bill for an act relating to the Minnesota state historical society; providing for preservation and interpretation of public areas of the state capitol; amending Minnesota Statutes 1986, section 138.67; proposing coding for new law in Minnesota Statutes, chapter 138.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Hughes, Dahl, Dicklich, DeCramer and Taylor introduced—

S.F. No. 1231: A bill for an act relating to education; establishing a teacher fellowship program for teachers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Education.

Messrs. Solon, Chmielewski, Gustafson, Novak and Dicklich introduced—

S.F. No. 1232: A bill for an act relating to public safety; providing an exception from certain regulations for steam turbines which receive steam from remote municipal facilities; amending Minnesota Statutes 1986, section 183.56.

Referred to the Committee on Employment.

Mr. Samuelson introduced—

S.F. No. 1233: A bill for an act relating to human services; extending the deadline for community work experience program pilot projects; amending Minnesota Statutes 1986, section 256.737, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Morse, DeCramer, Davis and Beckman introduced—

S.F. No. 1234: A bill for an act relating to agriculture; appropriating money for control of pseudorabies in swine herds.

Referred to the Committee on Agriculture.

Ms. Peterson, D.C.; Messrs. Merriam, Luther, Spear and Knaak introduced—

S.F. No. 1235: A bill for an act relating to crimes; sexual conduct; prohibiting sexual penetration in a public place; abolishing the crimes of consensual sodomy, fornication, and adultery; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, sections 609.293; 609.34; and 609.36.

Referred to the Committee on Judiciary.

Messrs. Cohen, Marty and Dicklich introduced—

S.F. No. 1236: A bill for an act relating to multifamily housing developments; changing certain income limit restrictions; amending Minnesota Statutes 1986, section 462C.05, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Ms. Berglin introduced—

S.F. No. 1237: A bill for an act relating to employment; requiring employees to promptly pay premiums on employee health plans; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mr. Solon, Mrs. Lantry, Messrs. Gustafson, Bernhagen and Vickerman introduced—

S.F. No. 1238: A bill for an act relating to human services; including certain pension costs as operating costs for purposes of nursing home reimbursement; amending Minnesota Statutes 1986, section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

Messrs. Pehler; Johnson, D.E.; Metzen and Bertram introduced—

S.F. No. 1239: A bill for an act relating to retirement; authorizing reimbursement of retired members of the state patrol retirement fund for the cost of medicare supplemental insurance; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 352B.

Referred to the Committee on Governmental Operations.

Messrs. Stumpf and Willet introduced—

S.F. No. 1240: A bill for an act relating to natural resources; authorizing the taking of elk and amending related laws; authorizing compensation for certain crop damage caused by elk; appropriating money; amending Minnesota Statutes 1986, sections 97A.421, subdivision 6; 97A.431; 97A.465, subdivisions 1 and 3; 97A.471, subdivision 3; 97A.475, subdivision 2; 97A.525, subdivision 1; 97A.535; and 97B.201; proposing coding for new law in Minnesota Statutes, chapters 3 and 97B.

Referred to the Committee on Environment and Natural Resources.

Messrs. Wegscheid, Schmitz, Mrs. McQuaid, Messrs. Freeman and Luther introduced—

S.F. No. 1241: A bill for an act relating to metropolitan government; providing for qualifications of commission members, budget criteria, plans, and reports; amending Minnesota Statutes 1986, sections 473.141, subdivision 2, and by adding a subdivision; 473.161, subdivision 1c; 473.1623, subdivisions 4 and 5; 473.303, by adding a subdivision; 473.377, subdivision 1; and 473.604, subdivision 1, and by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mr. Wegscheid introduced—

S.F. No. 1242: A bill for an act relating to human services; establishing requirements for rate appeals for intermediate care facilities for persons with mental retardation and related conditions; amending Minnesota Statutes 1986, section 256B.501, subdivision 3, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Cohen; Moe, R.D.; Luther; Novak and Mrs. Brataas introduced—

S.F. No. 1243: A bill for an act relating to elections; specifying the time for precinct caucuses; amending Minnesota Statutes 1986, section 202A.14, subdivision 1.

Referred to the Committee on Elections and Ethics.

Messrs. Davis and Bertram introduced—

S.F. No. 1244: A bill for an act relating to agriculture; clarifying certain appropriations; prohibiting importation of certain bees; changing certain milk inspection fees and requirements; changing time for sale of certain state-owned property; eliminating certain requirements for grain buyers licenses; paying certain claims; appropriating money; amending Minnesota Statutes 1986, sections 17B.15, subdivision 1; 19.58, subdivision 1; 32.394, subdivisions 8, 8b, and 9; 41.56, subdivision 4; and 223.17, subdivision 1.

Referred to the Committee on Agriculture.

Messrs. Waldorf and Benson introduced—

S.F. No. 1245: A bill for an act relating to human services; requiring the commissioner of human services to initiate contested case hearings on nursing home appeals within a certain time period; amending Minnesota Statutes 1986, section 256B.50, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Purfeerst introduced—

S.F. No. 1246: A bill for an act relating to occupations and professions; creating the Minnesota task force on interior designers and decorators and providing for its duties.

Referred to the Committee on Commerce.

Messrs. Peterson, R.W.; Luther and Novak introduced—

S.F. No. 1247: A bill for an act relating to government liability; providing that municipalities may not waive statutory immunities; authorizing municipal insurers to settle tort claims; clarifying that instrumentalities of municipalities incorporated as nonprofit corporations may be included in the self insurance pool; amending Minnesota Statutes 1986, sections 466.03, subdivision 1; 466.06; 466.08; and 471.98, subdivision 2.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. introduced—

S.F. No. 1248: A bill for an act relating to education; requiring secondary schools to offer courses in family life education; requiring students to complete a course in family life education before graduating; requiring family life education instructors to be licensed; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Luther; Moe, R.D. and Chmielewski introduced—

S.F. No. 1249: A bill for an act relating to small business; modifying the definition of small business; amending Minnesota Statutes 1986, section 645.445, subdivisions 2 and 3.

Referred to the Committee on Economic Development and Housing.

Ms. Peterson, D.C. introduced—

S.F. No. 1250: A bill for an act relating to courts; conforming fees for the filing of an unlawful detainer action in Hennepin county with other civil fees and unlawful detainer fees collected throughout the state; changing Hennepin county conciliation court filing and counterclaim fees; amending Minnesota Statutes 1986, sections 488A.03, subdivision 11; and 488A.14, subdivisions 1 and 5.

Referred to the Committee on Judiciary.

Messrs. Chmielewski, Wegscheid, Mrs. Brataas, Messrs. Bertram and Morse introduced—

S.F. No. 1251: A bill for an act relating to employment; increasing the minimum wage; amending Minnesota Statutes 1986, section 177.24, subdivision 1.

Referred to the Committee on Employment.

Messrs. Dicklich and Waldorf introduced—

S.F. No. 1252: A bill for an act relating to education; modifying post-secondary scholarships, grants-in-aid, part-time student grants-in-aid, and work-study grants; amending Minnesota Statutes 1986, sections 136A.101, by adding a subdivision; 136A.121, subdivisions 4, 5, and 10; 136A.132, subdivisions 3, 6, and 7; and 136A.233, subdivision 1.

Referred to the Committee on Education.

Ms. Piper, Mrs. Adkins, Messrs. Knutson, Beckman and Samuelson introduced—

S.F. No. 1253: A bill for an act relating to human services; providing training of welfare fraud prosecutors and investigators; providing staff for fraud control functions; defining amounts of assistance indirectly paid; providing for joint trials; changing the date of payment of certain periodic support to the assistance unit; regulating certain property transfers; providing for incorrect assistance amounts recovered; appropriating money; amending Minnesota Statutes 1986, sections 256.74, subdivision 1; 256.98; 256D.05; and 393.07, subdivision 10.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1254: A bill for an act relating to local government; permitting the establishment of fire protection districts by cities and towns; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Local and Urban Government.

Messrs. Luther, Jude and Merriam introduced—

S.F. No. 1255: A bill for an act relating to agriculture; authorizing the commissioner to contract for certain services; proposing coding for new law in Minnesota Statutes, chapter 28A.

Referred to the Committee on Agriculture.

Messrs. Luther, Jude and Merriam introduced—

S.F. No. 1256: A bill for an act relating to agriculture; changing certain administrative and licensing provisions related to itinerant and mobile food services; amending Minnesota Statutes 1986, section 28A.065.

Referred to the Committee on Agriculture.

Mr. Pogemiller introduced—

S.F. No. 1257: A bill for an act relating to taxation; property; requiring distribution of unclaimed overpayments to the affected taxing districts; proposing coding for new law in Minnesota Statutes, chapter 276.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller; Laidig; Benson; Moe, R.D. and Johnson, D.J. introduced—

S.F. No. 1258: A bill for an act relating to metropolitan sports facilities; allowing a waiver of the admissions tax in certain circumstances; amending Minnesota Statutes 1986, section 473.595, subdivision 1, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Marty and Ms. Peterson, D.C. introduced—

S.F. No. 1259: A bill for an act relating to crime; extending the crimes of murder in the second degree and manslaughter in the first degree to deaths caused by the sale or distribution of controlled substances; imposing penalties; amending Minnesota Statutes 1986, sections 609.19; and 609.20; proposing coding for new law in Minnesota Statutes, chapter 152.

Referred to the Committee on Judiciary.

Mr. Marty and Ms. Piper introduced—

S.F. No. 1260: A bill for an act relating to state government; providing reimbursement for certain child care expenses incurred in connection with service on state boards, councils, committees, and task forces; amending Minnesota Statutes 1986, sections 15.0575, subdivision 3; 15.059, subdivisions 3 and 6; and 214.09, subdivision 3.

Referred to the Committee on Governmental Operations.

Mr. Marty introduced—

S.F. No. 1261: A bill for an act relating to the state building code; changing certain provisions relating to public buildings; amending Minnesota Statutes 1986, sections 16B.60, subdivisions 3 and 6; 16B.61, by adding a subdivision; and 16B.71.

Referred to the Committee on Governmental Operations.

Mrs. McQuaid introduced—

S.F. No. 1262: A bill for an act relating to transportation; requiring the regional transit board to advise local governments of certain plans; amending Minnesota Statutes 1986, section 473.384, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Dahl, Lessard, Merriam and Stumpf introduced—

S.F. No. 1263: A bill for an act relating to wild animals; compensation to owners for destruction of livestock or fish; amending Minnesota Statutes 1986, section 3.737.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl and Willet introduced—

S.F. No. 1264: A bill for an act relating to consumer protection; providing for the retention and collection of used tires; providing enforcement; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Messrs. Marty and Lessard introduced—

S.F. No. 1265: A bill for an act relating to natural resources; changing requirements for arrowheads used for big game hunting; amending Minnesota Statutes 1986, section 97B.211, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Marty and Ms. Peterson, D.C. introduced—

S.F. No. 1266: A bill for an act relating to consumer protection; prohibiting vending machine sales of tobacco and tobacco products; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F; repealing Minnesota Statutes 1986, section 325E.07.

Referred to the Committee on Commerce.

Messrs. Marty and Dicklich introduced—

S.F. No. 1267: A bill for an act relating to energy; authorizing loans to cities and counties for energy conservation investments and authorizing repayment of those loans; authorizing issuance of bonds; appropriating money; amending Minnesota Statutes 1986, sections 116J.37; 275.50, subdivision 5; 471.65; and 475.51, subdivision 4.

Referred to the Committee on Public Utilities and Energy.

Messrs. Marty and Dicklich introduced—

S.F. No. 1268: A bill for an act relating to energy and economic development; providing for the powers and duties of the commissioner of energy and economic development; classifying certain government data; providing definitions; authorizing certain Indian tribes to create community energy councils; authorizing governmental units to accept certain money from the state or federal government and providing for restrictions on that money; providing the purpose for which an appropriation may be spent; amending Minnesota Statutes 1986, sections 116J.09; 116J.10; 116J.19, subdivision 6; 116J.27, by adding a subdivision; 116J.36, subdivision 2; 116J.381, subdivision 2; and 471.65, subdivisions 1 and 2; Laws 1981, chapter 334, section 1, subdivision 1.

Referred to the Committee on Public Utilities and Energy.

Mr. Vickerman introduced—

S.F. No. 1269: A bill for an act relating to education; appropriating money for Worthington community college to join certain telecommunications networks.

Referred to the Committee on Education.

Ms. Reichgott introduced—

S.F. No. 1270: A bill for an act relating to child abuse; authorizing the department of human services to establish a 24-hour toll-free hotline; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Health and Human Services.

Messrs. Hughes, Pogemiller, Ms. Peterson, D.C. and Mr. Stumpf introduced—

S.F. No. 1271: A bill for an act relating to education; providing tier revenue for learning year programs; appropriating money; amending Minnesota Statutes 1986, sections 124.223, 124.225, subdivision 1; 124A.01; and 275.125, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Wegscheid introduced—

S.F. No. 1272: A bill for an act relating to public meetings; requiring certain notice for all meetings; permitting certain remedies for violations; providing penalties; amending Minnesota Statutes 1986, section 471.705, subdivisions 1b, 2, and by adding subdivisions.

Referred to the Committee on Local and Urban Government.

Messrs. Morse, Frank, Storm and Vickerman introduced—

S.F. No. 1273: A bill for an act relating to public safety; providing that local governing body may appoint local board of appeal for order issued under the state fire code; providing for finding on cost-benefit ratio obtained by complying with order; providing for notice; providing for liability of owners of dwellings for nonfunctioning smoke detectors; providing penalties; amending Minnesota Statutes 1986, sections 299F011, subdivisions 5, 6, and by adding a subdivision; and 299F362, subdivisions 5 and 6.

Referred to the Committee on Economic Development and Housing.

Mr. Brandl introduced—

S.F. No. 1274: A bill for an act relating to human services; requiring medical assistance payment for personal care attendant services to hospitalized ventilator-dependent recipients; amending Minnesota Statutes 1986, section 256B.02, subdivision 8.

Referred to the Committee on Health and Human Services.

Mses. Reichgott and Peterson, D.C. introduced—

S.F. No. 1275: A bill for an act relating to Hennepin county; providing bonding authority for library construction and betterment; amending Minnesota Statutes 1986, section 383B.245.

Referred to the Committee on Local and Urban Government.

Messrs. Johnson, D.J. and Novak introduced—

S.F. No. 1276: A bill for an act relating to state land; authorizing private sale of certain tax-forfeited land in Lake county to city of Two Harbors.

Referred to the Committee on Environment and Natural Resources.

Messrs. Samuelson, Stumpf, Benson and Willet introduced—

S.F. No. 1277: A bill for an act relating to taxes; providing for the assessment of certain flight property; amending Minnesota Statutes 1986, sections 270.071, by adding a subdivision; and 270.074, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.J. introduced—

S.F. No. 1278: A bill for an act relating to taxation; imposing the sales tax on sales of certain services; amending Minnesota Statutes 1986, sections 297A.01, subdivision 3; and 297A.25, subdivision 10.

Referred to the Committee on Taxes and Tax Laws.

Mr. Morse introduced—

S.F. No. 1279: A bill for an act relating to agriculture; clarifying and amending the required offer of the state, a federal agency, or a corporation to offer a lease or sale of agricultural land to the immediately preceding owner; clarifying and amending provisions relating to designating a homestead and allowing designation of separate agricultural tracts in foreclosure proceedings; prohibiting waiver of statutory rights of debtors and allowing damages against persons who violate waiver prohibitions; amending Minnesota Statutes 1986, sections 500.24, subdivisions 2, 6, and by adding a subdivision; and 582.041, subdivisions 1, 2, 3, and 5; proposing coding for new law in Minnesota Statutes, chapters 550 and 582.

Referred to the Committee on Agriculture.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 1, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWENTY-SEVENTH DAY

St. Paul, Minnesota, Wednesday, April 1, 1987

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Willet imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, James D. Habiger.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: Department of Agriculture, Biennial Report, 1984-86; Department of Human Services, Chemical Dependency Program Division, Federal Alcohol and Drug Abuse Block Grant, Annual Report, 1986; Department of Health, Division of Environmental Health, Regulation of Urea Formaldehyde Containing Building Materials Exempted by Minnesota Law; Housing Finance Agency, Biennial Report, 1986-87; Board of Governors, Big Island Veterans Camp, Annual Report, 1986; Department of Finance, Third Annual Prompt Payment Report, 1987; Regional Transit Board, Work Program and Budget, 1987; Metropolitan Waste Control Commission, Program Budget, 1987; Metropolitan Council, Appendix, Annual Report, 1986; Metropolitan Waste Control Commission, User Charges and Fees; Metropolitan Council, Regional Parks Operation and Maintenance Funds, 1986; Metropolitan Council, Annual Report, 1986; State Board of Investment, External Money

Manager Report, 1986; Higher Education Coordinating Board, Status Report of the Average Cost Funding Task Force, 1986; State Board of Investment, Annual Report, 1986; Department of Human Services, Mental Retardation Division, Minnesota State Plan for Services to Persons with Mental Retardation and Related Conditions, 1987-89; Ethical Practices Board, Annual Report, 1985-86; Department of Finance and Department of Employee Relations, Metropolitan Agencies Study, Budget and Personnel, 1987; Departments of Natural Resources, Revenue and Transportation, Computation of Fuel Use by Recreational Watercraft in Minnesota, 1987; Department of Administration, Preference Program; Board of Electricity, Annual Report; Universities and Community Colleges, Planning Report; State Board of Investment, Prospectus for Supplemental Retirement Investment Fund; Department of Natural Resources, Acquisition of Private Dams; Minnesota Zoological Garden, Annual Report, 1986; Department of Agriculture, Weather Modification Activities Report, 1986; Legislative Commission to Review Administrative Rules, Biennial Report, 1985-86; Department of Corrections, Biennial Report, 1985-86; Department of Agriculture, Soil and Water Conservation Board, Public Drainage Ditch Systems, 1987; Department of Health, Maternal and Child Health Services Block Grant, 1987; Department of Public Safety, Emergency Response Plan for High-Level Radioactive Waste Transportation Accidents/Incidents, 1987; Department of Human Services, Community Work Experience Program, 1987; Metropolitan Council, Abatement Fund Expenditure Report, 1987; Crime Victims Reparations Board, Eleventh Annual Report, 1986; Crime Victims Ombudsman, First Annual Report, 1986; Crime Victims/Witness Advisory Council, First Annual Report, 1986; Program for Victims of Sexual Assault, Biennial Report, 1985-86; Minnesota Racing Commission, Annual Report, 1986; Commissioner of Revenue, Tax Expenditure Budget for the State of Minnesota, 1986-89; Public Employees Retirement Association, Comprehensive Annual Financial Report, 1986; Department of Human Services, Supplemental Aid Program, 1986; State Auditor, Trends in Local Government Finance and Fiscal Stress in Minnesota, 1982-85; Private Detective and Protective Agent Services Board, Biennial Report, 1984-86; Metropolitan Airports Commission, Affirmative Action Report, 1986; Department of Labor and Industry, Prevailing Wage Certifications, 1987; Department of Revenue, Biennial Report, 1985-86; Department of Natural Resources, Division of Minerals, Mine Fencing Report, 1987; Department of Agriculture, Agricultural Land Preservation Program Status Report, 1987.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 137, 529, 653 and 306.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1987

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the con-

currence of the Senate is respectfully requested:

S.F. No. 279: A bill for an act relating to the city of Brook Park; raising the city debt limit.

Senate File No. 279 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1987

CONCURRENCE AND REPASSAGE

Mr. Chmielewski moved that the Senate concur in the amendments by the House to S.F. No. 279 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 279 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Renneke
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Benson	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Freeman	Marty	Piper	Vickerman
Brataas	Gustafson	McQuaid	Pogemiller	Waldorf
Chmielewski	Hughes	Mehrkens	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	Merriam	Ramstad	Willet
Dahl	Jude	Metzen	Reichgott	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 499: A bill for an act relating to real property; providing for prima facie effect of certain statements in an acknowledgment; authorizing owners to create tenancies in common by direct conveyances to themselves and others; permitting the severance of joint tenancies by direct conveyances between spouses; providing for time limits upon actions relating to certain estates in real property; providing for the discharge of prior judgments against bankrupt debtors; providing for validation of certain conveyances executed by religious corporations; amending Minnesota Statutes 1986, sections 500.19, subdivision 4; 519.06; 519.09; and 519.101; Laws 1971, chapter 26; proposing coding for new law in Minnesota Statutes, chapters 358 and 548; repealing Minnesota Statutes 1986, section 548.18.

Senate File No. 499 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1987

CONCURRENCE AND REPASSAGE

Mr. Jude moved that the Senate concur in the amendments by the House to S.F. No. 499 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 499 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Moe, R.D.	Samuelson
Anderson	Dicklich	Laidig	Morse	Schmitz
Beckman	Diessner	Langseth	Novak	Solon
Belanger	Frank	Lantry	Olson	Spear
Benson	Frederick	Larson	Pehler	Storm
Berglin	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Bertram	Freeman	Marty	Piper	Vickerman
Brandl	Gustafson	McQuaid	Pogemiller	Waldorf
Brataas	Hughes	Mehrkens	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Willet
Dahl	Jude	Metzen	Reichgott	
Davis	Knaak	Moe, D.M.	Renneke	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 38: A bill for an act relating to alcoholic beverages; permitting certain transactions by brewers and wholesalers; authorizing cities to issue temporary off-sale licenses for the sale of vintage wine at auctions; amending Minnesota Statutes 1986, sections 340A.308; and 340A.405, by adding a subdivision.

Senate File No. 38 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1987

Mr. Spear moved that the Senate do not concur in the amendments by the House to S.F. No. 38, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 117: A bill for an act relating to liquor; authorizing St. Louis county to issue one off-sale liquor license.

Senate File No. 117 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1987

CONCURRENCE AND REPASSAGE

Mr. Dicklich moved that the Senate concur in the amendments by the House to S.F. No. 117 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 117: A bill for an act relating to liquor; authorizing St. Louis county to issue off-sale liquor licenses.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Reichgott
Anderson	DeCramer	Knaak	Moe, D.M.	Renneke
Beckman	Dicklich	Kroening	Moe, R.D.	Samuelson
Belanger	Diessner	Laidig	Morse	Schmitz
Benson	Frank	Langseth	Novak	Solon
Berglin	Frederick	Lantry	Olson	Spear
Bernhagen	Frederickson, D.J.	Larson	Pehler	Storm
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Brandl	Freeman	Luther	Peterson, R.W.	Taylor
Brataas	Gustafson	Marty	Piper	Vickerman
Chmielewski	Hughes	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 245: A bill for an act relating to intoxicating liquor; authorizing the city of Moorhead to issue an on-sale intoxicating liquor license to the Red River Valley Center-Hjemkomst Heritage Interpretive Center.

Senate File No. 245 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1987

CONCURRENCE AND REPASSAGE

Mr. Langseth moved that the Senate concur in the amendments by the House to S.F. No. 245 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 245 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Reichgott
Anderson	DeCramer	Knaak	Metzen	Renneke
Beckman	Dicklich	Knutson	Moe, D.M.	Samuelson
Belanger	Diessner	Kroening	Moe, R.D.	Schmitz
Benson	Frank	Laidig	Morse	Solon
Berglin	Frederick	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Storm
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brandl	Freeman	Lessard	Peterson, R.W.	Taylor
Brataas	Gustafson	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Mehrkens	Ramstad	Willet

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 721, 735, 294, 342, 660, 257, 286, 854, 354, 554, 653 and 737.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 30, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 721: A bill for an act relating to human services; providing for the recovery of medical assistance overpayments; amending Minnesota Statutes 1986, section 256B.0641, by adding a subdivision.

Referred to the Committee on Finance.

H.F. No. 735: A bill for an act relating to liquor; removing a restriction on issuance of off-sale licenses in Kanabec county; amending Minnesota Statutes 1986, section 340A.405, subdivision 2.

Referred to the Committee on Commerce.

H.F. No. 294: A bill for an act relating to intoxicating liquor; authorizing

counties to issue temporary on-sale licenses; amending Minnesota Statutes 1986, section 340A.404, subdivision 10.

Referred to the Committee on Commerce.

H.F. No. 342: A bill for an act relating to insurance; providing for premium reductions for automobile insurance for senior insureds who complete an approved accident prevention course; lowering the minimum age of eligibility; amending Minnesota Statutes 1986, section 65B.28.

Referred to the Committee on Commerce.

H.F. No. 660: A bill for an act relating to government data practices; providing an exception to the nondisclosure of welfare data to law enforcement officers in certain cases; amending Minnesota Statutes 1986, section 13.46, subdivision 2.

Referred to the Committee on Judiciary.

H.F. No. 257: A bill for an act relating to state government; requiring the board of investments to adopt an investment policy; authorizing certain investments by the board of investments; providing that certain state employees who are eligible to retire are eligible for state-paid insurance benefits; modifying definition of terms and conditions of employment for public employees; amending Minnesota Statutes 1986, sections 11A.04; 11A.24, subdivisions 2, 4, 5, and 6; 11A.25; 43A.24, subdivision 2; and 179A.03, subdivision 19.

Referred to the Committee on Governmental Operations.

H.F. No. 286: A bill for an act relating to witnesses; removing the presumption against the competency of certain witnesses; amending Minnesota Statutes 1986, section 595.02, subdivision 1.

Referred to the Committee on Judiciary.

H.F. No. 854: A bill for an act relating to judgments; clarifying the procedure and cost for filing foreign judgments; clarifying the procedure to be used in securing a judgment and execution; amending Minnesota Statutes 1986, sections 548.27; 548.30; 549.09; and 550.04.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 448, now on General Orders.

H.F. No. 354: A bill for an act relating to state government; providing for a job class entitled chiropractor in the state civil service; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations.

H.F. No. 554: A bill for an act relating to natural resources; changing certain provisions relating to state park motor vehicle permits; amending Minnesota Statutes 1986, section 85.05, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 450, now on General Orders.

H.F. No. 653: A bill for an act relating to wild animals; use of lights in taking or in tending traps; length of otter season; setting traps near water; amending Minnesota Statutes 1986, sections 97B.081; 97B.921; 97B.931; and 97B.945.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 737: A resolution memorializing the President and Congress to prevent from taking effect the proposed Internal Revenue Service regulations that limit the lobbying activities by nonprofit organizations.

Referred to the Committee on Elections and Ethics.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 997: A bill for an act relating to the city of Sabin; providing for apportionment of debt service levy in rural and urban service districts in the city; permitting inclusion of platted land in a rural service district in the city.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 782: A bill for an act relating to St. Louis county; providing for a clerk in the unclassified civil service; amending Minnesota Statutes 1986, section 383C.035.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1067: A bill for an act relating to local government; providing for the discharge of charter commissions; amending Minnesota Statutes 1986, section 410.05, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 410.05, is amended by adding a subdivision to read:

Subd. 5. [DISCHARGE.] If the charter commission of a statutory city determines that a charter is not necessary or desirable, the commission may be discharged by a vote of three-fourths of its members. Another commission may not be formed sooner than one year from the date of discharge.”

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was re-referred

S.F. No. 407: A bill for an act relating to food licenses; regulating certain vending machine inspection fees; amending Minnesota Statutes 1986, section 28A.09, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, strike "at least" and before the comma, insert "*except nut vending machines which are subject to an annual state inspection fee of \$5 for each machine*"

Page 2, line 1, strike "a reasonable" and insert "an"

Page 2, lines 2 and 4, after "fee" insert "*of no more than the state inspection fee for nonexempt machines*"

Page 2, line 3, strike "a reasonable" and insert "an"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 904: A bill for an act relating to the metropolitan government; authorizing municipalities in the metropolitan area to adopt ordinances related to aircraft noise; proposing coding for new law in Minnesota Statutes, chapter 473.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after the period, insert "*“Municipality” means a statutory or home rule charter city.*"

Page 1, line 20, before the period, insert "*in and around the noise zone*"

Pages 1 and 2, delete subdivision 4

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 711: A bill for an act relating to Koochiching county; permitting the county to establish a bidstead development authority.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [BIDSTEAD DEVELOPMENT AUTHORITY.]

Subdivision 1. [AUTHORITY.] A public body corporate and politic may be created by the Koochiching county board, having all of the powers and duties of an economic development authority under Minnesota Statutes, sections 458C.01 to 458C.23, except as otherwise provided in this act and the powers and duties to operate the bidstead program. For the purposes

of applying sections 458C.01 to 458C.23, the authority has all the powers and duties of a city and the commissioners of the authority have all the powers and duties of a city council, except as otherwise provided in this act. The authority may exercise all of the powers of the economic development authority act, including those contained in section 458C.14, within or without an economic development district.

The powers and duties of the authority may not be exercised until the Koochiching county board of commissioners passes a resolution establishing the authority. The resolution shall require the affirmative vote of three county board members.

Subd. 2. [AREA OF OPERATION.] The area of operation shall include all of Koochiching county. The city council of any city within Koochiching county must approve the use of any parcel within the city before the parcel is available to the authority for the purposes defined in this act.

Subd. 3. [MEMBERSHIP] The authority shall consist of five commissioners who shall be members of the county board of commissioners. The county board may set the terms of the commissioners to coincide with their terms of office as members of the county board.

Sec. 2. [PURPOSE; PROGRAM.]

Subdivision 1. [PURPOSE; PROGRAM.] The legislature finds problems of declining population and depressed economic conditions exist in Koochiching county caused by the steady decline in jobs relating to farming and logging. These problems have impaired the value of private investments in the county and threaten sources of public revenue, causing underutilization of schools, other public facilities and land located in existing service corridors. It is found that these factors are injurious to the stability, health, safety and welfare of the residents of the county.

It is, therefore, in the public interest to establish a public program to encourage the homesteading of land serviced by existing public services and facilities, to encourage people with transferable livelihoods to establish residences within the county, to stabilize or increase the tax base, increase employment opportunities, alleviate problems of economic depression and declining population, and assure the stability of the community and the availability of governmental services and facilities.

It is hereby declared that the activities necessary to implement the public program to be known as the bidstead program, which activities cannot be accomplished by private enterprise alone, constitutes a public purpose.

Subd. 2. [PROGRAM.] The Koochiching bidstead program is a program to exchange parcels of land held by the authority, not to exceed 40 acres a parcel, for a commitment of a person or persons to build a home, sustain a livelihood, pay property taxes, and remain on the parcel for ten consecutive years. At the end of the ten-year period, a warranty deed shall be issued to the bidsteader upon the completion of specified covenants. The county will receive, in return, stabilization of the tax base, economic revitalization, and fuller utilization of existing services and infrastructure.

Sec. 3. [BIDSTEAD POWERS AND PROCEDURES.]

Subdivision 1. [MARKETING; CONVEYANCE.] The authority may advertise and market the bidstead program and convey and receive public lands from other political subdivisions.

Subd. 2. [GUIDELINES.] The authority shall promulgate guidelines for the bidstead program. The authority shall take into consideration such factors as highest and best use of the land, the number of jobs to be created, veteran status, and other factors in determining the allotment of land parcels.

Subd. 3. [ADVISORY COMMITTEE.] The commissioners of the authority may establish an advisory committee. The committee membership shall be geographically representative of the county. The committee shall advise the authority on the operation of the bidstead program.

Sec. 4. [EFFECTIVE DATE.]

This act takes effect the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Koochiching county board."

And when so amended the bill do pass and be re-referred to the Committee on Economic Development and Housing. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 804: A bill for an act relating to the University of Minnesota; appropriating money to develop and study health care delivery systems for dairy herds.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "\$200,000" and insert "\$_____" and delete everything after "fund"

Page 1, line 10, delete everything before "to" and insert "in the fiscal years indicated"

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

Page 1, after line 15, insert:

"1988	1989
\$_____	\$_____"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 336: A bill for an act relating to agriculture; changing the shade tree disease control program; imposing certain penalties; eliminating certain audit requirements and an insurance limitation; changing the cooperative associations law; amending Minnesota Statutes 1986, sections 18.023, subdivisions 1, 1a, and 9; 28A.08; 40.071; 308.58, subdivision 2; 308.62; 308.77; 308.83; and 308.85; repealing Minnesota Statutes 1986, sections 38.02, subdivision 2; 38.13; 308.71; 308.82; 308.84; and 308.901 to 308.92.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 8, delete "biotic-caused or abiotic-caused"

Page 2, line 9, delete "state's shade tree population" and insert "growth and life of shade trees"

Pages 2 and 3, delete sections 2 and 3

Page 3, line 21, strike "The fees for licenses and the" and insert "*License fees.*"

Page 3, line 22, after "licenses" insert a comma and after "and" insert "*penalties*"

Page 3, line 23, after "*handling*" insert "*that are*"

Page 3, line 30, delete "*or a designated representative*"

Page 8, line 35, delete everything after the first comma and insert "*section 18.023, subdivision 1a, is repealed.*"

Page 8, delete line 36

Page 9, delete line 1

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "subdivisions" and insert "subdivision" and delete ", 1a, and 9"

Page 1, delete lines 10 and 11 and insert "section 18.023, subdivision 1a."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 704: A bill for an act relating to administrative procedure; defining certain terms; requiring agencies to solicit outside information before publishing proposed rules; limiting instances in which agencies are required to consider the impact of proposed rules on small businesses; providing for regulatory analyses of proposed rules in certain instances; empowering agencies to adopt emergency rules in certain circumstances; providing a procedure for the commissioner of human services to adopt rules required by federal directive; abolishing the power of the legislative commission for review of administrative rules to suspend rules; requiring the commission to review exemptions from the administrative procedure act; permitting the commission to review federally mandated rules; amending Minnesota Statutes 1986, sections 14.02; 14.05, subdivisions 2 and 4; 14.07, subdivision 2; 14.08; 14.10; 14.115, subdivision 7, and by adding a subdivision; 14.131; 14.15, subdivision 3; 14.23; 14.26; 14.29; 14.30; 14.31; 14.32, subdivision 1; 14.33; 14.35; 14.36; 14.365; 14.37, subdivision 1; 14.40; 14.57; and 14.62, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 14; repealing Minnesota Statutes 1986, sections 14.115, subdivision 1; 14.42; and 14.43.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 4 and 5, delete section 5

Page 5, line 9, reinstate the stricken "or" and delete the first comma and delete ", or 14.366"

Page 5, lines 12 and 13, reinstate the stricken language and delete the

new language

Pages 6 and 7, delete section 9

Pages 11 and 12, delete section 15 and insert:

"Sec. 13. Minnesota Statutes 1986, section 14.29, subdivision 1, is amended to read:

Subdivision 1. When an agency is directed by statute, federal law, *regulation, or other directive*, or court order to adopt, amend, suspend, or repeal a rule in a manner that does not allow for compliance with sections 14.14 to 14.28, or if an agency is expressly required or authorized by statute to adopt emergency rules, the agency shall adopt emergency rules in accordance with sections 14.29 to 14.36."

Page 12, lines 35 and 36, delete "OR TEMPORARY"

Page 13, line 1, delete "or"

Page 13, line 2, delete "temporary"

Page 13, lines 3, 9, 18, and 26, delete "or temporary"

Page 13, line 11, delete "For emergency rules."

Page 13, line 24, delete "OR TEMPORARY"

Pages 13 to 15, delete sections 18 to 21

Pages 16 to 18, delete section 23

Page 19, line 27, delete "By January 1 of each year."

Page 19, line 28, delete everything after "the" and insert "*rulemaking provisions of chapter 14. The commission shall report the results of its review to the appropriate policy committees in the house and senate. The report may include any recommendations for action the commission considers appropriate.*"

Page 19, delete lines 29 to 36

Page 20, delete lines 1 to 12

Page 20, line 13, delete "(d)" and insert "(c)"

Page 20, line 22, delete "(e) By an affirmative vote of at least six members," and insert "(d)"

Page 20, lines 24 to 32, reinstate the stricken language and delete the new language

Page 20, line 34, delete "(f)" and insert "(e)"

Page 21, delete section 26 and insert:

"Sec. 19. [14.561] [LIMITATION OF CONTESTED CASE ACTIONS.]

A contested case action may not be brought under a rule or statute if a civil action in court under the rule or statute is barred by a statute of limitations. This section does not apply to a contested case action relating to the granting, suspension, or revocation of a license."

Page 21, after line 19, insert:

"Sec. 21. [541.011] [APPLICATION TO ADMINISTRATIVE ACTIONS.]

The limitation periods in this chapter apply whether the action is brought

in court or before an administrative agency. This chapter does not apply to an administrative action relating to the granting, suspension, or revocation of a license."

Page 21, line 21, delete "sections" and insert "section" and delete the semicolon and insert ", is repealed."

Page 21, delete line 22

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, delete lines 10 to 12

Page 1, line 13, delete everything before "the" and insert "authorizing"

Page 1, line 14, before "commission" insert "legislative" and after "commission" insert "for review of administrative rules"

Page 1, line 15, delete everything after the semicolon

Page 1, delete line 16

Page 1, line 18, delete "14.07, subdivision 2;"

Page 1, line 19, delete "subdivision 7, and"

Page 1, line 21, after "14.29" insert ", subdivision 1" and delete "14.32, subdivision 1;"

Page 1, line 22, delete everything before "14.365;"

Page 1, line 23, delete "14.57;"

Page 1, line 25, delete "chapter" and insert "chapters" and after "14" insert "and 541"

Page 1, line 26, delete "sections" and insert "section" and delete "; 14.42; and 14.43"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 925: A bill for an act relating to Ramsey county; authorizing the issuance of bonds for capital improvements and an annual levy for capital improvements and debt retirement; proposing coding for new law in Minnesota Statutes, chapter 383A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 773: A bill for an act relating to Dakota county; authorizing the issuance of bonds for capital improvements and an annual levy for capital improvements and debt retirement.

Reports the same back with the recommendation that the bill do pass

and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 623: A bill for an act relating to Hennepin county; authorizing the issuance of bonds for capital improvements and an annual levy for debt retirement; proposing coding for new law in Minnesota Statutes, chapter 383B.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 748: A bill for an act relating to local improvements; authorizing the levy of special assessments for highway sound barriers; amending Minnesota Statutes 1986, sections 429.011, by adding a subdivision; and 429.021, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 725: A bill for an act relating to local government; removing limitations on tax adjustments related to annexations; amending Minnesota Statutes 1986, section 414.035.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 225: A bill for an act relating to towns; providing for powers of town boards and board members; providing for elections; providing conditions for ownership of town cemetery lots; amending Minnesota Statutes 1986, sections 365.10; 365.27; 365.37; 365.51; 367.03; 471.705, by adding a subdivision; and 471.96.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 23, delete "power" and insert "authority" and before the colon, insert "a specific activity that is within any of the following categories"

Page 3, line 31, delete the comma and insert a period

Page 3, line 32, before "by" insert "Authority under clause (17) may be exercised"

Page 5, line 22, strike "selecting town"

Page 5, line 23, strike "officers or of"

Page 5, after line 26, insert:

"Sec. 5. Minnesota Statutes 1986, section 366.01, is amended by adding

a subdivision to read:

Subd. 11. [OPEN MEETING LAW; EXEMPTION.] Except for the notice requirements, section 471.705 does not apply to gathering of town board members to perform on-site inspections, if the town has no employees or other staff able to perform the inspections and the town board is acting essentially in a staff capacity."

Page 7, delete section 6 and insert:

"Sec. 7. Minnesota Statutes 1986, section 367.33, subdivision 1, is amended to read:

Subdivision 1. [ELECTION AT ANNUAL MEETING ELECTION OR SPECIAL ELECTION.] Following the adoption of option A in a town, except a town exercising the powers of a statutory city, the town board may call a special town election to be held not less than 30 days nor more than 60 days after the annual town meeting at which the option is adopted, for the purpose of electing two additional members to the board of supervisors. In lieu of calling a special election, the town board may determine to elect the additional two members of the town board at the next annual town ~~meeting~~ election. If the town is exercising the powers of a statutory city pursuant to section 368.01 or pursuant to a special law granting substantially similar powers, the town board shall call a special election to be held not less than 30 days nor more than 60 days after the annual meeting at which option A is adopted for the purpose of electing the two additional supervisors.

Sec. 8. Minnesota Statutes 1986, section 367.33, subdivision 4, is amended to read:

Subd. 4. [TERMS.] If the additional supervisors are elected at a special election, they shall serve only until the next annual town ~~meeting~~ election, at which the additional members shall stand for election, one for a term of two years and one for a term of three years. The candidate receiving the highest number of votes shall be elected for the longer term. If the additional supervisors are elected at an annual ~~meeting~~ election, one shall serve for a term of two years and the other for a term of three years with the candidate receiving the highest number of votes being elected for the longer term.

Sec. 9. Minnesota Statutes 1986, section 367.33, subdivision 5, is amended to read:

Subd. 5. [ABANDONMENT OF OPTION A.] In a town in which option A is abandoned, the terms of incumbent supervisors shall not be affected, but if one or more supervisors are to be elected at the annual town election held on the same day as the annual town meeting at which the option is abandoned, the election of one supervisor, or two if there be more than one elected, shall be considered null. Otherwise the offices of the two incumbent supervisors expiring at the annual ~~meeting~~ town election or ~~meetings~~ elections next following the annual meeting at which the option is abandoned shall not be filled. Thereafter the town board shall be composed of three supervisors unless option A is again adopted in that town."

Page 7, after line 26, insert:

"Sec. 11. [REPEALER.]

Minnesota Statutes 1986, section 365.06, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "365.51;" insert "366.01, by adding a subdivision;" and delete "471.705, by adding a" and insert "367.33, subdivisions 1, 4, and 5;"

Page 1, line 7, delete "subdivision;" and before the period, insert "; repealing Minnesota Statutes 1986, section 365.06"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 918: A bill for an act relating to port authorities; appropriating money for the Seaway port authority of Duluth.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 7 to 11 and insert:

"\$4,200,000 is appropriated from the state building fund to the commissioner of energy and economic development to pay a grant to the Seaway port authority of Duluth. Of this appropriation, \$3,000,000 is to buy two mobile crawler cranes and \$1,200,000 is to improve berths 5 and 6.

To provide the money appropriated in this act from the state building fund, the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$4,200,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 778: A bill for an act relating to employment; allowing commissioner of jobs and training to contract with service providers to deliver wage subsidies; requiring that 90 percent of wage subsidy money be allocated to priority groups; allowing eligible local service units to retain 75 percent of money repaid by employers receiving wage subsidies; appropriating money; amending Minnesota Statutes 1986, sections 268.673, subdivision 5, and by adding a subdivision; 268.676, subdivision 1; 268.678, subdivision 4; and 268.681, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 268.673, is amended by adding a subdivision to read:

Subd. 4a. [CONTRACTS WITH SERVICE PROVIDERS.] The commissioner shall contract directly with a certified local service provider to deliver wage subsidies if (1) each county served by the provider agrees to

the contract and knows the amount of wage subsidy money allocated to the county under section 268.6751, and (2) the provider agrees to meet regularly with each county being served.

Sec. 2. Minnesota Statutes 1986, section 268.673, subdivision 5, is amended to read:

Subd. 5. [REPORT.] Each ~~eligible local service unit~~ *entity delivering wage subsidies* shall report to the commissioner and the coordinator on a quarterly basis: (1) the number of persons ~~employed placed in private sector jobs, in temporary public sector jobs, or in other services;~~ (2) the number and type of employers *employing persons* under the program; (3) the amount of money spent in each eligible local service unit for wages for each type of employment and each type of other expense; (4) the ~~number~~ *age, gender, priority group status, race, educational status, and work experience of persons who have completed participation each person in the program and their current employment, educational, or training status;* (5) *the amount of wages received by persons while in the program and 60 days after completing the program;* (6) *the types of employment and the wages received by persons eligible to receive public assistance;* and ~~(5)~~ (7) any other information requested by the commissioner or the coordinator. Each report must include cumulative information, as well as information for each quarter.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Sec. 3. Minnesota Statutes 1986, section 268.6751, subdivision 1, is amended to read:

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

(a) The commissioner shall allocate ~~70~~ 85 percent of the funds available for allocation to eligible local service units for wage subsidy programs as follows: the proportion of the wage subsidy money available to each eligible local service unit must be based on the number of unemployed persons in the eligible local service unit for the most recent six-month period and the number of work readiness assistance cases and aid to families with dependent children cases in the eligible local service unit for the most recent six-month period.

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

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

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

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

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

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

(6) areas with high unemployment rates.

Sec. 4. Minnesota Statutes 1986, section 268.676, subdivision 1, is amended to read:

Subdivision 1. [AMONG JOB APPLICANTS.] ~~Allocation~~ *Eighty percent of funds allocated among eligible job applicants within an eligible local service unit shall give priority must be allocated to:*

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

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

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

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

An eligible local service unit has discretion in allocating the remaining 20 percent of funds among eligible job applicants.

Sec. 5. Minnesota Statutes 1986, section 268.676, subdivision 2, is amended to read:

Subd. 2. [AMONG EMPLOYERS.] Allocation of funds among eligible employers within an eligible local service unit shall give priority to funding private sector jobs to the extent that eligible businesses apply for funds. If possible, no more than 25 percent of the statewide funds available for wages may be allocated for temporary jobs with eligible government and nonprofit agencies and for temporary community investment program jobs with eligible government agencies during the biennium.

Sec. 6. Minnesota Statutes 1986, section 268.677, subdivision 1, is amended to read:

Subdivision 1. To the extent allowable under federal and state law, wage subsidy money must be pooled and used in combination with money from other employment and training services or income maintenance and support services. At least 75 percent of the money appropriated for wage subsidies must be used to pay wages for eligible job applicants. For each eligible job applicant employed, the maximum state contribution from any combination of public assistance grant diversion and employment and training services governed under this chapter, including wage subsidies, is \$4 per hour for wages and \$1 per hour for fringe benefits. ~~In addition,~~ *The use of wage subsidies are is limited as follows:*

(a) For each eligible job applicant placed in private or nonprofit employment, the state may subsidize wages for a maximum of 1,040 hours over a period of 26 weeks. Employers are encouraged to use money from

other sources to provide increased wages to applicants they employ.

(b) For each eligible job applicant participating in a job training program and placed in private sector employment, the state may subsidize wages for a maximum of 1,040 hours over a period of 52 weeks.

(c) For each eligible job applicant placed in a community investment program *job*, the state may provide wage subsidies for a maximum of 780 hours over a maximum of 26 weeks. For an individual placed in a community investment program *job*, the county share of the wage subsidy shall be 25 percent. Counties may use money from sources other than public assistance and wage subsidies, including private grants, contributions from nonprofit corporations and other units of government, and other state money, to increase the wages or hours of persons employed in community investment programs.

(d) Notwithstanding the limitations of paragraphs (a) and (b), money may be used to provide a state contribution for wages and fringe benefits in private sector jobs for eligible applicants who had previously held temporary jobs with eligible government and nonprofit agencies or who had previously held community investment program jobs for which a state contribution had been made, and who are among the priority groups established in section 268.676, subdivision 1. The use of money under this paragraph shall be for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant.

Sec. 7. Minnesota Statutes 1986, section 268.678, subdivision 4, is amended to read:

Subd. 4. [CONTRACTS.] Each eligible local service unit *that has not agreed to a contract under section 1*, may enter into contracts with certified service providers to deliver wage subsidies.

Sec. 8. Minnesota Statutes 1986, section 268.681, subdivision 2, is amended to read:

Subd. 2. [PRIORITIES.] In allocating funds among eligible businesses, the eligible local service unit or its contractor shall give priority to businesses which best satisfy the following criteria:

- (a) have a high potential for growth and long-term job creation;
- (b) are labor intensive;
- (c) meet the definition of a small business as defined in section 645.445;
- (d) make high use of local and Minnesota resources;
- (e) are under ownership of women and minorities;
- (f) make high use of new technology;
- (g) produce energy conserving materials or services or are involved in development of renewable sources of energy; ~~and~~
- (h) have their primary place of business in Minnesota;
- (i) export products outside of the state; and
- (j) are manufacturers.

Sec. 9. Minnesota Statutes 1986, section 268.681, subdivision 3, is amended to read:

Subd. 3. [PAYBACK.] A business receiving wage subsidies shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the eligible local service unit or its contractor to employ and train another person referred by the eligible local service unit or its contractor, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the eligible local service unit and the business prior to the disbursement of the funds and is subject to renegotiation. The eligible local service unit shall forward 25 percent of the payments received under this subdivision to the commissioner on a monthly basis and shall retain the remaining 75 percent for local program expenditures under section 268.677. The commissioner shall deposit these payments in the Minnesota wage subsidy account created by subdivision 4.

Sec. 10. [APPROPRIATION.]

\$40,000,000 is appropriated to the commissioner of jobs and training for the Minnesota employment and economic development wage subsidy program."

Amend the title as follows:

Page 1, line 4, delete "90" and insert "85"

Page 1, delete lines 10 and 11 and insert "adding a subdivision; 268.6751, subdivision 1; 268.676, subdivisions 1 and 2; 268.677, subdivision 1; 268.678, subdivision 4; and 268.681, subdivisions 2 and 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 654: A bill for an act relating to housing; creating advisory task force in the state pollution control agency to study and advise on moisture and air quality problems in single-family homes; requiring reports; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 8, insert:

"(6) an employee of the department of health, appointed by the commissioner of health;"

Renumber the clauses in sequence

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 24: A bill for an act relating to independent school district No. 763; permitting the district to mail certain information instead of publishing it.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 123.33, is amended by adding a subdivision to read:

Subd. 11a. [MAILING OF PROCEEDINGS.] If a school board of a district that has no newspaper with its known office of issue or a secondary office located within the boundaries of the district, and no newspaper that is distributed to more than one-third of the residences in the district, determines that mailing a summary of its proceedings would be more economical than publication of the proceedings and that it would adequately inform the public, it may mail a summary of its proceedings to each residence in the district that can be identified as a homestead from the property tax records and to each other residence in the district that the board can identify. The county shall make the property tax records available to the board for this purpose. The board shall keep a copy of the summary of the proceedings as part of its records. The decision of a school board to mail summaries, rather than publish the proceedings under this subdivision, shall be presumed valid, subject to challenge by a court action."

Delete the title and insert:

"A bill for an act relating to education; allowing certain districts to mail summaries of the school board proceedings rather than publish them; amending Minnesota Statutes 1986, section 123.33, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 344: A bill for an act relating to education; increasing the mill levy for secondary vocational education in certain intermediate school districts; recognizing in the statutes that districts 12 and 16 of Anoka county are members of district 916; amending Minnesota Statutes 1986, section 136D.71; 136D.74, subdivision 2; and 136D.87.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, after "832" insert ", 833,"

Page 3, line 30, delete "APPLICATION, NO"

Page 3, line 33, delete "without local approval under" and insert "the day after compliance with" and delete "645.023" and insert "645.021, subdivision 3"

Page 3, line 35, delete "without local" and insert "the day after compliance with"

Page 3, line 36, delete "approval under" and delete "645.023" and

insert "645.021, subdivision 3"

Amend the title as follows:

Page 1, line 3, delete "certain"

Page 1, line 4, after "districts" insert "916 and 917"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 235: A bill for an act relating to missing children; requiring schools to develop policies on notifying parents whose children are absent from school; requiring that certain documents be provided to schools when new students enroll; proposing coding for new law in Minnesota Statutes, chapter 123.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [123.751] [NOTIFICATION TO PARENTS REGARDING ABSENT OR TARDY PUPILS.]

A school district must adopt a policy requiring notification of a pupil's parent or other person with whom a pupil resides when the pupil, without permission of the pupil's parent or person with whom the pupil resides, is late for or absent from school for two consecutive days. A district may provide more frequent notification.

Sec. 2. [123.752] [DOCUMENTS REQUIRED FOR SCHOOL ADMISSION.]

At the time a pupil initially enrolls in a public school district or nonpublic school, the person in charge of the school shall request the parent or guardian to provide a copy of the pupil's birth certificate and a copy of the pupil's school record from the school the pupil most recently attended. If copies of these documents are not provided within four weeks after the request, the person in charge of the school must inform the local law enforcement agency that the pupil's parent or guardian has failed to present the required documents and that the pupil may be a missing child. The law enforcement agency shall proceed according to section 299C.53, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 474: A bill for an act relating to motor vehicles; allowing tax-exempt license plates for vehicles owned by nonprofit charities and used for educational purposes; amending Minnesota Statutes 1986, section 168.012, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 11 to 21 and insert:

"Subdivision 1. (a) *The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:*

(1) *vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision thereof; or;*

(2) *vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions; or;*

(3) *vehicles owned by nonprofit charities and used exclusively to transport handicapped persons for educational purposes;*

(4) *vehicles owned or leased by nonpublic schools approved by the commissioner of public safety and used exclusively in driver's education programs; and*

(5) *vehicles owned and used by honorary consul or consul general of foreign governments shall be exempt from the provision of this chapter requiring payment of tax or registration fees, except as provided in subdivision 1c."*

Page 1, line 22, before "Vehicles" insert "(b)"

Page 1, line 26, before "Unmarked" insert "(c)"

Page 2, line 16, before "All" insert "(d)"

Page 2, line 19, delete the paragraph coding

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 888: A bill for an act relating to the city of Melrose; regulating the stopping of school buses at certain railroad grade crossings.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

H.F. No. 424: A bill for an act relating to the military; authorizing the adjutant general to delegate certain duties to subordinates; amending Minnesota Statutes 1986, section 190.16, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 721: A bill for an act relating to veterans; requiring the placement of a plaque on the Capitol grounds recognizing certain prisoners of war and soldiers missing in action.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 508: A bill for an act relating to hazardous waste; requiring a license for the transportation of hazardous waste; providing for license administration, suspension, and revocation; requiring rulemaking; providing penalties; amending Minnesota Statutes 1986, sections 221.011, subdivision 31; 221.033, by adding a subdivision; 221.291, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 221.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

TRANSPORTATION OF HAZARDOUS WASTE

Section 1. Minnesota Statutes 1986, section 221.011, subdivision 31, is amended to read:

Subd. 31. “Hazardous waste” has the meaning given it in Code of Federal Regulations, title 49, section 171.8. *In addition, hazardous waste means a substance identified or listed as a hazardous waste under a rule adopted under section 116.07, subdivision 4.*

Sec. 2. Minnesota Statutes 1986, section 221.033, is amended by adding a subdivision to read:

Subd. 1a. [TRANSPORTATION OF HAZARDOUS WASTE.] No person may transport or have transported within the state a hazardous waste except in compliance with sections 3 and 4.

Sec. 3. [221.035] [HAZARDOUS WASTE TRANSPORTER LICENSE.]

Subdivision 1. [LICENSE REQUIREMENT.] (a) A person who transports hazardous waste in this state shall first obtain a license from the commissioner.

(b) If the applicant complies with the requirements of this section, the commissioner shall issue the license and shall issue a vehicle identification decal for each single unit vehicle or trailer that the licensee will use to transport hazardous waste. The applicant shall pay a fee of \$500 for a three-year license and an annual fee of \$25 for each vehicle identification decal. The license must be maintained at the licensee's principal place of business. The name and address of the licensee must be displayed on both sides of each unit of the vehicle. The vehicle identification decal must be displayed on the single unit vehicle or trailer to which it is assigned, as prescribed by the commissioner. The decal is effective only when the license is effective. The license must be renewed in the third year following the date of the issuance of the license. The licensee must obtain new decals each year. The license may not be transferred to another person.

(c) An applicant for a license under this section, who is not otherwise subject to section 221.141, shall cause a certificate of insurance to be filed with the commissioner as provided in section 221.141. The certificate must state that the insurer has issued to the applicant a policy that by endorsement provides public liability insurance in the amount required by Code of Federal Regulations, title 49, part 387.

Subd. 2. [OPERATION REQUIREMENTS.] A vehicle operated under a license issued under this section must be operated in compliance with the

rules of the commissioner adopted under this chapter governing:

- (1) driver qualifications;
- (2) safety of operation;
- (3) equipment, parts, and accessories;
- (4) inspection, repair, and maintenance; and
- (5) maximum hours of service.

Subd. 3. [LICENSE SUSPENSION AND REVOCATION.] (a) The commissioner may after notice and opportunity for hearing under chapter 14 suspend or revoke a license and vehicle identification decals issued under this section if the commissioner determines that a licensee's actions constitute a serious or repeated violation of a statute or rule governing the transportation of hazardous waste. Factors to be considered by the commissioner in determining whether to suspend or revoke a license and decals include:

- (1) the danger of exposing the public to toxic or hazardous substances;
- (2) the condition of vehicles used by the licensee to transport hazardous waste;
- (3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified; and
- (4) other factors the commissioner considers relevant.

(b) The commissioner shall revoke by order, without a hearing, the license and vehicle identification decals of a licensee who fails to renew a license or fails to maintain insurance as required by this section. Revocation under this paragraph shall continue until the licensee renews the license and provides the commissioner with proof of insurance required under this section.

Subd. 4. [RULEMAKING AUTHORITY.] The commissioner shall adopt rules to implement this section, including rules to require licensed transporters to report to the commissioner as the commissioner deems necessary, and rules for suspending and revoking licenses and decals.

Sec. 4. [221.036] [ADMINISTRATIVE PENALTIES.]

Subdivision 1. [AUTHORITY TO ISSUE PENALTY ORDERS.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of section 3, of a material term or condition of a license issued under section 3, or of a rule or order of the commissioner relating to the transportation of hazardous waste. An order shall be issued as provided in this section.

Subd. 2. [ELECTION OF PENALTIES.] The commissioner shall not both assess an administrative penalty under this section and seek a criminal sanction under section 221.291, subdivision 3, for violations arising out of the same inspection or audit.

Subd. 3. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations identified during a single inspection or audit.

(b) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

Subd. 4. [CONTENTS OF ORDER.] An order assessing an administrative penalty under this section shall include:

(1) a concise statement of the facts alleged to constitute a violation;

(2) a reference to the section of the statute, rule, order, or material term or condition of a license that has been violated;

(3) a statement of the amount of the administrative penalty to be imposed and the factors upon which the penalty is based; and

(4) a statement of the person's right to review of the order.

Subd. 5. [CORRECTIVE ORDER.] (a) The commissioner may issue an order assessing a penalty and requiring the violations cited in the order to be corrected within 30 calendar days from the date the order was received.

(b) The person to whom the order was issued shall provide information to the commissioner before the 31st day after the order was received demonstrating that the violation has been corrected or that appropriate steps toward correcting the violation have been taken. The commissioner shall determine whether the violation has been corrected and notify the person subject to the order of the commissioner's determination.

Subd. 6. [PENALTY.] (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 7 or 8 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the receipt of a notice by the person subject to the order of the commissioner's determination under subdivision 5, paragraph (b), that information supplied to the commissioner is not sufficient to show that the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For a repeated or serious violation, the commissioner may issue an order with a penalty that will not be forgiven after the corrective action is taken. The penalty is due by 30 days after the order was received unless review of the order under subdivision 7 or 8 has been sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties on the date that the penalty is due and payable if no request for review is filed under subdivision 7 or 8.

Subd. 7. [EXPEDITED ADMINISTRATIVE HEARING.] (a) Within 30 days after the date on which an order was received, or within 20 days after the receipt of a notice that the commissioner has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may request an expedited hearing. The person to whom the order is directed and the commissioner are the parties to the expedited hearing. The commissioner must notify the person to whom the order is directed of the time and place of the hearing at least 20 days before the hearing. The expedited hearing must be held within 30 days after a request for hearing has been filed with the commissioner unless the parties agree to a later date.

(b) The hearing will be limited to not more than six hours of hearing time, exclusive of any prehearing, unless the administrative law judge determines that circumstances require a longer hearing. All written arguments must be submitted within ten days following the close of the hearing. The hearing shall be conducted under the conference contested case rules of the office of administrative hearings, as modified by this subdivision. The office of administrative hearings may, in consultation with the department, adopt rules specifically applicable to cases under this section.

(c) The administrative law judge shall issue a report making recommendations to the commissioner within 30 days following the close of the record. The administrative law judge may not recommend a change in the amount of the proposed penalty unless the administrative law judge determines that, based on the factors in subdivision 3, the commissioner has committed an abuse of discretion in setting the amount of the penalty.

(d) If the administrative law judge makes a finding that the hearing was requested solely for purposes of delay or that the hearing request was frivolous, the commissioner may add to the amount of the penalty the costs charged to the department by the office of administrative hearings for the hearing.

(e) If a hearing has been held, the commissioner may not issue a final order until at least five days after receipt of the report of the administrative law judge. The person subject to the order may, within those five days, comment to the commissioner on the recommendations and the commissioner shall consider the comments. The final order may be appealed in the manner provided in sections 14.63 to 14.69.

(f) If a hearing has been held and a final order issued by the commissioner, the penalty shall be paid by the 15th day after the final order was mailed, together with interest accruing at the rate established in section 549.09 from 31 days after the original order was received.

Subd. 8. [DISTRICT COURT HEARING.] Within 30 days after the receipt of an order, or within 20 days after the receipt of a notice that the commissioner has determined that a violation has not been corrected or

appropriate steps have not been taken, the person subject to an order under this section may file a petition in district court for review of the order. The petition shall be filed with the court administrator with proof of service on the commissioner. The petition shall be captioned in the name of the person making the petition as petitioner and the commissioner as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order, including the facts upon which each claim is based.

Subd. 9. [ELECTION OF REMEDIES.] A person subject to a corrective order under this section may not seek review of the order under both subdivisions 7 and 8.

Subd. 10. [ENFORCEMENT.] (a) The attorney general may proceed on behalf of the state to enforce penalties that are due and payable under this section in any manner provided by law for the collection of debts.

(b) The attorney general may petition the district court to file the administrative order as an order of the court. At any court hearing, the only issues parties may contest are procedural and notice issues. Once entered, the administrative order may be enforced in the same manner as a final judgment of the district court.

(c) If a person fails to pay the penalty, the attorney general may bring a civil action in district court seeking payment of the penalties, injunctive, or other appropriate relief including monetary damages, attorney fees, costs, and interest.

Subd. 11. [REVOCAION AND SUSPENSION OF PERMIT.] If a person does not pay a penalty due and payable under this section, the department may revoke or refuse to reissue or renew a license and decals issued by the department under section 3.

Subd. 12. [CUMULATIVE REMEDY.] The authority of the department to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law. Except as provided in subdivision 2, the payment of a penalty does not preclude the use of other enforcement provisions in connection with the violation for which the penalty was assessed.

Subd. 13. [TRUNK HIGHWAY FUND.] Penalties collected under this section must be deposited in the state treasury and credited to the trunk highway fund.

Sec. 5. Minnesota Statutes 1986, section 221.291, subdivision 3, is amended to read:

Subd. 3. [TRANSPORTATION OF HAZARDOUS MATERIALS.] A person who ships, transports, or offers for transportation hazardous waste ~~or~~ hazardous material *or hazardous substances* in violation of a provision of this chapter or a rule or order of the commissioner or board adopted or issued under this chapter which specifically applies to the transportation of hazardous material ~~or~~ hazardous waste *or hazardous substances* is guilty of a misdemeanor and upon conviction may be fined up to the maximum fine which may be imposed for a misdemeanor for each violation.

ARTICLE 2
COMMON CARRIERS

Section 1. Minnesota Statutes 1986, section 221.061, is amended to read:

221.061 [OPERATION CERTIFICATE FOR REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

A person desiring a certificate authorizing operation as a regular route common carrier or petroleum carrier, or an extension of or amendment to that certificate, shall file a petition with the board which must contain information as the board, by rule may prescribe.

Upon the filing of a petition for a certificate, the petitioner shall pay to the commissioner as a fee for issuing the certificate the sum of ~~\$75~~ \$300 and for a transfer or lease of the certificate the sum of ~~\$37.50~~ \$300.

The petition must be processed as any other petition. The board shall cause a copy and a notice of hearing thereon to be served upon a competing carrier operating into a city located on the proposed route of the petitioner and to other persons or bodies politic which the board deems interested in the petition. A competing carrier and other persons or bodies politic are hereby declared to be interested parties to the proceedings.

If, during the hearing, an amendment to the petition is proposed which appears to be in the public interest, the board may allow it when the issues and the territory are not unduly broadened by the amendment.

Sec. 2. Minnesota Statutes 1986, section 221.121, is amended by adding a subdivision to read:

Subd. 6a. [HOUSEHOLD GOODS CARRIER.] A person holding out or desiring to operate as a carrier of household goods shall follow the procedure established in subdivision 1, and shall specifically request an irregular route common carrier permit with authority to transport household goods. The board shall grant a permit to operate as an irregular route common carrier of household goods to a person who complies with this subdivision and subdivision 1.

Sec. 3. Minnesota Statutes 1986, section 221.121, subdivision 7, is amended to read:

Subd. 7. [FEES.] The permit holder shall pay a fee of ~~\$25~~ \$150 into the treasury of the state of Minnesota for each kind of permit, ~~reinstatement,~~ or extension of authority for which a petition is filed under this section.

Sec. 4. Minnesota Statutes 1986, section 221.131, subdivision 2, is amended to read:

Subd. 2. [PERMIT CARRIERS; ANNUAL VEHICLE REGISTRATION.] The permit holder shall pay an annual registration fee of \$20 on each vehicle, including pickup and delivery vehicles, operated by the holder under authority of the permit during the 12-month period or fraction of the 12-month period. Trailers and semitrailers used by a permit holder in combination with power units may not be counted as vehicles in the computation of fees under this section if the permit holder pays the fees for power units. The commissioner shall furnish a distinguishing annual identification card for each vehicle or power unit for which a fee has been paid. The identification card must at all times be carried in the vehicle or power

unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit ~~without fee by the commissioner~~ upon application of the permit holder ~~and a transfer fee of \$10~~. An identification card issued under the provisions of this section is valid only for the period for which the permit is effective. The name and residence of the permit holder must be stenciled or otherwise shown on the outside of both doors of each registered vehicle operated under the permit. A fee of ~~\$3~~ \$10 is charged for the replacement of an unexpired identification card that has been lost or damaged.

Sec. 5. Minnesota Statutes 1986, section 221.131, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE CARRIERS; ANNUAL VEHICLE REGISTRATION.] Regular route common carriers and petroleum carriers, operating under sections 221.011 to 221.291, shall annually ~~on or before January 1 of each calendar year,~~ pay into the treasury of the state of Minnesota an annual registration fee of \$20 for each vehicle, including pickup and delivery vehicles, operated during a calendar year. The commissioner shall issue distinguishing identification cards as provided in subdivision 2.

Sec. 6. [221.132] [PREPAID TEMPORARY VEHICLE IDENTIFICATION CARDS.]

The commissioner may issue a prepaid temporary vehicle identification card to a permit or certificate holder for a fee of \$5 per card. The card must be preprinted by the commissioner with the carrier's name, address, and permit or certificate number. The card may be used by the motor carrier to whom it is issued to identify a vehicle temporarily added to its fleet. The card must be executed by the motor carrier by dating and signing the card and describing the vehicle in which it will be carried. The identification card is valid for a period of ten days from the date the motor carrier places on the card when the card is executed. The card must be used within one year from the date of issuance by the commissioner. The card may not be used if the permit or certificate is not in full force and effect. The card may not be transferred. The commissioner may not refund the cost of unused prepaid temporary vehicle identification cards.

Sec. 7. Minnesota Statutes 1986, section 221.296, subdivision 5, is amended to read:

Subd. 5. [PERMIT FEES.] Upon filing a petition for a permit the petitioner shall pay to the commissioner as a fee for the issuance of the permit, the sum of ~~\$50~~ \$150, and shall thereafter pay an annual renewal fee of \$75 plus \$5 per motor vehicle if the local cartage carrier operates less than five motor vehicles, or \$100 plus \$5 per motor vehicle if the local cartage carrier operates at least five but less than 15 motor vehicles, or \$150 plus \$5 per motor vehicle if the local cartage carrier operates 15 or more vehicles ~~provided that the \$5 per motor vehicle charge does not apply to taxicabs operated under a local cartage permit.~~ Upon issuance of the permit the commissioner shall assign the carrier a permit number, which must be painted or prominently displayed on both sides of vehicles used by the local cartage carrier under authority of the permit.

Sec. 8. Minnesota Statutes 1986, section 221.60, subdivision 2, is amended to read:

Subd. 2. [FORM AND FEES.] A motor carrier engaged in interstate

commerce shall register its interstate transportation authority or exemption before February 1 of each year on a form prescribed by the commissioner. The fee for the initial registration is \$25. The fee for each identification stamp is \$5; however, a lesser fee may be collected pursuant to a reciprocal agreement authorized by section 221.65. ~~No fee may be collected from a local cartage carrier that provides interstate transportation only within the zone described in United States Code, title 49, section 10526(b)(1)(1984). A local cartage carrier shall register its interstate transportation each year when it pays the local cartage carrier permit or annual renewal fee.~~

Delete the title and insert:

"A bill for an act relating to transportation; requiring a license for the transportation of hazardous waste; providing for license administration, suspension, and revocation; requiring rulemaking; providing penalties; specifying articles that may be carried as household goods; revising fees for certain motor carrier permits and certificates; amending Minnesota Statutes 1986, sections 221.011, subdivision 31; 221.033, by adding a subdivision; 221.061; 221.121, subdivision 7, and by adding a subdivision; 221.131, subdivisions 2 and 3; 221.291, subdivision 3; 221.296, subdivision 5; and 221.60, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 221."

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 452: A bill for an act relating to education; expanding the higher education coordinating board's career guidance program; changing membership on the career guidance advisory task force; appropriating money; amending Minnesota Statutes 1986, sections 136A.85; 136A.86, subdivision 1; and 136A.87.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 136A.85, is amended to read:

136A.85 [~~CAREER GUIDANCE POST-HIGH SCHOOL PLANNING PROGRAM; ESTABLISHMENT.~~]

The Minnesota higher education coordinating board shall establish a *voluntary post-high school planning program* for all ~~eleventh grade students in the state who desire to participate~~, *secondary students in the eighth grade and above and adults*. The program is a statewide education and career guidance, testing, information and planning program designed to:

(a) ~~Assist students to make career plans and decisions regarding post-secondary education, training and goals~~ (1) *enable students and adults to consider the full range of available post-secondary opportunities;*

(2) *encourage early and systematic planning for education and careers by students and adults;*

(3) *encourage students and adults to acquire the academic skills that will prepare them for a wide range of post-secondary programs;*

(4) increase completion of post-secondary education by helping students and adults enroll in appropriate institutions and programs;

(5) consolidate and make more efficient the testing procedures used to advise, admit, and place students and adults in post-secondary programs;

(b) (6) assist high school, college and vocational institute counselors in their work with students and adults;

(c) (7) assist Minnesota colleges and vocational institutes to identify students and adults for whose talents, interests and needs they have appropriate programs;

(d) (8) assist colleges and scholarship agencies to select from applicants those who show the most promise of benefiting from particular programs;

(e) (9) provide educators, state planners and policy makers in the state a continuous inventory of the talents, plans, needs and other characteristics of students and adults in individual educational institutions, in educational systems, and in the state as a whole; and

(f) (10) assist educators, state planners and policy makers to develop improved educational measures and counseling tools.

Sec. 2. Minnesota Statutes 1986, section 136A.86, subdivision 1, is amended to read:

Subdivision 1. The board shall establish an advisory task force to ~~define the objectives of the program and~~ make recommendations to the board on program goals, policies and, selection of tests, and coordination of tests administered by the program and post-secondary institutes. The task force shall study and make recommendations about a variety of methods, including using education brokers, that could be used throughout the community to provide assistance to adults considering post-secondary education. Membership on the advisory task force shall include, but not be limited to, representatives of: the state university system, the university of Minnesota, the state community college system, the area vocational technical institute system, the Minnesota private college council, the Minnesota association of private post-secondary schools, the Minnesota school boards association, the Minnesota association of secondary school principals, the Minnesota school counselors association, ~~Minnesota area vocational technical institutes, the Minnesota department of education, the Minnesota association of private vocational schools, and~~ a minimum of one secondary and one post-secondary education student, and other representatives who have knowledge of and interest in post-secondary education for adults. The expiration of this advisory task force and the terms, compensation and removal of its members shall be as provided in section 15.059, subdivision 6.

Sec. 3. Minnesota Statutes 1986, section 136A.86, subdivision 2, is amended to read:

Subd. 2. The board shall periodically review and evaluate the ~~statewide career guidance, testing, information and planning~~ program and report to the governor and legislature the program status and the board's recommendations for legislation to improve the program.

Sec. 4. Minnesota Statutes 1986, section 136A.87, is amended to read:
136A.87 [ASPECTS OF THE PROGRAM.]

Subdivision 1. [ASSESSMENT INSTRUMENTS AND QUESTIONNAIRES.] The program shall:

(a) ~~Administer to eleventh grade Minnesota high school students, who desire to participate in the program, educational measurement instruments and questionnaires as determined by the board to be appropriate to serve the purposes of sections 136A.85 to 136A.88;~~

~~(b) provide for administration of education and career assessment instruments and questionnaires to residents in the eighth to twelfth grades and to adults. The board shall determine the instruments and questionnaires that are appropriate to serve the purposes of sections 136A.85 to 136A.88.~~

Subd. 2. [HIGH SCHOOL ASSESSMENTS.] The program shall provide for administration of educational measurement instruments and questionnaires to high school students before their senior year. At least the following shall be included:

(1) an aptitude assessment for students anticipating entry to collegiate programs;

(2) an inventory of interests, career directions, background information, and education plans; and

(3) one or more preliminary placement tests to assist students in selecting courses.

Subd. 3. [DATA BASE.] A data base of information from the program's assessments and services shall be maintained to:

(1) provide individual reports of results to the students, ~~to the high schools in which students are enrolled, and, if authorized by the students, to post-secondary educational institutions; and~~

~~(2) provide annual statewide summary reports of results on a statewide basis to all Minnesota high schools and, post-secondary educational institutions and to, the department of education, the education committees of the legislature, and the governor.~~

Subd. 4. [COORDINATION.] The program shall coordinate efforts and develop additional methods of providing information, guidance, and testing services to out-of-school youth and adults.

Sec. 5. [APPROPRIATION.]

\$_____ is appropriated for fiscal year 1988 and \$_____ is appropriated for fiscal year 1989 from the general fund to the higher education coordinating board for the post-high school planning program. The sums are available until expended."

Delete the title and insert:

"A bill for an act relating to education; expanding and altering the higher education coordinating board's career guidance program; making changes to the membership of the advisory task force; appropriating money; amending Minnesota Statutes 1986, sections 136A.85; 136A.86, subdivisions 1 and 2; and 136A.87."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 183: A bill for an act relating to snowmobiles; authorizing certain operators possessing a motor vehicle operator's license to cross a highway; amending Minnesota Statutes 1986, section 84.872.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 686: A bill for an act relating to agriculture; establishing liens and security interests that are subject to federal notice and registration provisions and provisions prescribing when buyers of farm products purchase subject to or free of security interests; proposing coding for new law in Minnesota Statutes, chapter 223A.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 517: A bill for an act relating to agriculture; providing for selection, sale, and development of state land to produce wild rice; amending Minnesota Statutes 1986, section 92.501, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 30.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete sections 1 and 2

Page 2, line 4, after "(a)" insert "*Notwithstanding section 92.501,*"

Page 2, line 18, after the second "for" insert "*public*"

Page 2, line 35, delete "Sec. 4. [30.63]" and insert "*Subd. 4.*"

Page 2, line 36, delete the paragraph coding

Page 3, line 19, delete "3" and insert "1"

Page 3, line 24, delete "*to 4*" and insert "*and 2*"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1111: A bill for an act relating to economic development; appropriating money to the commissioner of iron range resources and rehabilitation for use in economic development projects and investments; authorizing investment of earnings of the northeast Minnesota economic protective trust in venture capital enterprises; amending Minnesota Statutes 1986, section 298.292.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 13, delete "*There*" and insert "\$_____"

Page 1, line 15, delete "*the sum of \$20,000,000*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1203: A bill for an act relating to state government; reorganizing the department of agriculture, the department of energy and economic development, and the department of public service, and providing for the powers and duties of the three departments; changing the name of the department of energy and economic development to the department of trade and economic development; designating the department of jobs and training as the administrative agency for certain juvenile justice and delinquency prevention purposes; providing grants for youth intervention programs; transforming the Minnesota world trade center board into a public corporation; changing the membership of its governing board; establishing the world trade center institute as a joint venture of the corporation and the Minnesota trade office; authorizing the corporation and the world trade center office to contract for certain services and programs; transferring assets and liabilities of the world trade center board to the corporation; appropriating money; amending Minnesota Statutes 1986, sections 15.057; 17.03, subdivision 1; 18.023, subdivision 11; 18.024, subdivision 1; 43A.08, subdivision 1; 44A.01; 44A.02; 44A.031; 44A.08; 104.35, subdivisions 2 and 3; 115A.12, subdivision 2; 116C.03, subdivision 2; 116J.01; 116J.03; 116J.58, subdivision 2; 116J.60; and 116J.63, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 17; 44A; 116J; and 268; proposing coding for new law as Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1986, sections 4.09; 17.03, subdivision 5; 44A.03; 44A.04; 44A.05; 44A.06; 44A.07; 116J.404; and 116J.405.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, delete lines 30 to 32

Page 11, delete lines 26 to 36 and insert:

"Subd. 3. [DEPARTMENTAL ORGANIZATION.] The commissioner shall organize the department as provided in section 15.06. The department ~~shall~~ *must* be organized into ~~four~~ *two* divisions, ~~which shall be~~ *designated as the energy business promotion and marketing division; and the community development division, the economic development division, and the financial management division;* and ~~three~~ *offices, the office of tourism, the Minnesota trade office, and the policy analysis office.* Each division and office ~~is responsible for administering~~ *shall administer* the duties and functions assigned to it by law. When the duties of the divisions or office are not allocated by law, the commissioner may establish and revise the assignments of each division and office. Each division ~~shall be~~ *is* under the direction of a deputy commissioner in the unclassified service. ~~The~~ *Each* office ~~of tourism~~ *is* under the direction of a director ~~of tourism~~ *in the unclassified service; appointed by the governor shall appoint the director of tourism."*

Page 12, delete lines 1 to 7

Page 16, delete lines 23 to 35 and insert:

"The divisions established within the department of trade and economic development by section 16 include the following divisions, offices, or functions in existence within and without the department before the effective date of this act:

(1) the business promotion and marketing division includes the office of science and technology;

(2) the community development division includes the community development division and the financial management division;

(3) the office of tourism includes the office of tourism;

(4) the Minnesota trade office includes the functions of the international trade division of the department of agriculture assigned to the department of trade and economic development by section 22; and

(5) the policy analysis office."

Page 17, delete line 36

Page 18, delete lines 1 to 6

Page 18, line 7, delete "5" and insert "4"

Page 20, line 10, delete "state appropriations and"

Page 20, line 33, delete everything after "corporation"

Page 20, line 34, delete "trade office,"

Page 21, line 4, delete "a trade"

Page 21, line 5, delete everything before "a"

Page 21, lines 8, 11, and 23, delete "and the Minnesota trade office"

Page 21, line 13, delete "and the"

Page 21, line 14, delete "Minnesota trade office"

Page 21, line 15, delete everything after the period

Page 21, delete lines 16 to 21

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 782, 1067, 407, 904, 704, 725, 225, 24, 344, 235, 888, 721, 183 and 686 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 424 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Freeman moved that the name of Mr. Marty be added as a co-author to S.F. No. 670. The motion prevailed.

Ms. Berglin moved that the name of Mr. Pehler be added as a co-author to S.F. No. 790. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Pehler be added as a co-author to S.F. No. 827. The motion prevailed.

Mr. Cohen moved that the name of Mr. Marty be added as a co-author to S.F. No. 853. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Merriam be added as a co-author to S.F. No. 994. The motion prevailed.

Mr. Merriam moved that the name of Mr. Spear be added as a co-author to S.F. No. 1088. The motion prevailed.

Mr. Luther moved that the name of Mr. Jude be added as a co-author to S.F. No. 1175. The motion prevailed.

Mr. Cohen moved that his name be stricken as a co-author to S.F. No. 1203. The motion prevailed.

Mr. Luther moved that the name of Mr. Pehler be added as a co-author to S.F. No. 1203. The motion prevailed.

Mr. Spear moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1223. The motion prevailed.

Mr. Morse moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1228. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Johnson, D.J. be added as a co-author to S.F. No. 1277. The motion prevailed.

Ms. Reichgott introduced—

Senate Resolution No. 45: A Senate resolution congratulating Ruby Reine of Crystal for winning the Minnesota American Mother of the Year title for 1987.

Referred to the Committee on Rules and Administration.

Mr. Lessard moved that S.F. No. 711 be withdrawn from the Committee on Economic Development and Housing and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Vickerman and Frederickson, D.J. introduced—

S.F. No. 1280: A bill for an act relating to public safety; increasing taxable gross weight of vehicles at which proof of payment of use tax is required; providing for permits for new vehicles used in events for promotion purposes; changing trip permit conditions; increasing fine for unlawful use of registration plates or certificates; allowing police to give age of parties in traffic accident to media; providing for service of notice of driver's license revocation by court; providing for chemical tests to determine presence of alcohol or controlled substance; prescribing contents of petition for judicial review of driver's license revocation; subjecting alcohol problem assessment

rules to administrative procedure act; prescribing actions by drivers on one-way road when emergency vehicle approaching; requiring school buses on one-way, separated roads with shoulders to load and unload without flashing lights; allowing peace officers to weigh pickup towing trailer or semitrailer; providing for \$10 fee for class A classified provisional driver's license; allowing inspection of school buses for approved wheelchair devices; amending Minnesota Statutes 1986, sections 168.013, subdivision 20; 168.187, subdivision 17; 168.36, subdivision 2; 169.09, subdivision 13; 169.121, subdivision 7; 169.123, subdivision 5c; 169.124, subdivision 2; 169.20, subdivision 5; 169.44, subdivision 2; 169.85; 171.06, subdivision 2; and 299A.11; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Messrs. Frederickson, D.R.; DeCramer; Davis; Berg and Renneke introduced—

S.F. No. 1281: A bill for an act relating to agriculture; establishing a task force on improving agricultural commodity utilization; appropriating money.

Referred to the Committee on Agriculture.

Ms. Piper introduced—

S.F. No. 1282: A bill for an act relating to human services; providing for a change in medical assistance and general assistance medical care reimbursements for treatment of mental illness; providing for a utilization review system of inpatient mental health care; amending Minnesota Statutes 1986, section 256.969, subdivision 2.

Referred to the Committee on Health and Human Services.

Ms. Olson introduced—

S.F. No. 1283: A bill for an act relating to corrections; Minnesota correctional industries; requiring the commissioner of corrections to consult with certain persons and groups before establishing a correctional industry or service; limiting the kinds of items that may be manufactured by a correctional industry; amending Minnesota Statutes 1986, section 241.27, subdivision 1.

Referred to the Committee on Health and Human Services.

Ms. Reichgott introduced—

S.F. No. 1284: A bill for an act relating to education; establishing a regent candidate search commission to assist the legislature in identifying candidates for the board of regents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Education.

Mr. Samuelson introduced—

S.F. No. 1285: A bill for an act relating to waters; prohibiting certain ice blocks upon the surface of frozen waters; proposing coding for new law in Minnesota Statutes, chapter 97C.

Referred to the Committee on Environment and Natural Resources.

Messrs. DeCramer and Johnson, D.J. introduced—

S.F. No. 1286: A bill for an act relating to education; appropriating money for Indian education at the Grand Portage school.

Referred to the Committee on Education.

Messrs. DeCramer; Johnson, D.J. and Ms. Peterson, D.C. introduced—

S.F. No. 1287: A bill for an act relating to education; providing categorical aids and certain levy replacement money for Pine Point School; amending Minnesota Statutes 1986, section 128B.03, by adding subdivisions.

Referred to the Committee on Education.

Mr. Metzen introduced—

S.F. No. 1288: A bill for an act relating to education; authorizing exceptional need revenue for eligible school districts; appropriating money; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Vickerman and Frederickson, D.J. introduced—

S.F. No. 1289: A bill for an act relating to law enforcement; providing for a program of law enforcement grants to local government units; appropriating money.

Referred to the Committee on Local and Urban Government.

Mr. Hughes introduced—

S.F. No. 1290: A bill for an act relating to liquor; authorizing the city of Little Canada to issue two additional on-sale licenses.

Referred to the Committee on Commerce.

Mr. Frederick introduced—

S.F. No. 1291: A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

Referred to the Committee on Environment and Natural Resources.

Ms. Olson and Mr. Schmitz introduced—

S.F. No. 1292: A bill for an act relating to game and fish; changing the mandatory closing date for private shooting preserves; amending Minnesota Statutes 1986, section 97A.121, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Brandl, Ms. Piper, Messrs. Marty, Samuelson and Vickerman introduced—

S.F. No. 1293: A bill for an act relating to human services; providing for hospice care payments under medical assistance; amending Minnesota Statutes 1986, section 256B.02, subdivision 8.

Referred to the Committee on Health and Human Services.

Mr. Renneke introduced—

S.F. No. 1294: A bill for an act relating to agriculture; providing for reduction of payment adjustment obligations; authorizing principal buy-down for certain loans; establishing a special fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 41.

Referred to the Committee on Agriculture.

Ms. Berglin introduced—

S.F. No. 1295: A bill for an act relating to the city of Minneapolis; giving the city certain powers pertaining to conventions and tourism activities.

Referred to the Committee on Local and Urban Government.

Ms. Berglin introduced—

S.F. No. 1296: A bill for an act relating to Gillette Children's Hospital; clarifying the hospital's exemption from certain tax provisions; amending Minnesota Statutes 1986, section 250.05, by adding subdivisions.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frederickson, D.J. introduced—

S.F. No. 1297: A bill for an act relating to the city of Redwood Falls; authorizing an economic development authority to construct and furnish buildings; authorizing the authority to issue general obligation bonds subject to a reverse referendum; authorizing the establishment of certain economic development districts.

Referred to the Committee on Economic Development and Housing.

Mr. Frederickson, D.J., by request, introduced—

S.F. No. 1298: A bill for an act relating to the city of Redwood Falls; authorizing all property in the city to be assessed at a flat dollar amount per parcel for an infrastructure fund levy.

Referred to the Committee on Local and Urban Government.

Mr. Bernhagen introduced—

S.F. No. 1299: A bill for an act relating to the city of Hutchinson; providing an exception from the Hutchinson police civil service system for the chief of police.

Referred to the Committee on Local and Urban Government.

Mrs. Adkins introduced—

S.F. No. 1300: A bill for an act relating to traffic regulations; requiring school buses on one-way, separated roads with shoulders to load and unload without flashing lights; amending Minnesota Statutes 1986, section 169.44, subdivision 2.

Referred to the Committee on Transportation.

Mr. Wegscheid introduced—

S.F. No. 1301: A bill for an act relating to waste control; appropriating money to reimburse Farmington for excess charges.

Referred to the Committee on Local and Urban Government.

Messrs. Wegscheid, Merriam, Kroening and Anderson introduced—

S.F. No. 1302: A bill for an act relating to intoxicating liquor; requiring cities to issue off-sale wine licenses to general food stores in the metropolitan area upon application; imposing restrictions; amending Minnesota Statutes 1986, sections 340A.101, subdivision 29; and 340A.412, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 340A.

Referred to the Committee on Commerce.

Ms. Peterson, D.C. introduced—

S.F. No. 1303: A bill for an act relating to the city of Minneapolis; providing for the appointment of the director of the office of emergency preparedness; amending Laws 1969, chapter 937, section 1, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Messrs. Merriam, Pehler, Kroening and Mrs. Adkins introduced—

S.F. No. 1304: A bill for an act relating to firefighters; requiring payment of death, disability, and survivor benefits to firefighters suffering from occupationally related cancer.

Referred to the Committee on Employment.

Mr. Samuelson introduced—

S.F. No. 1305: A bill for an act relating to the town of Irondale; removing a town levy limitation; repealing Laws 1971, chapter 336.

Referred to the Committee on Taxes and Tax Laws.

Mr. Willet introduced—

S.F. No. 1306: A bill for an act relating to game and fish; establishing a program to compensate landowners and lessees for damages done by wild animals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Waldorf introduced—

S.F. No. 1307: A bill for an act relating to education; adopting a common course numbering system for higher education; assigning the planning for implementation of a common course numbering system for higher education to a task force assisted by the staff of the higher education coordinating board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Messrs. Marty, Merriam, Pehler, Novak and Laidig introduced—

S.F. No. 1308: A bill for an act relating to game and fish; designation and use of waterfowl feeding or resting areas; amending Minnesota Statutes 1986, section 97A.095, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C. introduced—

S.F. No. 1309: A bill for an act relating to children; creating an office for children in the state planning agency; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116K.

Referred to the Committee on Governmental Operations.

Mr. Pehler introduced—

S.F. No. 1310: A bill for an act relating to education; directing the Minnesota academic excellence foundation to establish a state academic league; appropriating money; amending Minnesota Statutes 1986, section 121.612, subdivisions 3 and 5; proposing coding for new law in Minnesota Statutes, chapter 121.

Referred to the Committee on Education.

Messrs. Wegscheid, Moe, D.M. and Renneke introduced—

S.F. No. 1311: A bill for an act relating to retirement; excluding volunteer firefighters from membership in the public employees retirement association and the police and fire fund; amending Minnesota Statutes 1986, sections 353.01, subdivisions 2b, 10, and by adding a subdivision; and 353.64, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Waldorf, Moe, D.M. and Mrs. Lantry introduced—

S.F. No. 1312: A bill for an act relating to retirement; St. Paul police relief association and St. Paul fire department relief association; authorizing the voluntary consolidation of those local relief associations with the public employees police and fire fund; authorizing the individual election of applicable benefit coverage upon the consolidation of those relief associations; amending Minnesota Statutes 1986, sections 353.01, subdivisions 2b, 10, and 16; 353.271; 353.64, subdivision 1; and 353.65, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 353; proposing coding for new law as Minnesota Statutes, chapters 353A and 353B.

Referred to the Committee on Governmental Operations.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 2, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWENTY-EIGHTH DAY

St. Paul, Minnesota, Thursday, April 2, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Frank imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. James E. Shea.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mrs. McQuaid was excused from the Session of today at 3:20 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received and referred to the committee indicated.

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Jobs

and Training is hereby respectfully submitted to the Senate for confirmation as required by law:

Joseph Samargia, 1319 Goodrich Ave., St. Paul, Ramsey County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Employment.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 1, 1987

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1

A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 3, subdivision 5.

March 31, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1 be further amended as follows:

Delete everything after the enacting clause and insert:

“FARM OPERATING LOAN INTEREST BUY-DOWN PROGRAM.

Section 1. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 7 and 10. The definitions in this section also apply to sections 8 and 9 unless a different definition is provided in section 8.

Subd. 2. [APPROVED ADULT FARM MANAGEMENT PROGRAM.] “Approved adult farm management program” means a farm management training program designed for persons currently engaged in farming that

has been approved by the commissioner under section 4, subdivision 3.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 4. [COMMISSIONER'S INTEREST INDEX.] "Commissioner's interest index" means an interest rate that is 3.3 percent above the current lending rate of the Federal Intermediate Credit Bank to production credit associations as certified each month by the commissioner.

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer who applies to a lender for a farm operating loan and meets all qualifications established in section 2 and any further qualifications that may be established in the guidelines adopted by the commissioner under section 4, subdivision 1.

An eligible borrower must complete a loan application with a participating lender between January 1, 1987, and December 31, 1987.

Subd. 6. [FARM OPERATING LOAN.] "Farm operating loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm operating loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm operating loan eligible for interest rate buy-down must have a maturity date of June 30, 1988, or earlier.

Subd. 7. [FARMER.] "Farmer" means a state resident or a domestic family farm corporation as defined in Minnesota Statutes, section 500.24, subdivision 2, operating a farm within the state.

Subd. 8. [INTEREST RATE BUY-DOWN.] "Interest rate buy-down" means a reduction in the effective interest rate on a farm operating loan to an eligible borrower due to partial payment of interest costs by the commissioner and partial reduction of interest costs by the participating lender.

Subd. 9. [LENDER.] "Lender" means a bank, a credit union, or a savings and loan association chartered by the state or federal government, a unit of the farm credit system, the Federal Deposit Insurance Corporation, or another financial institution approved by the commissioner.

Subd. 10. [PARTICIPATING LENDER.] "Participating lender" means a lender who has been granted participating lender status by the commissioner.

Sec. 2. [FARMER ELIGIBILITY.]

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

Subd. 2. [ASSESSMENT OF CONTINUED VIABILITY.] Only a farmer determined by the lender to have a reasonable opportunity for long-term financial viability in the farmer's current farm operation is an eligible borrower. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Subd. 3. [ENROLLMENT IN ADULT FARM MANAGEMENT PRO-

GRAM.] *To be an eligible borrower, a farmer shall agree to enroll in an approved adult farm management program if enrollment is required by the lender and an approved program is offered not more than 50 miles from the farmer's residence. The approved adult farm management program must bill the lender for one-half of the course tuition.*

Sec. 3. [LENDER ELIGIBILITY; OBLIGATIONS.]

Subdivision 1. [ELIGIBLE PARTICIPATING LENDER STATUS.] A lender who meets the requirements established by the commissioner must be certified as a participating lender.

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

If a participating lender determines that enrollment in an adult farm management program would not benefit the borrower or an approved adult farm management program is not located within 50 miles from the debtor's residence, the lender shall explain the reasons to the borrower in writing and indicate the determination on the application for Program A or Program B.

Subd. 3. [RECEIPT OF APPLICATIONS FOR INTEREST RATE BUY-DOWN.] (a) A participating lender shall receive and evaluate loan applications from a farmer:

(1) who has transacted farm-related borrowing with a lender within the previous three years;

(2) who has not previously established farm-related borrowing; or

(3) whose previous lender is no longer in the business of making farm-related loans.

(b) In determining whether to make a farm operating loan to a farmer, the participating lender may use criteria in addition to those in section 2.

Subd. 4. [MAXIMUM INTEREST RATE.] To qualify for interest rate buy-down payments, a participating lender shall offer to make a farm operating loan to an eligible borrower at a rate of interest equivalent to that offered to other farmers having similar security and financial status, but the interest rate may not exceed the current commissioner's interest index. The commissioner may use appropriate means to verify that the operating loan interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Sec. 4. [RESPONSIBILITIES OF THE COMMISSIONER.]

Subdivision 1. [ADOPTION OF PROGRAM GUIDELINES.] Within 30 days after the effective date of sections 1 to 9, the commissioner shall adopt and make available to the public guidelines for Programs A and B.

The commissioner shall adopt guidelines for Program B, coordinate Program B with the Federal Operating Loan Program, and make the benefits of Program B additive to the Federal Operating Loan Program. Adoption of the program guidelines is not subject to Minnesota Statutes, chapter 14.

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] The commissioner shall prepare and distribute forms and instructions for Programs A and B to all lenders in the state.

Subd. 3. [APPROVAL OF ADULT FARM MANAGEMENT PROGRAMS.] The commissioner, in consultation with the commissioner of agriculture, shall prepare a list of adult farm management training programs approved for eligible borrowers and distribute the list to all participating lenders.

Subd. 4. [APPROVAL OF APPLICATIONS FOR BUY-DOWN PAYMENT.] (a) The commissioner shall review within five working days of submission by a participating lender a properly completed application for interest rate buy-down payments on a farm operating loan made to a farmer. If a qualified lender does not receive written notice that the commissioner has denied interest rate buy-down payments within seven working days, the farmer is an eligible borrower and interest rate buy-down payments on the farm operating loan are approved by the commissioner.

(b) The commissioner shall not approve concurrent participation of an eligible borrower under both Program A and Program B.

(c) All applications received by the commissioner after appropriated interest rate buy-down program funds for Program A or Program B have been encumbered must be returned immediately to the lender with an explanation that interest buy-down payments are denied due to prior commitment of available program funds.

(d) For an application for Program B, the commissioner shall send the lender a preliminary commitment for the interest payment within ten days after receiving the Program B application. The preliminary commitment may be used by the lender to qualify for the Federal Operating Loan Program. A preliminary commitment is for the 1987 and 1988 crop years. The commitment for the 1988 crop year is dependent on approval of the lender's and borrower's application to the Federal Operating Loan Program for at least crop years 1987 and 1988.

Subd. 5. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.] The commissioner shall pay one-half of the expected interest rate buy-down amount when requested by the participating lender, but not more than 60 days after the loan was approved by the commissioner, and the balance within 30 days after the loan matures. All interest buy-down payments under this act must be made by joint-payee checks in the name of the participating lender and the eligible borrower.

If a participating lender obtains a conditional commitment for guarantee or contract for guarantee from the FmHA, the commissioner shall make the state Program B interest buy-down payment as necessary to accommodate the FmHA commitment or contract.

PROGRAM A; STATE-LENDER INTEREST RATE BUY-DOWN

Sec. 5. [PROGRAM A; STATE-LENDER INTEREST RATE BUY-DOWN.]

Subdivision 1. [APPLICATION.] To be eligible for state interest rate buy-down payments under Program A, a participating lender must submit to the commissioner a properly completed application form for each eligible farm operating loan.

Sec. 6. [STATE CONTRIBUTION TO INTEREST BUY-DOWN; PROGRAM A.]

As provided in section 4, subdivision 7, the commissioner shall pay under Program A to a participating lender for the first \$60,000 of an approved farm operating loan made to an eligible borrower an amount equal to an annual rate of 2.8 percent interest on the loan, but the payment may not exceed \$2,520 per farm operating loan.

Sec. 7. [LENDER CONTRIBUTION TO INTEREST BUY-DOWN; PROGRAM A.]

A participating lender shall provide a reduction in interest rate for the first \$60,000 of an approved farm operating loan made to an eligible borrower in an amount equal to an annual rate of at least 1.7 percent interest on the loan.

PROGRAM B; STATE LENDER-FmHA INTEREST RATE BUY-DOWN

Sec. 8. [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 8 and 9.

Subd. 2. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer who applies to a lender for a farm operating loan between the dates January 1, 1987, and December 31, 1988, and who meets all qualifications established in section 2 and any further qualifications that may be established in the program guidelines adopted by the commissioner under section 4, subdivision 1.

Subd. 3. [FARM OPERATING LOAN.] "Farm operating loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender to finance the operations of a farm for one operating season. A farm operating loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm operating loan eligible for interest rate buy-down must have a maturity date of June 30, 1989, or earlier.

Subd. 4. [FEDERAL OPERATING LOAN PROGRAM.] "Federal Operating Loan Program" means the Guaranteed Operating Loan Program together with the Interest Rate Buy-Down Program administered by the FmHA as described in Code of Federal Regulations, title 7, section 1980, subpart B.

Subd. 5. [FmHA.] "FmHA" means the Farmers Home Administration of the United States Department of Agriculture.

Subd. 6. [FmHA BUY-DOWN AGREEMENT.] "FmHA Buy-Down Agreement" means Form FmHA 1980-58 or a replacement of that form, which is an agreement between a lending institution, a farmer, and the FmHA under which the FmHA agrees to give the lending institution an interest buy-down grant in partial reimbursement of a write-down by the lending institution of the interest rate on the farmer's operating loan under the Federal Operating Loan Program.

Sec. 9. [STATE-LENDER-FmHA INTEREST RATE BUY-DOWN.]

Subdivision 1. [APPLICATION.] To be eligible for Program B, a participating lender shall submit an application for Program B to the commissioner and an application to FmHA under subdivision 2. The lender may indicate on the application for Program B that the lender and borrower will apply to the FmHA Federal Operating Loan Program for more than one year and would desire a commitment for Program B for more than one crop year, ending December 31, 1988.

Subd. 2. [APPLICATION TO FmHA.] (a) The lender and an eligible borrower shall apply to FmHA for a guarantee of the proposed farm operating loan under the Federal Operating Loan Program.

(b) If the application is approved, the lender shall submit a copy of the FmHA buy-down agreement to the commissioner. Upon receipt of the FmHA buy-down agreement, the commissioner shall pay the lender \$50 for preparation costs. If the loan preparation was done by a person or entity not otherwise compensated by the lender for preparing the loan application, the lender shall remit the \$50 to the person or entity actually preparing the loan application. If the application is denied, the lender shall submit a copy of the denial to the commissioner. If the application is denied, the commissioner shall consider the Program B application as an application for Program A and make interest buy-down payments to the lender and eligible borrower as if the application were originally submitted for Program A, unless the lender has indicated that the loan is not to be considered under Program A.

Subd. 3. [STATE CONTRIBUTION TO PROGRAM B INTEREST BUY-DOWN.] Under Program B, the commissioner shall pay to a participating lender interest at a rate of 2.8 percent per year for the first \$60,000 of a farm operating loan made to an eligible borrower during the term of the loan, if the loan is approved under the Federal Operating Loan Program. The payment to a participating lender may not exceed \$2,520 per eligible borrower per calendar year, exclusive of the loan preparation fee.

Subd. 4. [LENDER CONTRIBUTION TO PROGRAM B INTEREST BUY-DOWN.] A participating lender shall reduce the interest charged to an eligible borrower on a farm operating loan so that the reduction in interest rate provided by the lender and the FmHA together is at least 1.7 percent per year for the first \$60,000 of the loan.

Sec. 10. [APPROPRIATION.]

Subdivision 1. [APPROPRIATION.] \$17,000,000 is appropriated from the general fund for fiscal year 1987 to the commissioner of commerce for the interest rate buy-down program. The appropriation is available for the fiscal year ending June 30 in the years indicated to pay amounts due under approved applications received during that calendar year. Any unencumbered balance remaining in a fiscal year must not be canceled and remains available to pay amounts due under approved applications received during the rest of that calendar year. The appropriation for Program B is available until June 30, 1989, to pay amounts due under approved applications received during calendar year 1987 or 1988.

	1987	1988
(a) Program B, including loan preparation costs under section 5, subdivision 2	\$ 1,500,000	\$ 1,500,000

(b) Program A, including up to \$14,000,000
\$100,000 for administrative costs
of the commissioner of commerce for
Programs A and B

Subd. 2. [PRIORITIES; LIMITATION.] Applications take priority in the order they were received by the commissioner. The commissioner shall not approve an application for a program once the appropriation for that program has been committed.

Subd. 3. [SPILLOVER.] If, at any time more than 180 days after the effective date of this act, the appropriation for either Program A or Program B for calendar year 1987 is insufficient, the appropriation for the other program is available for it. Any unencumbered balance remaining at the end of a calendar year must not be canceled but must be added to the appropriations for Program B in the next calendar year.

Subd. 4. [OTHER APPROPRIATIONS ADDED.] Any unencumbered balance from the interest buy-down program under Laws 1986, chapter 398, article 29, section 1, subdivision 3, or from any appropriation added to it, remaining on August 1, 1987, must not be canceled but must be transferred and added equally to the appropriations for Program A and Program B that are available for the rest of calendar year 1987.

Subd. 5. [FARM LOAN INTEREST BUY-DOWN.] \$14,000,000 is appropriated from the general fund for fiscal year 1987 to the commissioner of commerce to make payments under the farm loan interest buy-down program under Laws 1986, chapter 398, article 23. This appropriation is added to the appropriation in Laws 1986, chapter 398, article 29, section 1, subdivision 3. Payment from the commissioner must be made by joint-payee check in the name of the participating lender and the borrower.

Sec. 11. Laws 1986, chapter 398, article 23, section 4, is amended by adding a subdivision to read:

Subd. 7. [COMMISSIONER'S DISCRETION FOR CERTAIN BORROWERS.] Notwithstanding section 1, subdivision 5, the commissioner may consider a farmer an eligible borrower if the farmer applies to the lender before January 1, 1986, and complies with the remaining provisions of this article.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 4, by adding a subdivision."

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

House Conferees: (Signed) Katy Olson, Glen H. Anderson, Steve Wenzel, Jerry Schoenfeld, Virgil J. Johnson

Senate Conferees: (Signed) C.R. (Chuck) Davis, LeRoy Stumpf, Gary DeCramer

Mr. Davis moved that the foregoing recommendations and Conference

Committee Report on H.F. No. 1 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Berg moved that the recommendations and Conference Committee Report on H.F. No. 1 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 12 and nays 55, as follows:

Those who voted in the affirmative were:

Berg	Gustafson	Langseth	Merriam	Ramstad
Diessner	Jude	Lantry	Moe, D.M.	Waldorf
Frank	Kroening			

Those who voted in the negative were:

Adkins	Cohen	Johnson, D.J.	Moe, R.D.	Renneke
Anderson	Dahl	Knaak	Morse	Samuelson
Beckman	Davis	Knutson	Novak	Schmitz
Belanger	DeCramer	Laidig	Olson	Solon
Benson	Dicklich	Larson	Pehler	Spear
Berglin	Frederick	Lessard	Peterson, D.C.	Storm
Bernhagen	Frederickson, D.J.	Luther	Peterson, R.W.	Stumpf
Bertram	Frederickson, D.R.	Marty	Piper	Taylor
Brandl	Freeman	McQuaid	Pogemiller	Vickerman
Brataas	Hughes	Mehrkens	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Metzen	Reichgott	Willet

The motion did not prevail.

The question recurred on the motion of Mr. Davis to adopt the recommendations and Conference Committee Report on H.F. No. 1. The motion prevailed.

H.F. No. 1 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Reichgott
Anderson	DeCramer	Knaak	Moe, D.M.	Renneke
Beckman	Dicklich	Knutson	Moe, R.D.	Samuelson
Belanger	Diessner	Kroening	Morse	Schmitz
Benson	Frank	Laidig	Novak	Solon
Berglin	Frederick	Lantry	Olson	Spear
Bernhagen	Frederickson, D.J.	Larson	Pehler	Storm
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Brandl	Freeman	Luther	Peterson, R.W.	Taylor
Brataas	Gustafson	Marty	Piper	Vickerman
Chmielewski	Hughes	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 403: A bill for an act relating to newspapers; providing that only qualified newspapers may accept legal notices for publication; amending Minnesota Statutes 1986, section 331A.02, subdivision 1.

Senate File No. 403 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 1, 1987

CONCURRENCE AND REPASSAGE

Mr. Bertram moved that the Senate concur in the amendments by the House to S.F. No. 403 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 403: A bill for an act relating to newspapers; providing that a newspaper that is not qualified must inform public bodies that it is not qualified; amending Minnesota Statutes 1986, section 331A.02, subdivision 1.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, R.D.	Schmitz
Anderson	Dicklich	Kroening	Morse	Solon
Beckman	Diessner	Laidig	Novak	Spear
Belanger	Frank	Langseth	Olson	Storm
Benson	Frederick	Lantry	Pehler	Stumpf
Berg	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Freeman	Luther	Piper	Waldorf
Bertram	Gustafson	Marty	Pogemiller	Wegscheid
Brandl	Hughes	McQuaid	Purfeerst	Willet
Brataas	Johnson, D.E.	Mehrkens	Ramstad	
Chmielewski	Johnson, D.J.	Merriam	Reichgott	
Cohen	Jude	Metzen	Renneke	
Dahl	Knaak	Moe, D.M.	Samuelson	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 469, 591, 750, 889 and 555.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 1, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 469: A bill for an act relating to food licenses; regulating certain vending machine inspection fees; amending Minnesota Statutes 1986, section 28A.09, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 407, now on General Orders.

H.F. No. 591: A bill for an act relating to human services; authorizing the commissioner to make direct payments to shelter facilities; allowing facilities providing shelter services to women and children to appeal the denial of general assistance payments; amending Minnesota Statutes 1986, sections 256.01, subdivision 2; and 256D.05, by adding a subdivision.

Referred to the Committee on Finance.

H.F. No. 750: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 715, now on General Orders.

H.F. No. 889: A bill for an act relating to local government; providing notice conditions for town road contracts; amending Minnesota Statutes 1986, section 160.17, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 844, now on General Orders.

H.F. No. 555: A bill for an act relating to crimes; prohibiting giving peace officers false names; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 954: A bill for an act relating to agriculture; appropriating money to the commissioner of agriculture for use in the marketing and promotion of peat.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete "\$350,000" and insert "\$_____"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1016: A bill for an act relating to agriculture; transferring authority of the commissioner of energy and economic development relating to governor's council on rural development to the commissioner of agriculture; authorizing loan and grant programs; providing for new members; appropriating money; amending Minnesota Statutes 1986, sections 116J.951; 116J.955; and 116J.961, subdivisions 1, 2, 3, 5, 8, and 9; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1986, section 116J.961, subdivision 10.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Governmental Operations. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 800: A bill for an act relating to financial institutions; authorizing certain charges on open-end loan account arrangements; amending Minnesota Statutes 1986, section 48.185, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, delete "*each advance, purchase, or satisfaction*" and insert "*any monthly or other periodic payment period*"

Page 2, line 11, after "*or*" insert "*returned*"

Page 2, line 15, delete "*the*" and insert "*a*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1031: A bill for an act relating to occupations and professions; requiring the licensing of interior designers; defining the practice of interior design; providing for exemptions; providing for administration of licensing requirements; amending Minnesota Statutes 1986, sections 214.01, subdivision 3; 214.04, subdivision 3; 326.02, subdivision 1, and by adding a subdivision; 326.03, subdivision 1, and by adding a subdivision; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, 2a, and by adding a subdivision; 326.11, subdivision 1; 326.12; 326.13; and 326.14.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [MINNESOTA TASK FORCE ON INTERIOR DESIGNERS AND DECORATORS.]

Subdivision 1. [TASK FORCE CREATED.] The Minnesota task force on interior designers and decorators is created.

Subd. 2. [PURPOSE.] The purpose of the task force is to study whether or not licensure of interior designers or decorators, or both, is necessary to protect the health, welfare, and safety of the public. The purpose of the task force is also to determine how the disciplines of interior design and

interior decorating interface with other related professions. In assessing this interaction, the task force shall determine whether a licensing requirement gives any group an economic advantage over another rather than protects the public.

Subd. 3. [MEMBERSHIP; CHAIR.] The task force consists of 13 members as follows: 12 members appointed by the commissioner of commerce; and the executive secretary of the state board of architecture, engineering, land surveying, and landscape architecture. The executive secretary shall act as chair.

Subd. 4. [ASSISTANCE OF AGENCIES.] The task force may request information from state agencies to assist the task force in the performance of its duties.

Subd. 5. [DUTIES.] (a) The task force shall assess educational programs offered in the state of Minnesota and determine whether the programs satisfy the requirements of an effective and comprehensive approach to licensure.

(b) The task force shall determine how the discipline of interior design interfaces with other professions and whether the need and appropriateness of licensing interior designers or decorators, or both, serves the best interests of the public.

(c) If licensure is determined to be in the best interests of the public, the task force shall study the title versus practice approach. The economic consequences and ramifications of licensure with respect to the title versus practice approach shall be assessed.

(d) The task force shall study the effectiveness of an administrative board designed to govern and enforce a licensure program.

(e) The task force shall study how a board appointed by the commissioner of commerce can effectively review and compare, for purposes of licensure, out-of-state registration programs with Minnesota's proposed licensure requirements.

Subd. 6. [REPORT.] The task force shall, by January 15, 1988, submit a report containing findings and recommendations to the commissioner of commerce and the state legislature.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to occupations and professions; creating the Minnesota task force on interior designers and decorators and providing for its duties."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 715: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [SALE OF CERTAIN TAX-FORFEITED LAND; POLK COUNTY.]

Notwithstanding Minnesota Statutes, section 282.018, Polk county may sell certain tax-forfeited land located in the city of East Grand Forks that is described in this section.

The land that may be sold consists of lots that border public water in the city of East Grand Forks, Polk county, described as:

(1) Prestige Addition, Block 3, Lots 1 and 4; and

(2) Riverview 3rd Addition, Block 1, Lot 3; and Block 3, Lots 2, 4, 7, and 8.

The lots have special assessments levied against them for improvements and are presently located between developed residential homes outside of the floodplain.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 345: A bill for an act relating to environment; prohibiting the use of certain pesticides; proposing coding for new law in Minnesota Statutes, chapter 18A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [18A.49] [USE OF CHLORDANE PROHIBITED.]

Subdivision 1. [PROHIBITION.] The state, a state agency, a political subdivision of the state, a person, or other legal entity may not sell, use, or apply the pesticide chlordane or its derivative heptachlor within the state.

Subd. 2. [PENALTY.] A person who violates subdivision 1 is guilty of a misdemeanor. Each day of violation is a separate offense.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

H.F. No. 29: A bill for an act relating to traffic regulations; requiring motor vehicle operators to use child passenger restraint system when transporting child under age of four; assessing court costs to violator under certain conditions; imposing penalty; amending Minnesota Statutes 1986, section 169.685, subdivision 5, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 3, strike "the provisions of"

Page 2, line 4, before the period, insert "*and may be sentenced to pay a fine of not more than \$25*"

Page 2, line 11, delete the new language

Page 2, line 12, delete "*violates*" and strike "this subdivision" and strike "is" and delete "*guilty of*" and strike "a petty misdemeanor"

Page 2, line 13, delete "*punishable by fine*" and strike "not" and delete "to" and strike "exceed \$25."

Page 2, line 16, before "*This*" insert "(a)"

Page 2, delete lines 17 to 26

Page 2, line 27, delete "(2)" and insert "(1)"

Page 2, line 32, delete "(3)" and insert "(2)"

Page 2, line 36, delete "(4)" and insert "(3)"

Page 3, after line 2, insert:

"(b) A child passenger restraint system is not required for a child who cannot, in the judgment of a licensed physician, be safely transported in a child passenger restraint system because of a medical condition, body size, or physical disability. A motor vehicle operator claiming exemption for a child under this paragraph must possess a typewritten statement from the physician stating that the child cannot be safely transported in a child passenger restraint system. The statement must give the name and birth date of the child, be dated within the previous six months, and be made on the physician's letterhead or contain the physician's name, address, and telephone number. A person charged with violating subdivision 5 may not be convicted if the person produces the physician's statement in court or in the office of the arresting officer."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 772: A bill for an act relating to consumer protection; requiring registration for health, buying, and social referral clubs; providing bonding and alternative security requirements; regulating bond claims; amending Minnesota Statutes 1986, sections 325G.23, subdivisions 4, 8, and by adding a subdivision; and 325G.27.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, reinstate the stricken "having the primary purpose of"

Page 1, line 16, after "*offering*" insert "*one or more*" and delete "*the*"

Page 1, line 21, delete "*The term*"

Page 1, delete lines 22 to 24

Page 1, line 25, delete everything before "*The*"

Page 2, line 4, strike "\$25" and insert "\$50"

Page 2, line 12, after the period, insert "*It is not a prepayment if a payment for service is made on the same day the service is rendered.*"

Page 2, line 22, delete "to be"

Page 3, line 6, delete "person who registers" and insert "registrant"

Page 3, line 7, delete "not more than"

Page 3, line 10, delete "registered person" and insert "registrant" and delete "in"

Page 3, line 11, delete "an amount set by the attorney general" and delete "not more than \$250" and insert "\$150"

Page 3, line 13, after "section" insert "*must be deposited into the state treasury and credited to a club contracts account. All money in the account is appropriated to the attorney general and*"

Page 3, delete lines 15 to 18

Page 3, line 19, delete "(d)" and insert "(c)"

Page 3, line 33, delete "(b)" and strike "In no event shall any bond required by this"

Page 3, strike line 34

Page 4, after line 14, insert:

"(b) No club shall be required to file with the attorney general a bond, letter of credit, or cash in excess of \$200,000, regardless of the number of facilities."

Page 4, delete lines 15 to 18 and insert:

"(c) The amount of the bond shall be based upon a financial statement covering the immediately preceding 12-month period of the club, and shall be executed under the penalty of perjury by any two duly constituted officers of the corporation, describing the club's outstanding liabilities to the members using generally accepted accounting principles."

Page 4, line 19, delete "report" and insert "financial statement"

Page 4, delete lines 21 to 27

Page 4, line 28, delete "(e)" and insert "(d)"

Page 4, line 33, delete "(f)" and insert "(e)"

Page 4, after line 36, insert:

"(f) This subdivision does not apply to any club which files a declaration with the attorney general, executed under penalty of perjury by the owner or manager of such club, stating that the club does not require or in the ordinary course of business does not receive prepayment for services or merchandise."

Page 5, line 26, delete "person who" and insert "club that"

Page 5, line 31, after the first comma, insert "irrevocable" and after "cash" insert "deposit filed with the attorney general,"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 371: A bill for an act relating to education; clarifying that funds may not be transferred from the debt redemption fund; amending Minnesota Statutes 1986, section 121.9121, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 1986, section 121.912, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] Except as provided in this subdivision, sections 121.9121, 123.36, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to any other operating funds if the resources of the other fund are not adequate to finance approved expenditures from that other fund. Permanent transfers may also be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner. The levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "clarifying permanent transfers that are currently permitted;"

Page 1, line 4, delete "section" and insert "sections 121.912, subdivision 1; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 829: A bill for an act relating to education; requiring the higher education coordinating board to provide education and training information; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [136A.84] [EDUCATIONAL INFORMATION FOR SECONDARY STUDENTS AND ADULTS.]

Subdivision 1. [GENERAL INFORMATION.] The higher education coordinating board shall make available information to secondary students and adults about the following:

- (1) educational opportunities available to students beyond high school;*
- (2) financial assistance available to help pay for education beyond high school; and*
- (3) academic standards expected of students who choose to pursue educational opportunities beyond high school.*

Subd. 2. [INFORMATION TO EIGHTH GRADERS.] The board shall provide information to eighth grade students and their parents by January 1 about the need to plan for post-secondary education. The information must emphasize at least the following:

- (1) the need to start planning before the high school years;*
- (2) the availability of assistance in educational planning from educational institutions and other organizations;*
- (3) suggestions for studying effectively during high school;*
- (4) high school courses necessary to be adequately prepared for post-secondary education;*
- (5) encouragement to actively involve parents in planning for high school and post-secondary education;*
- (6) a summary of post-secondary educational opportunities existing in the state, the mission of each system, and expectations for students;*
- (7) the costs of post-secondary education and available assistance to meet costs; and*
- (8) financial planning for education beyond high school.*

Subd. 3. [INFORMATION TO HIGH SCHOOL STUDENTS.] The board shall provide information to all high school students and their parents to assist them in preparing for post-secondary education. The information must emphasize at least the following:

- (1) the availability of assistance in educational planning from educational institutions and other organizations;*
- (2) the skills and high school courses needed for success in post-secondary education;*
- (3) encouragement to actively involve parents in planning for post-secondary education;*
- (4) general information about Minnesota post-secondary educational offerings, including the missions of various post-secondary systems and institutions, their academic preparation standards, admission requirements, and costs;*
- (5) the process of transferring credits among Minnesota post-secondary institutions and systems;*
- (6) ways to evaluate and select post-secondary institutions; and*
- (7) financial planning for post-secondary education and available assistance to meet costs.*

Subd. 4. [INFORMATION TO ADULTS AND OUT-OF-SCHOOL YOUTH.] The board shall provide information about post-secondary education to adults and out-of-school youth, including at least racial and ethnic minorities, public assistance recipients, handicapped persons, displaced workers, and displaced homemakers. The information must emphasize the following:

- (1) the availability of assistance in educational planning from educational institutions and other agencies and organizations;*
- (2) post-secondary educational opportunities available in the state;*
- (3) available costs of post-secondary education and available assistance to meet costs; and*
- (4) the interrelationship of assistance from student financial aid, public assistance, and special programs.*

Subd. 5. [CONSULTING; REPORTING.] In developing, disseminating, and evaluating the information, the board shall consult with the post-secondary education systems; education and career counselors; the department of education; human service, social service, and job training agencies; representatives of business, industry, labor unions, organizations representing racial and ethnic groups and rural organizations; financial aid administrators; and other appropriate groups.

The board, in cooperation with the post-high school planning program task force established in section 136A.86, shall evaluate the effectiveness of the information in assisting residents in making education and career plans. By January 1 of each odd-numbered year the board shall report the results of the evaluation to the governor.

Sec. 2. [APPROPRIATION.]

§_____ is appropriated for fiscal year 1988 and §_____ is appropriated in fiscal year 1989 from the general fund to the higher education coordinating board for the educational information requirements in section 1. The sums are available until expended."

Delete the title and insert:

"A bill for an act relating to education; requiring the higher education coordinating board to provide educational information to secondary students and adults; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 839: A bill for an act relating to education; adjusting funding for post-secondary enrollment changes of more than three percent one year rather than two years after the change; amending Minnesota Statutes 1986, section 135A.03, subdivisions 2, 3, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 135A.05, is amended to

read:

135A.05 [TASK FORCE.]

The executive director of the ~~Minnesota~~ higher education coordinating board shall administer a task force on average cost funding. The task force shall include representation from each of the public systems of post-secondary education, post-secondary students, the education division of the house appropriations committee, the education subcommittee of the senate finance committee, *the senate education committee, the house of representatives higher education committee*, the office of the commissioner of finance, the office of state auditor, and the uniform financial accounting and reporting advisory council. The task force shall be ~~convened and~~ chaired by the executive director or a designee and staffed by the higher education coordinating board. The task force shall review and make recommendations on the definition of instructional cost in all four systems, the method of calculating average cost for funding purposes, the method used to assign programs to the proper level of cost at each level of instruction, the adequacy of the accounting data for defining instructional cost in a uniform manner, and the biennial budget format to be used by the four systems in submitting their biennial budget requests. The task force shall submit a report on these matters to the legislature by December 1 of each odd-numbered year.

Sec. 2. [STUDY OF ENROLLMENT CHANGES.]

By February 1, 1988, the task force on average cost funding shall make recommendations to the legislature about methods to equitably address the two-year delay in appropriations when enrollment for a system increases or decreases more than three percent from one year to the next year."

Delete the title and insert:

"A bill for an act relating to education; adding members to the task force on average cost funding; requiring the average cost funding task force to report recommendations concerning certain enrollment changes; amending Minnesota Statutes 1986, section 135A.05."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 698: A bill for an act relating to education; authorizing northeast metropolitan intermediate school district No. 916 to issue certain bonds for the acquisition and betterment of a secondary vocational and special education facility.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, delete "act" and insert "section"

Page 1, line 25, delete "this act" and insert "section 1"

Page 2, line 3, delete "This act" and insert "Section 1"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was re-referred S.F. No. 142: A bill for an act relating to education; restoring earlier cuts in appropriations to post-secondary education systems; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete “; CONDITIONS”

Page 1, line 9, delete the first “in” and insert “for”

Page 1, line 10, delete “systems” and insert “boards”

Page 1, line 13, delete the period and insert a comma

Page 1, line 14, delete everything before “the” and insert “to”

Page 1, line 16, delete everything after the period

Page 1, delete lines 17 and 18

Page 1, line 19, delete “LIST OF SYSTEMS” and insert “BOARDS AND AMOUNTS”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 350: A bill for an act relating to education; appropriating money to the state university board for women’s intercollegiate athletic programs.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 832: A bill for an act relating to agriculture; clarifying certain appropriations; prohibiting importation of certain bees; changing certain milk inspection fees and requirements; changing time for sale of certain state-owned property; eliminating certain requirements for grain buyers licenses; amending Minnesota Statutes 1986, sections 17B.15, subdivision 1; 19.58, subdivision 1; 32.394, subdivisions 8, 8b, and 9; 41.56, subdivision 4; and 223.17, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, delete section 6

Page 7, line 4, after the period, insert “*The commissioner must provide application forms and licenses that state the restrictions and authority to purchase and store grain under the license being applied for and issued.*”

Page 7, line 4, reinstate the stricken “The” and after the stricken “types” insert “categories” and reinstate the stricken “of”

Page 7, lines 5 to 8, reinstate the stricken language

Page 7, lines 20 to 23, reinstate the stricken language

Page 7, after line 23, insert:

“Sec. 7. [APPROPRIATION.]

§_____ is appropriated from the general fund to the commissioner of agriculture to pay the state share of the milk inspection services under Minnesota Statutes, section 32.394, subdivision 9."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete "state-owned property;"

Page 1, line 7, after the semicolon, insert "appropriating money;"

Page 1, line 10, delete everything before "and"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1025: A bill for an act relating to the state; authorizing competition for an official state song; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 7, 13, and 15, delete "shall" and insert "must"

Page 1, line 12, after the second comma, insert "the state universities,"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 863: A bill for an act relating to horse racing; requiring the assigning of suitable racing days for standard-bred racing; authorizing the racing commission to issue an additional license for a racetrack located within the seven-county metropolitan area under certain circumstances; amending Minnesota Statutes 1986, sections 240.06, subdivision 5; and 240.14, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 240.06, is amended by adding a subdivision to read:

Subd. 5a. [ADDITIONAL LICENSE; METROPOLITAN AREA.] Notwithstanding subdivision 5, the commission may issue one additional class A license within the seven-county metropolitan area, provided that the additional license may only be issued for a facility:

(1) located more than 25 miles from any other racetrack in existence on January 1, 1987;

(2) containing a track no larger than five-eighths of a mile in circumference;

(3) used exclusively for standard-bred racing; and

(4) not owned or operated by a governmental entity or a nonprofit organization.

Sec. 2. Minnesota Statutes 1986, section 240.14, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNMENT OF RACING DAYS.] The commission shall assign racing days to each racetrack licensee authorized to conduct racing with pari-mutuel betting, and a licensee may conduct racing with pari-mutuel betting only on a racing day assigned by the commission. *The commission may not assign thoroughbred racing days for a racetrack licensed under section 1.* The commission may assign racing days for up to three years beyond the year in which the assignment is made. Assignments of racing days in any year must be made by December 31 of the previous year, except that days may be assigned after that date to a licensee whose license is issued after that date."

Delete the title and insert:

"A bill for an act relating to horse racing; authorizing the racing commission to issue an additional license for a racetrack in the seven-county metropolitan area to be used for standard-bred racing; amending Minnesota Statutes 1986, sections 240.06, by adding a subdivision; and 240.14, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 712: A bill for an act relating to jobs and training; establishing limits for rates under the child care sliding fee program; amending Minnesota Statutes 1986, section 268.91, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, strike "MAXIMUM" and strike "RATE" and insert "*CHILD CARE RATES*"

Page 1, line 12, delete "*maximum*"

Page 1, line 15, after "county" delete the new language and insert "*, except that a county board shall*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 283: A bill for an act relating to health; prohibiting deceptive pregnancy counseling practices; providing a penalty; amending Minnesota Statutes 1986, section 145.45; proposing coding for new law in Minnesota Statutes, chapter 145.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [145.431] [PREGNANCY COUNSELING SERVICES.]

Subdivision 1. [PURPOSE.] The purpose of this section is to ensure that individuals who desire services relating to pregnancy are fully informed about the types of services that are generally available and the nature of the services that are offered by a particular person or organization.

Subd. 2. [PREGNANCY COUNSELING SERVICE.] For purposes of this section, "pregnancy counseling service" means a person or organization that regularly offers, provides, or purports to provide counseling or advice relating to pregnancy, or other pregnancy-related services, and that uses advertising to publicly promote or offer the use of their services.

Subd. 3. [DECEPTIVE PRACTICES.] A pregnancy counseling service shall not advertise or state that it provides a type of service that it does not regularly provide.

Subd. 4. [REMEDIES.] A person or organization that fails to comply with this section is subject to the penalties and remedies in section 8.31."

Delete the title and insert:

"A bill for an act relating to health; requiring disclosure of services offered by a pregnancy counseling service; prohibiting deceptive practices; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 145."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 810: A bill for an act relating to human services; requiring court-ordered group health insurance benefits be paid to providers; requiring all parties to sign workers' compensation settlement agreements; requiring notification to commissioner regarding workers' compensation payments; establishing a public assistance lien; establishing third party payer liability; requiring reporting of group insurance coverage; providing for reimbursement of benefits from programs with federal participation; amending Minnesota Statutes 1986, sections 62A.046; 176.191, subdivision 4; 176.521, subdivisions 1, 3, and by adding a subdivision; 256B.02, by adding a subdivision; 256B.042, subdivisions 2, 3, and by adding subdivisions; 256B.37, subdivisions 1, 2, and by adding subdivisions; 256D.03, by adding a subdivision; 268.121; 473.405, subdivision 13; and 514.69; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 to 4, delete sections 2 to 5

Page 7, line 13, delete ", other than Medicare or the medical"

Page 7, line 14, delete "assistance program,"

Page 14, lines 9 to 11, delete the new language

Page 14, line 11, strike the period

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 12

Page 1, line 13, delete "and by adding a subdivision;"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 834: A bill for an act relating to human services; establishing the office of assistant commissioner of mental health; establishing a state advisory council on mental health; creating a mental health division in the department of human services; amending Minnesota Statutes 1986, section 245.69; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, after "*illness*" insert "*in both community programs and regional treatment centers*"

Page 1, delete lines 26 and 27

Page 2, delete lines 1 to 7

Page 2, line 9, delete "*psychiatric*" and insert "*mental health*"

Renumber the clauses in sequence

Pages 5 to 8, delete section 3

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete "245.69;"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 945: A bill for an act relating to health; requiring transfers from the special revenue account to the public health fund; amending Minnesota Statutes 1986, section 214.06, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 3, delete "*fiscal year*" and insert "*biennium*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 946: A bill for an act relating to human services; altering allocation of federal fiscal disallowances based on error rates; amending Minnesota Statutes 1986, section 256.01, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, after line 3, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for all sanction payments made after January 1, 1987.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 908: A bill for an act relating to human services; establishing a community services conversion project; proposing coding for new law in Minnesota Statutes, chapter 252.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, after “*the*” insert “*voluntary*”

Page 2, line 18, after “*requirement*” insert “*based on the choice of the person or the person's legal representative, if any*”

Page 4, line 5, delete “*shall have the authority to*” and insert “*may, in a*”

Page 4, line 6, delete “*to*” and insert a comma

Page 4, line 12, after “*months*” insert “. *The commissioner may grant a variance to exceed the 24-month interim period, as necessary, for facilities which are licensed and certified to serve more than 99 persons. In no case shall the commissioner approve an interim period which exceeds 36 months*”

Page 4, line 20, delete “*costs*” and insert “*cost*”

Page 4, line 21, delete “*consistent with*” and insert a semicolon

Page 4, delete lines 22 and 23

Page 4, line 28, delete “*and*” and insert “*or*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

H.F. No. 737: A resolution memorializing the President and Congress to prevent from taking effect the proposed Internal Revenue Service regulations that limit the lobbying activities by nonprofit organizations.

Reports the same back with the recommendation that the resolution do pass and be placed on the Consent Calendar. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

House Concurrent Resolution No. 6: A House concurrent resolution adopting permanent joint rules of the Senate and House of Representatives.

Reports the same back with the recommendation that the resolution be amended as follows:

Page 4, delete lines 29 to 36

Page 5, delete line 1

And when so amended the resolution do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 6 be laid on the table. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 735: A bill for an act relating to human services; providing for a statewide interpreter service for hearing impaired persons; altering membership on Minnesota council for the hearing impaired; amending Minnesota Statutes 1986, sections 256C.24, subdivisions 2 and 3; 256C.25, subdivisions 1 and 2; and 256C.28, subdivision 1.

Reports the same back with the recommendation that the report from the Committee on Health and Human Services, shown in the Journal for March 26, 1987, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be referred to the Committee on Finance". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 465: A bill for an act relating to transportation; providing for reduced speeds in work zones; providing for payment of administrative, filing, and plate fees; restricting unauthorized use of motor vehicles on public airport property; describing prohibited acts against aircraft; defining peace officer; describing qualifications for aircraft dealers license; amending Minnesota Statutes 1986, sections 168.012, subdivision 1c; 169.14, by adding a subdivision; 360.018, subdivision 6, and by adding a subdivision; 360.075, subdivision 1; 360.0751, subdivision 1; and 360.63, subdivision 1.

Reports the same back with the recommendation that the report from the Committee on Transportation, shown in the Journal for March 9, 1987, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 924: A bill for an act relating to human services; creating the office of ombudsman for older Minnesotans; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the report from the Committee on Health and Human Services, shown in the Journal for March 26, 1987, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Governmental Operations”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 479: A bill for an act relating to the city of Duluth; authorizing the issuance of bonds to purchase capital equipment; limiting the amount of the bonds.

Reports the same back with the recommendation that the report from the Committee on Local and Urban Government, shown in the Journal for March 12, 1987, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Taxes and Tax Laws”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 259: A bill for an act relating to public safety; establishing state reimbursement program for purchases of soft body armor by and for peace officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for March 5, 1987, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Local and Urban Government”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 79: A bill for an act relating to occupations and professions; generally revising and updating the laws relating to licensure of podiatrists; providing for definitions, licensing, practice without a license, disciplinary action, and investigations; providing penalties; amending Minnesota Statutes 1986, sections 153.01, subdivisions 2 and 3; 153.02; 153.03; 214.01; and 319A.02; proposing coding for new law in Minnesota Statutes, chapter

153; repealing Minnesota Statutes 1986, sections 153.01, subdivision 4; 153.04 to 153.09; 153.13; 153.14; and 153.15.

Reports the same back with the recommendation that the report from the Committee on Health and Human Services, shown in the Journal for March 26, 1987, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Governmental Operations”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 838 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		838	782		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 854 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
854	448				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 854 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 854 and insert the language after the enacting clause of S.F. No. 448, the first engrossment; further, delete the title of H.F. No. 854 and insert the title of S.F. No. 448, the first engrossment.

And when so amended H.F. No. 854 will be identical to S.F. No. 448, and further recommends that H.F. No. 854 be given its second reading and substituted for S.F. No. 448, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 554 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
554	450				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 554 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 554 and insert the language after the enacting clause of S.F. No. 450, the first engrossment; further, delete the title of H.F. No. 554 and insert the title of S.F. No. 450, the first engrossment.

And when so amended H.F. No. 554 will be identical to S.F. No. 450, and further recommends that H.F. No. 554 be given its second reading and substituted for S.F. No. 450, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred the following appointment as reported in the Journal for March 12, 1987:

**MINNESOTA HOUSING FINANCE AGENCY
EXECUTIVE DIRECTOR**

James J. Solem

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred the following appointment as reported in the Journal for January 29, 1987:

MINNESOTA HOUSING FINANCE AGENCY

Bruce Bakken

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred the following appointment as reported in the Journal for March 2, 1987:

MINNESOTA HOUSING FINANCE AGENCY

Demetrius G. Jelatis

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 476: A bill for an act relating to agriculture; providing funds to be added by private contributions to establish an endowed chair at the University of Minnesota for a sustainable agriculture program; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "\$100,000" and insert "\$_____"

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 800, 1031, 715, 345, 371, 698, 863, 283 and 465 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 29, 737, 838, 854 and 554 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Dahl moved that the name of Mr. Brandl be added as a co-author to S.F. No. 83. The motion prevailed.

Mr. Gustafson moved that his name be stricken as a co-author to S.F. No. 270. The motion prevailed.

Mr. Solon moved that the name of Mr. Dahl be added as a co-author to S.F. No. 270. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Marty be added as a co-author to S.F. No. 763. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Marty be added as a co-author to S.F. No. 791. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 928. The motion prevailed.

Mr. Marty moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 962. The motion prevailed.

Mr. Marty moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 963. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Moe, R.D. be added as a co-author to S.F. No. 1037. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1088. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1098. The motion prevailed.

Mr. Pehler moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1106. The motion prevailed.

Mr. Knaak moved that his name be stricken as a co-author to S.F. No. 1235. The motion prevailed.

Mr. Marty moved that the name of Mr. Jude be added as a co-author to S.F. No. 1259. The motion prevailed.

Mr. Laidig introduced—

Senate Resolution No. 46: A Senate resolution congratulating the Ponies Cross Country Ski Teams from Stillwater High School for winning the 1987 Girls and Boys State High School Cross Country Skiing Championships.

Referred to the Committee on Rules and Administration.

Mr. Pehler introduced—

Senate Resolution No. 47: A Senate resolution proclaiming the week of April 26 to May 2, 1987, to be Disability Awareness Week.

Referred to the Committee on Rules and Administration.

SUSPENSION OF RULES

Mr. Luther moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 737 and that the rules of the Senate be so far suspended as to give H.F. No. 737, now on the Consent Calendar, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 737: A resolution memorializing the President and Congress to prevent from taking effect the proposed Internal Revenue Service regulations that limit the lobbying activities by nonprofit organizations.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Freeman	Lantry	Moe, R.D.
Anderson	Cohen	Gustafson	Larson	Morse
Beckman	Dahl	Hughes	Lessard	Novak
Belanger	Davis	Johnson, D.E.	Luther	Olson
Benson	Dicklich	Johnson, D.J.	Marty	Pehler
Berglin	Diessner	Jude	McQuaid	Peterson, D.C.
Bernhagen	Frank	Knaak	Mehrkens	Peterson, R.W.
Bertram	Frederick	Kroening	Merriam	Piper
Brandt	Frederickson, D.J.	Laidig	Metzen	Pogemiller
Brataas	Frederickson, D.R.	Langseth	Moe, D.M.	Purfeerst

Ramstad	Samuelson	Spear	Vickerman	Willet
Reichgott	Schmitz	Storm	Waldorf	
Renneke	Solon	Stumpf		

So the resolution passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that House Concurrent Resolution No. 6 be taken from the table. The motion prevailed.

House Concurrent Resolution No. 6: A House concurrent resolution adopting permanent joint rules of the Senate and House of Representatives.

Mr. Luther moved the adoption of House Concurrent Resolution No. 6. The motion prevailed. So the Permanent Joint Rules were adopted.

CALENDAR

H.F. No. 134: A bill for an act relating to employment; requiring an employer to notify employees and job applicants of bankruptcy proceedings; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Renneke
Anderson	DeCramer	Knaak	Moe, R.D.	Samuelson
Beckman	Dicklich	Kroening	Morse	Schmitz
Belanger	Diessner	Laidig	Novak	Solon
Benson	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Freeman	Marty	Piper	Vickerman
Brataas	Gustafson	McQuaid	Pogemiller	Waldorf
Chmielewski	Hughes	Mehrkens	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	Merriam	Ramstad	Willet
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.E. No. 27: A bill for an act relating to appropriations; providing for a payment for certain improvements in the city of St. Cloud.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Diessner	Johnson, D.E.	Larson
Anderson	Brataas	Frank	Johnson, D.J.	Luther
Beckman	Chmielewski	Frederick	Jude	Marty
Belanger	Cohen	Frederickson, D.J.	Knaak	McQuaid
Benson	Dahl	Frederickson, D.R.	Kroening	Mehrkens
Berg	Davis	Freeman	Laidig	Merriam
Berglin	DeCramer	Gustafson	Langseth	Metzen
Bernhagen	Dicklich	Hughes	Lantry	Moe, D.M.

Moe, R.D.	Peterson, D.C.	Ramstad	Solon	Vickerman
Morse	Peterson, R.W.	Reichgott	Spear	Waldorf
Novak	Piper	Renneke	Storm	Wegscheid
Olson	Pogemiller	Samuelson	Stumpf	Willet
Pehler	Purfeerst	Schmitz	Taylor	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 134, which the committee reports progress, subject to the following motion:

Mr. Solon moved to amend S.F. No. 134 as follows:

Delete everything after the enacting clause and insert:

“Section 1. [MUNICIPAL ACQUISITION; CITY OF HIBBING.]

If a petition is filed with the public utilities commission under Minnesota Statutes, section 216B.44, before July 1, 1987, by the city of Hibbing in connection with extending its municipal service territory, the commission shall resolve the dispute within 120 days of filing. Chapter 14 does not apply to any proceeding under this section. If the decision of the commission is appealed, the surety bond provisions of Minnesota Statutes, sections 562.01 to 562.03 and 562.05, shall apply and no additional supersedeas bond shall be required.”

Delete the title and insert:

“A bill for an act relating to utilities; requiring the public utilities commission to resolve any dispute relating to the city of Hibbing extending its electric service area within a certain time.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Johnson, D.E.	Moe, D.M.	Spear
Beckman	DeCramer	Knutson	Olson	Storm
Belanger	Diessner	Laidig	Pehler	Taylor
Benson	Frank	Lantry	Peterson, R.W.	Vickerman
Berg	Frederick	Larson	Ramstad	Waldorf
Bernhagen	Freeman	Lessard	Renneke	Wegscheid
Bertram	Gustafson	Mehrkens	Samuelson	
Brataas	Hughes	Metzen	Solon	

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Morse	Reichgott
Berglin	Frederickson, D.J.	Langseth	Novak	Schmitz
Brandl	Frederickson, D.R.	Luther	Peterson, D.C.	Stumpf
Cohen	Johnson, D.J.	Marty	Piper	Willet
Dahl	Jude	Merriam	Pogemiller	
Davis	Knaak	Moe, R.D.	Purfeerst	

The motion prevailed. So the amendment was adopted.

S.F. No. 134 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mrs. Adkins introduced—

S.F. No. 1313: A bill for an act relating to insurance; liquor liability assigned risk plan; regulating assigned risk plan premiums; amending Minnesota Statutes 1986, section 340A.409, subdivision 3.

Referred to the Committee on Commerce.

Messrs. Langseth and Stumpf introduced—

S.F. No. 1314: A bill for an act relating to corrections; appropriating money for the west central regional juvenile center.

Referred to the Committee on Finance.

Messrs. Langseth and Stumpf introduced—

S.F. No. 1315: A bill for an act relating to environment; prohibiting transportation of high-level radioactive waste into the state and prohibiting testing for or siting of a high-level radioactive waste management facility; requiring establishment of an escrow account to ensure compensation for injuries; requiring the payment of certain wages; making a constructor, owner or operator of a facility, or a transporter of waste strictly liable for injuries caused by a release; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 116C.

Referred to the Committee on Environment and Natural Resources.

Mr. Benson introduced—

S.F. No. 1316: A bill for an act appropriating funds for the Chatfield Brass Band Music Lending Library.

Referred to the Committee on Finance.

Mr. Mehrkens introduced—

S.F. No. 1317: A bill for an act relating to environment; requiring certain conditions for the location of a county landfill by use of eminent domain; amending Minnesota Statutes 1986, section 400.04, subdivision 2, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Spear and Ms. Reichgott introduced—

S.F. No. 1318: A bill for an act relating to costs and attorney fees; defining terms for the purpose of the equal access to justice act; amending Minnesota Statutes 1986, section 3.761, subdivisions 3 and 6.

Referred to the Committee on Judiciary.

Mr. Davis introduced—

S.F. No. 1319: A bill for an act relating to the city of Princeton; providing for the apportionment of certain sale proceeds constituting delinquent tax increment revenues to the city.

Referred to the Committee on Economic Development and Housing.

Mr. Luther introduced—

S.F. No. 1320: A bill for an act relating to taxation; income; providing a credit for contributions to candidates for local offices; increasing the percentage of contribution that may be claimed as a credit; amending Minnesota Statutes 1986, sections 10A.32, subdivision 3b; and 290.06, subdivision 11.

Referred to the Committee on Elections and Ethics.

Mr. Luther introduced—

S.F. No. 1321: A bill for an act relating to crimes; providing that persons convicted of a crime of violence may not ship, transport, possess, or receive a firearm for ten years following restoration of civil rights, the setting aside of a conviction, or a pardon; amending Minnesota Statutes 1986, sections 609.165, by adding a subdivision; 609.168; 624.712, subdivision 5; and 638.02, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Lessard introduced—

S.F. No. 1322: A bill for an act relating to towns; providing procedures for their organization and dissolution; amending Minnesota Statutes 1986, sections 365.45; 368.47; and 379.01.

Referred to the Committee on Local and Urban Government.

Messrs. Marty, Jude and Belanger introduced—

S.F. No. 1323: A bill for an act relating to statutes; conforming various laws to judicial decisions of unconstitutionality and suggestions for clarity; amending Minnesota Statutes 1986, sections 169.121, subdivision 4; 179A.20, subdivision 4; 197.46; 268.04, subdivisions 26 and 29; 268.06, subdivision 5; 340A.501; and 352B.15; repealing Minnesota Statutes 1986, sections 466.03, subdivision 2; 487.39; and 595.04.

Referred to the Committee on Judiciary.

Messrs. Diessner and Spear introduced—

S.F. No. 1324: A bill for an act relating to corrections; authorizing the commissioner of corrections to contract for an inmate visitation program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 243.

Referred to the Committee on Health and Human Services.

Mr. Metzen introduced—

S.F. No. 1325: A bill for an act relating to the Minnesota humanities commission; requiring it to establish a humanities resource center; appropriating money; amending Minnesota Statutes 1986, section 138.91, by adding a subdivision.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. McQuaid introduced—

S.F. No. 1326: A bill for an act relating to retirement; converting joint and survivor options to normal annuities; amending Minnesota Statutes 1986, sections 352.116, subdivision 3; 353.30, subdivision 3; and 354.45, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Diessner, Merriam, Jude, Laidig and Storm introduced—

S.F. No. 1327: A bill for an act relating to marriage dissolution; providing for shared care of minor children; changing certain support and maintenance provisions; amending Minnesota Statutes 1986, sections 518.003, subdivision 3; 518.005, subdivision 2; 518.03; 518.10; 518.131, subdivisions 1, 2, 3, 6, and 7; 518.155; 518.156; 518.165, subdivisions 1 and 2; 518.166; 518.167, subdivisions 1 and 2; 518.168; 518.17, subdivisions 1, 3, and by adding a subdivision; 518.171, subdivision 6; 518.175; 518.176; 518.177; 518.18; 518.185; 518.55, subdivision 1, and by adding a subdivision; 518.551, subdivisions 5 and 6; 518.552, subdivisions 1, 2, and by adding a subdivision; 518.612; 518.619, subdivisions 1, 3, and 4; 518.62; 518.63; and 518.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1986, sections 518.17, subdivisions 2 and 6; and 518.552, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich and Johnson, D.J. introduced—

S.F. No. 1328: A bill for an act relating to public safety; altering certain requirements concerning fencing of unused mine pits and shafts; providing modification to certain public and private liability laws; providing penalties; amending Minnesota Statutes 1986, sections 3.732, subdivision 1; 3.736, subdivision 3; 87.024; 180.01; 180.03, subdivisions 2 and 3; 180.06; 180.10; 466.03, subdivisions 6c and 13.

Referred to the Committee on Environment and Natural Resources.

Messrs. Diessner and Chmielewski introduced—

S.F. No. 1329: A bill for an act relating to workers' compensation; regulating second medical opinions; providing for neutral physicians; amending Minnesota Statutes 1986, sections 176.135, subdivision 1a; 176.155, subdivision 2; and 176.391, subdivision 2; repealing Minnesota Statutes 1986, section 176.155, subdivision 1.

Referred to the Committee on Employment.

Messrs. Pehler and Peterson, R.W. introduced—

S.F. No. 1330: A bill for an act relating to education; providing for certain modifications of the planning, evaluating, and reporting process; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1986, sections 126.65; 126.66; 126.67, subdivisions 1, 5a, 5b, 6, 7, and 8; and 126.68.

Referred to the Committee on Education.

Mr. Dahl introduced—

S.F. No. 1331: A bill for an act relating to taxation; providing for refund to manufacturers of excises taxes on automobiles when refund is paid to the consumer; amending Minnesota Statutes 1986, section 297B.031.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dahl introduced—

S.F. No. 1332: A bill for an act relating to economic development; establishing the commission on long-term economic development; setting its membership; assigning its duties and powers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Mr. Dahl introduced—

S.F. No. 1333: A bill for an act relating to retirement; volunteer fire-fighters relief associations; permitting associations to amend their bylaws to provide certain benefits and vesting requirements; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Vickerman and Bertram introduced—

S.F. No. 1334: A bill for an act relating to libraries; removing the maintenance of effort requirement for regional library system basic support grants; repealing Minnesota Statutes 1986, section 134.34, subdivisions 4 and 5.

Referred to the Committee on Education.

Mr. Kroening introduced—

S.F. No. 1335: A bill for an act relating to unemployment compensation; limiting recovery of overpayments due to agency error; limiting amount of setoff from current benefit amount; amending Minnesota Statutes 1986, section 268.18, subdivision 1.

Referred to the Committee on Employment.

Mr. Samuelson introduced—

S.F. No. 1336: A bill for an act relating to traffic regulations; providing for restrictions on vehicles transporting firewood on highways; amending Minnesota Statutes 1986, section 169.81, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Pehler, Mses. Peterson, D.C.; Olson; Messrs. Merriam and Hughes introduced—

S.F. No. 1337: A bill for an act relating to education; authorizing 30 new comprehensive arts planning sites to be designated every two years; appropriating money; amending Minnesota Statutes 1986, sections 129B.17; 129B.20, subdivision 1; and 129B.21.

Referred to the Committee on Education.

Mr. Solon, Mrs. Lantry, Ms. Berglin, Messrs. Dicklich and Spear introduced—

S.F. No. 1338: A bill for an act relating to insurance; accident and health; requiring group coverage for the treatment of eating disorders; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Novak, Mrs. Lantry, Messrs. Knaak and Hughes introduced—

S.F. No. 1339: A bill for an act relating to courts; specifying certain locations for holding court in Ramsey county; providing for the disposition of fees and fines from the courts in Ramsey county; amending Minnesota Statutes 1986, section 488A.20, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 488A.

Referred to the Committee on Judiciary.

Messrs. Luther and Kroening introduced—

S.F. No. 1340: A bill for an act relating to courts; authorizing the court of appeals to publish only certain decisions; amending Minnesota Statutes 1986, sections 480A.08; and 480A.09, subdivisions 1, 2, and 4.

Referred to the Committee on Judiciary.

Messrs. Luther, Willet, Samuelson, Ms. Peterson, D.C. and Mr. Hughes introduced—

S.F. No. 1341: A bill for an act relating to elections; establishing a local government election day for election of county, city, and school district officers, county and municipal judges, and officers of all other political subdivisions except towns; requiring uniform and coordinated election precincts and polling places for municipalities and school districts; integrating municipal and school district election laws with laws applicable to other elections; superseding certain inconsistent general and special laws and home rule charter provisions; amending Minnesota Statutes 1986, sections 40.05, subdivisions 1, 3, and 4; 40.06, subdivision 1; 122.23, subdivisions 12, 17, and 18; 122.25, subdivision 2; 123.12, subdivision 1; 123.32, subdivisions 9, 13, and 23; 123.33, subdivisions 1 and 4; 123.34, subdivision 1; 123.351, subdivisions 1 and 3; 123.51; 128.01; 200.02, by adding a subdivision; 201.071, subdivision 1, 3, and by adding a subdivision; 203B.05, subdivision 2; 203B.06, subdivision 3; 204B.12, subdivision 1; 204B.14, by adding a subdivision; 204B.16, subdivision 1; 204B.18, subdivision 2, and by adding a subdivision; 204B.35, subdivision 1; 204B.40;

204C.10, subdivision 1; 204C.19, subdivision 2; 204C.25; 204C.27; 204C.28, by adding a subdivision; 204C.31, subdivision 2; 204C.32, subdivision 1; 204D.02, subdivisions 1 and 2; 204D.11, subdivision 5, and by adding a subdivision; 204D.16; 205.02, subdivision 2; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivision 2; 205.185, subdivisions 2, 3, and by adding a subdivision; 209.02, subdivision 1; 209.021, subdivision 3; 365.51; 375.025, subdivision 4; 375.03; 375.101, subdivision 2; 375A.02, subdivision 1; 375A.09, subdivision 4; 382.01; 397.06; 397.07; 398.04; 410.21; 412.02, subdivisions 2 and 2a; 412.021, subdivision 2; 412.571, subdivision 5; 447.32, subdivisions 1 and 2; 487.03, subdivisions 2 and 5; 488A.021, subdivision 3; and 488A.19, subdivision 3; proposing coding for new law in chapters 205 and 210A; repealing Minnesota Statutes 1986, sections 123.015; 123.11, subdivisions 2, 3, 4, 5, and 6; 123.32, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 11, 22, 24, 25, 26, and 27; 200.015; 201.095; 204D.28, subdivision 5; 205.02; 205.065; 205.07; 205.175; 205.18; 205.20; 206.76; and 447.32, subdivisions 3 and 4.

Referred to the Committee on Elections and Ethics.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 6, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

TWENTY-NINTH DAY

St. Paul, Minnesota, Monday, April 6, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. James Sbortoli.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, R.D.	Schmitz
Anderson	DeCramer	Knutson	Morse	Solon
Beckman	Dicklich	Kroening	Novak	Spear
Belanger	Diessner	Laidig	Olson	Storm
Benson	Frank	Langseth	Pehler	Stumpf
Berg	Frederick	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Piper	Waldorf
Bertram	Freeman	Luther	Pogemiller	Wegscheid
Brandl	Gustafson	Marty	Purfeerst	Willet
Brataas	Hughes	McQuaid	Ramstad	
Chmielewski	Johnson, D.E.	Mehrkens	Reichgott	
Cohen	Johnson, D.J.	Merriam	Renneke	
Dahl	Jude	Moe, D.M.	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Metzen was excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of En-

ergy and Economic Development is hereby respectfully submitted to the Senate for confirmation as required by law:

David Speer, 608 Turnpike Rd., Golden Valley, Hennepin County, has been appointed by me, effective December 15, 1986, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Economic Development and Housing.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Chair of the Metropolitan Waste Control Commission is hereby respectfully submitted to the Senate for confirmation as required by law:

Peter Meintsma, 6709 - 46th Ave. N., Crystal, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Local and Urban Government.)

February 24, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Charitable Gambling Control Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Robert C. Fragnito, P.O. Box 32, Nashwauk, Itasca County, has been appointed by me, effective July 24, 1986, for a term expiring June 30, 1989.

Mary Kay Williams, 1104 E. Minnehaha Pkwy., Minneapolis, Hennepin County, has been appointed by me, effective July 24, 1986, for a term expiring June 30, 1989.

Ray Potami, Side Lake, St. Louis County, has been appointed by me, effective July 24, 1986, for a term expiring June 30, 1989.

Lorraine Berman, 4400 Morningside Rd., Edina, Hennepin County, has been appointed by me, effective July 24, 1986, for a term expiring June 30, 1989.

(Referred to the Committee on General Legislation and Public Gaming.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 291.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1987

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 128: A bill for an act relating to liquor; authorizing municipalities to permit holders of both on-sale wine and nonintoxicating malt liquor licenses to sell intoxicating malt liquors; amending Minnesota Statutes 1986, section 340A.404, subdivision 5; repealing Laws 1979, chapter 200.

Senate File No. 128 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1987

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 128 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 128: A bill for an act relating to liquor; authorizing municipalities to permit holders of both on-sale wine and nonintoxicating malt liquor licenses to sell intoxicating malt liquors; amending Minnesota Statutes 1986, section 340A.404, subdivision 5; and Laws 1979, chapter 200, section 1.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Kroening	Morse	Spear
Beckman	DeCramer	Laidig	Pehler	Storm
Belanger	Diessner	Langseth	Peterson, D.C.	Stumpf
Benson	Frank	Lantry	Peterson, R.W.	Taylor
Berg	Frederick	Larson	Piper	Vickerman
Berglin	Frederickson, D.J.	Lessard	Pogemiller	Waldorf
Bernhagen	Frederickson, D.R.	Luther	Purfeerst	Wegscheid
Bertram	Freeman	Marty	Ramstad	Willet
Brandl	Gustafson	McQuaid	Renneke	
Brataas	Hughes	Mehrkens	Samuelson	
Cohen	Knaak	Merriam	Schmitz	
Dahl	Knutson	Moe, D.M.	Solon	

Mr. Chmielewski voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 42, 580, 813, 450, 564 and 799.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 2, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 42: A bill for an act relating to employment; regulating substance abuse testing of employees and job applicants; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Finance.

H.F. No. 580: A bill for an act relating to human rights; changing certain requirements relating to disabled persons; amending Minnesota Statutes 1986, sections 363.02, subdivisions 1 and 5; 363.03, subdivision 1; and 363.116.

Referred to the Committee on Judiciary.

H.F. No. 813: A bill for an act relating to bicycles; requiring bicycles using a shoulder of a roadway to ride in the same direction as adjacent vehicular traffic; redefining the term roadway; defining the term shoulder; allowing designation of bikeways by resolution or ordinance; adopting additional definitions of bicycle terms; amending Minnesota Statutes 1986, sections 85.016; 160.02, by adding a subdivision; 160.263, subdivisions 2 and 3; 160.264; 160.265; 169.01, subdivisions 31 and 62, and by adding subdivisions; and 169.222, subdivision 4; repealing Minnesota Statutes 1986, section 160.263, subdivision 1.

Referred to the Committee on Transportation.

H.F. No. 450: A bill for an act relating to commerce; regulating the advertisement of interest rates of investment products; proposing coding for new law in Minnesota Statutes, chapter 45.

Referred to the Committee on Commerce.

H.F. No. 564: A resolution memorializing the Federal Energy Regulatory Commission; expressing the Legislature's opposition to the installation of additional hydropower generating facilities at the Falls of St. Anthony in Minneapolis, Minnesota.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 526.

H.F. No. 799: A bill for an act relating to Koochiching county; permitting the county to establish a bidstead development authority.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 678: A bill for an act relating to natural resources; authorizing certain watershed districts in the seven-county metropolitan area to increase the administrative fund amount; amending Minnesota Statutes 1986, section 112.61, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [RICE CREEK WATERSHED DISTRICT.]

Notwithstanding Minnesota Statutes, section 112.61, subdivision 3, Rice Creek watershed district may levy an amount not to exceed \$200,000 for the administrative fund.”

Delete the title and insert:

“A bill for an act relating to natural resources; authorizing Rice Creek watershed district to increase the administrative fund amount.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 353: A bill for an act relating to Hennepin county; establishing a county-wide program for the conservation and protection of ground water resources of the county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 473.875, is amended to read:

~~473.875 [SURFACE METROPOLITAN WATER MANAGEMENT PROGRAM PROGRAMS; PURPOSES.]~~

The purpose of the ~~surface~~ water management programs required by sections 473.875 to 473.883 is to *protect*, preserve and use natural *surface and ground* water storage and retention systems in order to (a) reduce to the greatest practical extent the public capital expenditures necessary to control excessive volumes and rates of runoff, (b) *protect and improve surface and ground* water quality, (c) prevent flooding and erosion from surface flows, (d) promote ground water recharge, (e) protect and enhance fish and wildlife habitat and water recreational facilities, and (f) secure the other benefits associated with the proper management of *surface and ground* water.

Sec. 2. Minnesota Statutes 1986, section 473.876, is amended by adding a subdivision to read:

Subd. 2a. [GROUND WATER PLAN.] "Ground water plan" means a county plan adopted under section 9.

Sec. 3. Minnesota Statutes 1986, section 473.876, is amended by adding a subdivision to read:

Subd. 2b. [GROUND WATER SYSTEM.] "Ground water system" means one of the 14 principal aquifers of the state as defined by the United States Geological Survey in the Water-Resources Investigations 81-51, entitled "Designation of Principal Water Supply Aquifers in Minnesota" (August 1981), and its revisions.

Sec. 4. Minnesota Statutes 1986, section 473.878, subdivision 3, is amended to read:

Subd. 3. [GENERAL STANDARDS.] The watershed management plan shall extend through the year 1990 or any year thereafter which is evenly divisible by five. The plan must be updated before the expiration of the period covered by the plan. The plan must be revised within one year following the adoption or amendment of the ground water plan. The plan shall contain the elements required by subdivision 4. Each element shall be set out in the degree of detail and prescription necessary to accomplish the purposes of sections 473.875 to 473.883, considering the character of existing and anticipated physical and hydrogeologic conditions, land use, and development and the severity of existing and anticipated water management problems in the watershed. The plan shall be prepared and submitted for review under subdivision 5 not later than December 31, 1986. Existing plans of a watershed management organization shall remain in force and effect until amended or superseded by plans adopted under sections 473.875 to 473.883. Existing or amended plans of a watershed management organization which meet the requirements of sections 473.875 to 473.883 may be submitted for review under subdivision 5.

Sec. 5. Minnesota Statutes 1986, section 473.878, subdivision 5, is amended to read:

Subd. 5. [LOCAL REVIEW AND COMMENT.] Upon completion of the plan but before final adoption by the organization, the organization shall submit the plan for review and comment to all counties, soil and water conservation districts, towns, and statutory and home rule charter cities having territory within the watershed. Any local government unit which expects that substantial amendment of its local comprehensive plan will be necessary in order to bring local water management into conformance with the watershed plan shall describe as specifically as possible, within its comments, the amendments to the local plan which it expects will be necessary.

Subd. 5a. [COUNTY REVIEW; CAPITAL IMPROVEMENTS PLAN; GROUND WATER PLAN.] (a) Sixty days after the submission to local government units for comment, the organization shall submit the plan, any comments received, and any appropriate amendments to the plan, to the board of the county or counties having territory within the watershed.

(b) The county shall approve or disapprove projects in the capital improvement program which may require the provision of county funds pursuant to section 112.60, subdivision 2, or 473.883.

(c) If the county has a ground water plan, the county shall review the watershed plan for consistency with the county ground water plan. The county may disapprove the entire watershed plan or part of the plan if there is a substantial adverse effect on or substantial departure from the ground water plan. If the county disapproves all or part of the watershed plan, the watershed plan must be submitted for review under subdivision 6 and review and final decision under subdivision 7. The county may delegate its review under this paragraph to a soil and water conservation district.

(d) The county shall have 60 days to complete its review of the ~~capital improvement program~~. If the county fails to complete its review within the prescribed period, unless an extension is agreed to by the organization the plan and program shall be deemed approved.

(e) If the watershed extends into more than one county and one or more counties disapprove of all or part of a ~~capital improvement plan or program~~ while the other county or counties approve, the plan and program shall be submitted to the ~~water resources board~~ for review pursuant to under subdivision 6 and review and final decision under subdivision 7.

Sec. 6. Minnesota Statutes 1986, section 473.878, subdivision 6, is amended to read:

Subd. 6. [REVIEW BY METROPOLITAN COUNCIL.] After completion of the review under subdivision 5, the plan and all comments received shall be submitted to the metropolitan council for review. Notwithstanding any provision to the contrary in sections 112.46 and 473.165, the council shall review the plan in the same manner and with the same authority and effect as provided for the council's review of the comprehensive plans of local government units under section 473.175. The council shall comment on the apparent conformity with metropolitan system plans of any anticipated amendments to local comprehensive plans. *Differences among local governmental agencies regarding the plan must be mediated. The council may serve as mediator.*

Sec. 7. Minnesota Statutes 1986, section 473.878, subdivision 7, is amended to read:

Subd. 7. [REVIEW BY STATE AGENCIES.] (a) After completion of the review under subdivision 6, the plan and all comments received shall be submitted to the ~~commissioner~~ commissioners of natural resources and health and the director of the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the water resources board for review under section 112.46.

(b) Except as otherwise provided in this subdivision, the water resources board shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 473.875 to 473.883. The board shall not prescribe a plan, but may disapprove all or parts of a plan which it determines is not in conformance with the requirements of chapter 112 and sections 473.875 to 473.883.

(c) If the plan or part of the plan is disapproved by a county under subdivision 5a, paragraph (c), the board shall make a final decision on the issue. If the plan or capital improvement program is the subject of a dispute between counties under subdivision 5a, paragraph (e), the water

resources board shall make a final decision on the issue. The ~~decision shall be decisions of the board under this paragraph~~ are binding on the organization and the counties involved.

Sec. 8. Minnesota Statutes 1986, section 473.878, subdivision 9, is amended to read:

Subd. 9. [AMENDMENTS.] To the extent and in the manner required by the adopted plan, all amendments to the adopted plan shall be submitted to the towns, cities, county, and other agencies for review in accordance with the provisions of subdivisions 5, 5a, 6, and 7. *Amendments necessary to recognize a county ground water plan, as required by subdivision 3, must be submitted for review in accordance with subdivisions 5, 5a, 6, and 7.*

Sec. 9. [473.8785] [GROUND WATER PLANS.]

Subdivision 1. [AUTHORITY.] *A metropolitan county may prepare and adopt a ground water plan in accordance with this section.*

Subd. 2. [RESPONSIBLE UNITS.] *The county may prepare and adopt a ground water plan or, upon request of a soil and water conservation district, the county may delegate to the soil and water conservation district the preparation and adoption of all or part of a plan and other county responsibilities regarding the plan under this section and section 473.878.*

Subd. 3. [LOCAL COORDINATION.] *To assure the coordination of efforts of all units of government during the preparation and implementation of watershed and ground water plans, the county shall conduct meetings with local units of government and watershed management organizations, and may enter into agreements with local units of government and watershed management organizations establishing the responsibilities during the preparation and implementation of the water plans.*

Subd. 4. [ADVISORY COMMITTEE.] *To assist in the development of the ground water plan, the county shall seek the advice of the Minnesota geological survey, the departments of health and natural resources, the pollution control agency, and other appropriate local, state, and federal agencies, and shall name an advisory committee of 15 members. The committee must include representatives of various interests, including construction, agriculture, hydrogeology, and well drilling. At least four members of the committee must be from the public at large with no direct pecuniary interest in any project involving ground water protection and at least seven members must be from local units of government. The county shall consult the advisory committee on the development, content, and implementation of the plan, including particularly the relationship of the ground water plan and existing watershed and local water management plans and the allocation of governmental authority and responsibilities during implementation.*

Subd. 5. [GENERAL STANDARDS.] *The ground water plan must extend through the year 1995 or any year after that is evenly divisible by five. The plan must contain the elements required by subdivision 6. Each element must be set out in the degree of detail and prescription necessary to accomplish the purposes of sections 473.875 to 473.883, considering the character of existing and anticipated physical and hydrogeologic conditions, land use, and development and the severity of existing and anticipated water management problems in the watershed. To the fullest extent possible consistent with ground water protection, a county shall incor-*

porate into its ground water plan the relevant provisions of existing plans adopted by watershed management organizations having jurisdiction wholly or partly within the county.

Subd. 6. [CONTENTS.] A ground water plan must:

- (1) cover the entire area within the county;*
- (2) describe existing and expected changes to the physical environment, land use, and development in the county;*
- (3) summarize available information about the ground water and related resources in the county, including existing and potential distribution, availability, quality, and use;*
- (4) state the goals, objectives, scope, and priorities of ground water protection in the county;*
- (5) contain standards, criteria, and guidelines for the protection of ground water from pollution and for various types of land uses in environmentally sensitive areas, critical areas, or previously contaminated areas;*
- (6) describe relationships and possible conflicts between the ground water plan and the plans of other counties, local government units, and watershed management organizations in the affected ground water system;*
- (7) set forth standards and guidelines for implementation of the plan by watershed management organizations and local units of government; and*
- (8) include a procedure for amending the ground water plan.*

Subd. 7. [LOCAL REVIEW AND COMMENT.] Upon completion of the ground water plan but before final adoption by the county, the county shall submit the plan for review and comment to each soil and water conservation district, town, statutory and home rule charter city, and watershed management organization having territory within the county. The county also shall submit the plan to any other county or watershed management organization or district in the affected ground water system that could affect or be affected by implementation of the plan. A political subdivision or watershed management organization that expects that substantial amendments of its plans would be necessary in order to bring them into conformance with the county ground water plan shall describe as specifically as possible, within its comments, the amendments that it expects would be necessary. Reviewing entities have sixty days to review and comment.

Subd. 8. [REVIEW BY METROPOLITAN COUNCIL.] After completion of the review under subdivision 7, the plan and all comments received must be submitted to the metropolitan council for review. Notwithstanding any provision to the contrary in sections 112.46 and 473.165, the council shall review the plan in the same manner and with the same authority and effect as provided for the council's review of the comprehensive plans of local government units under section 473.175. The council shall comment on the apparent conformity with metropolitan system plans of any anticipated amendments to watershed plans and local comprehensive plans. Differences among local governmental agencies regarding the plan must be mediated. The council may serve as mediator.

Subd. 9. [REVIEW BY STATE AGENCIES.] After completion of the review under subdivision 8, the plan and all comments received must be submitted to the commissioners of natural resources and health and the

director of the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the water resources board for review under section 112.46. Except as otherwise provided in this subdivision, the water resources board shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 473.875 to 473.883. The board may not prescribe a plan, but shall approve all or parts of a plan that it determines are in conformance with the requirements of chapter 112 and sections 473.875 to 473.883.

Subd. 10. [ADOPTION; IMPLEMENTATION.] The county shall adopt and begin to implement its ground water plan within 120 days after approval of the plan by the water resources board.

Subd. 11. [AMENDMENTS.] To the extent and in the manner required by the adopted plan, all amendments to the adopted plan must be submitted to the towns, cities, county, and other agencies for review in accordance with subdivisions 7 to 9."

Delete the title and insert:

"A bill for an act relating to metropolitan water management; authorizing metropolitan counties to adopt ground water plans; amending Minnesota Statutes 1986, sections 473.875; 473.876, by adding subdivisions; 473.878, subdivisions 3, 5, 6, 7, and 9; proposing coding for new law in Minnesota Statutes, chapter 473."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 536: A bill for an act relating to environment; establishing a petroleum tank release cleanup program; authorizing state action to prevent or correct health and environmental damage resulting from releases from petroleum storage tanks; establishing a petroleum tank release cleanup fund; establishing a petroleum tank release compensation board; authorizing reimbursement from the fund; requiring rulemaking; providing for administration by the pollution control agency and the department of commerce; requiring certification of tank installers; appropriating money; amending Minnesota Statutes 1986, sections 116.48, subdivision 4; and 296.13; proposing coding for new law as Minnesota Statutes, chapter 115C.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [115C.01] [CITATION.]

Sections 1 to 10 may be cited as the "petroleum tank release cleanup act."

Sec. 2. [115C.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 10.

Subd. 2. [AGENCY.] "Agency" means the pollution control agency.

Subd. 3. [BOARD.] "Board" means the petroleum tank release compensation board established under section 7.

Subd. 4. [CORRECTIVE ACTION.] "Corrective action" means an action taken to minimize, eliminate, or cleanup a release to protect the public health and welfare or the environment.

Subd. 5. [DIRECTOR.] "Director" means the director of the pollution control agency.

Subd. 6. [FUND.] "Fund" means the petroleum tank release cleanup fund established under section 8.

Subd. 7. [OPERATOR.] "Operator" means a person in control of, or having responsibility for, the daily operation of a tank.

Subd. 8. [OWNER.] "Owner" means a person who holds title to, controls, or possesses an interest in a tank. The term "owner" does not include a person who holds an interest in a tank solely for financial security, unless through foreclosure or other related actions the holder of a security interest has taken possession of the tank.

Subd. 9. [PERSON.] "Person" means an individual, partnership, association, public or private corporation, or other legal entity, including the United States government, an interstate commission or other body, the state and any agency, board, bureau, office, department, or political subdivision of the state.

Subd. 10. [PETROLEUM.] "Petroleum" means:

(1) gasoline and fuel oil as defined in section 296.01, subdivisions 3 and 4;

(2) crude oil or a fraction of crude oil that is liquid at a temperature of 60 degrees Fahrenheit and pressure of 14.7 pounds per square inch absolute; and

(3) constituents of gasoline and fuel oil under clause (1) and crude oil under clause (2).

Subd. 11. [POLITICAL SUBDIVISION.] "Political subdivision" means a county, town, or a statutory or home rule charter city.

Subd. 12. [RELEASE.] "Release" means a spilling, leaking, emitting, discharging, escaping, leaching, or disposing of petroleum from a tank into the environment whether occurring before or after the effective date of sections 1 to 10, but does not include discharges or designed venting allowed under agency rules.

Subd. 13. [RESPONSIBLE PERSON.] "Responsible person" means a person who is an owner or operator of a tank at any time during or after the release.

Subd. 14. [TANK.] "Tank" means any one or a combination of containers, vessels, and enclosures, including structures and appurtenances connected to them, that is, or has been, used to contain or dispense petroleum.

"Tank" does not include:

(1) a mobile storage tank used for transporting petroleum from one location to another; or

(2) pipeline facilities, including gathering lines, regulated under the

Natural Gas Pipeline Safety Act of 1968, United States Code, title 49, chapter 24, or the Hazardous Liquid Pipeline Safety Act of 1979, United States Code, title 49, chapter 29.

Sec. 3. [115C.03] [RESPONSE TO RELEASES.]

Subdivision 1. [CORRECTIVE ACTION ORDERS.] (a) If there is a release, the director may order a responsible person to take reasonable and necessary corrective actions. The director must notify the owner of real property where corrective action is ordered to be taken that responsible persons have been ordered to take corrective action and that the owner's cooperation will be required for responsible persons to take that action.

(b) If the director has ordered a responsible person to take a corrective action under paragraph (a), a political subdivision may not request or order the person to take an action that conflicts with the action ordered by the director.

Subd. 2. [AGENCY AND COMPELLED PERFORMANCE CORRECTIVE ACTIONS.] *The agency may take corrective action or request the attorney general to bring an action to compel performance of a corrective action if:*

(1) a responsible person cannot be identified;

(2) an identified responsible person cannot or will not comply with the order issued under subdivision 1; or

(3) an administrative or judicial proceeding on an order issued under subdivision 1 is pending.

Subd. 3. [EMERGENCY CORRECTIVE ACTION.] *To assure an adequate response to a release, the director may take corrective action without following the procedures of subdivision 1 if the director determines that the release constitutes a clear and immediate danger requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment. Before taking an action under this subdivision, the director shall make all reasonable efforts, taking into consideration the urgency of the situation, to order a responsible person to take a corrective action and notify the owner of real property where the corrective action is to be taken.*

Subd. 4. [RELEASE IS A PUBLIC NUISANCE.] *A release is a public nuisance and may be enjoined in an action, in the name of the state, brought by the attorney general.*

Subd. 5. [INVESTIGATIONS.] *If the director has reason to believe that a release has occurred, the director may undertake reasonable investigations necessary to identify the existence, source, nature, and extent of a release, the responsible persons, and the extent of danger to the public health and welfare or the environment.*

Subd. 6. [DUTY TO PROVIDE INFORMATION.] *A person who the director has reason to believe is a responsible person, or the owner of real property where corrective action is ordered to be taken, or who might otherwise have information concerning a release, shall, when requested by the director or any member, employee, or agent of the agency who is authorized by the director, furnish to the director any information that person may have or may reasonably obtain that is relevant to the release.*

Subd. 7. [ACCESS TO INFORMATION AND PROPERTY.] *The director*

or any member, employee, or agent of the agency authorized by the director, may, upon presentation of official agency credentials, take any of the following actions:

- (1) examine and copy any books, papers, records, memoranda, or data of any person who has a duty to provide information to the director under subdivision 6; and
- (2) enter upon public or private property for the purpose of taking action authorized by this section, including obtaining information from a person who has a duty to provide the information under subdivision 6, conducting surveys and investigations, and taking corrective action.

Subd. 8. [CLASSIFICATION OF DATA.] Except as otherwise provided in this subdivision, data obtained from a person under subdivision 6 or 7 is public data as defined in section 13.02. Upon certification by the subject of the data that the data relates to sales figures, processes or methods of production unique to that person, or information that would tend to adversely affect the competitive position of that person, the director shall classify the data as private or nonpublic data as defined in section 13.02. Data classified as private or nonpublic under this subdivision may be disclosed when relevant in a proceeding under sections 3 to 10.

Sec. 4. [115C.04] [LIABILITY FOR RESPONSE COSTS.]

Subdivision 1. [CORRECTIVE ACTION LIABILITY.] A responsible person is liable for the cost of the corrective action taken by the agency under section 3, subdivisions 2 and 3, including the cost of investigating the release and administrative and legal expenses, if:

- (1) the responsible person has failed to take a corrective action ordered by the director and the agency has taken the action;
- (2) the agency has taken corrective action in an emergency under section 3, subdivision 3; or
- (3) the agency has taken corrective action because a responsible person could not be identified.

Subd. 2. [AVOIDANCE OF LIABILITY.] (a) A responsible person may not avoid the liability by means of any conveyance of any right, title, or interest in real property; or by any indemnification, hold harmless agreement, or similar agreement.

(b) This subdivision does not:

- (1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;
- (2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or
- (3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.

Subd. 3. [AGENCY COST RECOVERY.] Reasonable and necessary expenses incurred by the agency in taking a corrective action, including costs of investigating a release and administrative and legal expenses, may be recovered in a civil action in district court brought by the attorney general against a responsible person. The agency's certification of expenses is prima facie evidence that the expenses are reasonable and necessary. Ex-

penses that are recovered under this section shall be deposited in the fund.

Sec. 5. [115C.05] [CIVIL PENALTY.]

The agency may enforce section 3 using the actions and remedies authorized under section 115.071, subdivision 3. The civil penalties recovered by the state shall be credited to the fund.

Sec. 6. [115C.06] [EFFECT ON OTHER LAW.]

Subdivision 1. [ACTIONS UNDER CHAPTER 115B.] Sections 3 to 10 do not limit any actions initiated by the agency under chapter 115B.

Subd. 2. [DUTY TO NOTIFY AND TAKE ACTION FOR RELEASE.] Sections 3 to 10 do not limit a person's duty to notify the agency and take action related to a release as provided under section 115.061.

Sec. 7. [115C.07] [PETROLEUM TANK RELEASE COMPENSATION BOARD.]

Subdivision 1. [ESTABLISHMENT.] The petroleum tank release compensation board is established. The members of the board shall consist of the director of the pollution control agency, the commissioner of the department of commerce, two representatives from the petroleum industry, and one representative from the insurance industry. The governor shall appoint the members from the insurance and petroleum industry. The filling of positions reserved for industry representatives, vacancies, membership terms, payment of compensation and expenses, and removal of members is governed by section 15.0575. The governor shall designate the chair of the board.

Subd. 2. [STAFF] The commissioner of commerce shall provide staff to support the activities of the board.

Subd. 3. [RULES.] (a) The board shall adopt rules regarding its practices and procedures, the form and procedure for applications for compensation from the fund, procedures for investigation of claims and specifying the costs that are eligible for reimbursement from the fund.

(b) The board may adopt emergency rules under this subdivision for one year after the effective date of this section.

Sec. 8. [115C.08] [PETROLEUM TANK RELEASE CLEANUP FUND.]

Subdivision 1. [ESTABLISHMENT.] The petroleum tank release cleanup fund is established as an account in the state treasury.

Subd. 2. [REVENUE SOURCES.] Revenue from the following sources shall be deposited in the state treasury and credited to the fund:

(1) the proceeds of the fee imposed by subdivision 4;

(2) money recovered by the state under sections 4, 5, and 15, including administrative expenses, civil penalties, and money paid under an agreement, stipulation, or settlement;

(3) interest attributable to investment of money in the fund;

(4) money received by the board and agency in the form of gifts, grants other than federal grants, reimbursements, or appropriations from any source intended to be used for the purposes of the fund; and

(5) fees charged for the operation of the tank installer certification program established under section 15.

Subd. 3. [IMPOSITION OF FEE.] The board shall continuously monitor the amount of money in the fund and shall notify the commissioner of revenue if the unexpended balance of the fund at any time falls below \$1,000,000. If the balance in the fund falls below \$1,000,000, the commissioner of revenue shall impose the fee established in subdivision 4 for a period of one month, within 60 days of receiving notice from the board.

Subd. 4. [PETROLEUM TANK RELEASE CLEANUP FEE.] A petroleum tank release cleanup fee is imposed on petroleum products subject to the inspection fee charged in section 296.13. The fee shall be collected in the manner provided in sections 296.13 and 296.14. The fee shall be imposed as required under subdivision 3, at a rate of \$10 per 1,000 gallons of petroleum products as defined in section 296.01, subdivision 2, rounded to the nearest 1,000 gallons. A distributor who fails to pay the fee imposed under this section is subject to the penalties provided in section 296.15.

Subd. 5. [EXPENDITURES.] Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in sections 3 to 10;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 3 to 6, and section 15 and costs of corrective action taken by the agency under section 3, including investigations;

(3) for costs of recovering expenses of corrective actions under section 4; and

(4) for training, certification, and rulemaking under sections 116.46 to 116.50 and section 15.

Sec. 9. [115C.09] [CORRECTIVE ACTION REIMBURSEMENT TO RESPONSIBLE PERSONS.]

Subdivision 1. [REIMBURSABLE CORRECTIVE ACTIONS.] The board shall provide partial reimbursement for the cost of corrective action to eligible responsible persons for releases reported after the effective date of sections 1 to 10.

Subd. 2. [RESPONSIBLE PERSON ELIGIBILITY.] (a) A responsible person who has taken corrective action in response to a release reported after the effective date of sections 1 to 10 may apply to the board for partial reimbursement under subdivision 3 and rules adopted by the board.

(b) A reimbursement may not be made unless the board determines that:

(1) the director has determined that the corrective action has adequately addressed the release and that the release no longer poses a threat to public health and welfare or the environment;

(2) at the time of the release the tank was in compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;

(3) the agency was given notice of the release as required by section 115.061;

(4) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and

(5) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory

control procedures.

Subd. 3. [REIMBURSEMENT.] (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the fund for 75 percent of the portion of the total corrective action costs greater than \$10,000 and less than \$100,000.

(b) A reimbursement may not be made from the fund under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) Money in the fund is continuously appropriated to the board to make reimbursements under this section.

Subd. 4. [REIMBURSEMENT DOES NOT AFFECT OTHER LIABILITY.] The right to apply for reimbursement and the receipt of reimbursement does not limit the liability of a responsible person for damages or costs incurred by a person or the state as a result of a release.

Sec. 10. [115C.10] [FUNDING OF AGENCY ACTIONS.]

Subdivision 1. [PAYMENT FROM THE FUND.] (a) If the cost of authorized actions under section 3 exceeds the amount appropriated to the agency for the actions and amounts awarded to the agency from the federal government, the agency may apply to the board for money to pay for the actions from the fund. The board shall pay the agency the cost of the proposed actions under section 3 if the board finds that the conditions for the agency to be paid from the fund have been met, and that an adequate amount exists in the fund to pay for the corrective action.

(b) Money in the fund is continuously appropriated to the board for the purpose of this subdivision.

Subd. 2. [FEDERAL FUNDS.] The director shall take actions needed to obtain federal funding to carry out the provisions of the petroleum tank release cleanup act.

Sec. 11. Minnesota Statutes 1986, section 116.46, is amended by adding a subdivision to read:

Subd. 2a. [INSTALLER.] "Installer" means a person who places, constructs, or repairs an aboveground or underground tank, or permanently takes an aboveground or underground tank out of service.

Sec. 12. Minnesota Statutes 1986, section 116.46, is amended by adding a subdivision to read:

Subd. 9. [ABOVEGROUND STORAGE TANK.] "Aboveground storage tank" means any one or a combination of containers, vessels, and enclosures, including structures and appurtenances connected to them, that is used to contain or dispense regulated substances, and that is not an underground storage tank.

Sec. 13. Minnesota Statutes 1986, section 116.47, is amended to read:

116.47 [EXEMPTIONS.]

Sections 116.48 and, 116.49, and section 15 do not apply to:

(1) farm or residential tanks of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes; tanks of 1,100 gallons or less capacity used for storing heating oil for consumptive use on the premises where stored;

(2) pipeline facilities, including gathering lines, regulated under the Natural Gas Pipeline Safety Act of 1968, United States Code, title 49, chapter 24, or the Hazardous Liquid Pipeline Safety Act of 1979, United States Code, title 49, chapter 29;

(3) surface impoundments, pits, ponds, or lagoons;

(4) storm water or waste water collection systems;

(5) flow-through process tanks;

(6) tanks located in an underground area, including basements, cellars, mineworkings, drifts, shafts, or tunnels, if the storage tank is located upon or above the surface of the floor; or

(7) septic tanks.

Sec. 14. Minnesota Statutes 1986, section 116.48, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT INFORMATION.] Beginning ~~January 1, 1986,~~ on the effective date of this section and until July 1, 1987, a person who ~~deposits~~ transfers the title to regulated substances ~~in~~ to be placed directly into an underground storage tank must inform the owner or operator in writing of the notification requirement of this section.

Sec. 15. [116.501] [TANK INSTALLERS TRAINING AND CERTIFICATION.]

Subdivision 1. [REQUIREMENT.] (a) After the effective date of rules adopted under subdivision 3, a person may not install, repair, or take an aboveground or underground tank permanently out of service without first obtaining a certification of competence issued by the agency.

(b) The agency shall conduct examinations to test the competence of applicants for certification, issue documentation of certification, and require certification to be renewed at reasonable intervals. The agency may conduct training programs for installers.

Subd. 2. [FEES.] The agency may charge fees as are necessary to cover the actual costs of processing applications, conducting examinations, issuing and renewing certificates, and providing training programs. The fees received under this section shall be credited to the petroleum tank release cleanup fund.

Subd. 3. [RULES.] The agency shall adopt rules containing standards of competence for installers and to implement this section.

Sec. 16. [INITIAL FUNDING FOR PETROLEUM TANK RELEASE CLEANUP FUND.]

To provide the initial funding for the petroleum tank release cleanup fund, the commissioner of revenue shall impose the fee established in section 8, subdivision 4, in the months of September and October 1987 for collection during the months of October and November 1987.

Sec. 17. [APPROPRIATION.]

Subdivision 1. [PETROLEUM TANK RELEASE CLEANUP FUND.] (a) \$_____ is appropriated from the general fund to the petroleum tank release cleanup fund.

(b) *The appropriation in paragraph (a) shall be reimbursed to the general fund from the petroleum tank release cleanup fund by June 30, 1988.*

Subd. 2. [POLLUTION CONTROL AGENCY.] (a) The following amounts are appropriated from the petroleum tank release cleanup fund for the fiscal years indicated:

	1988	1989
Pollution Control Agency Administration	\$ _____	\$ _____
Corrective/Investigative Action Costs	\$ _____	\$ _____

(b) *Expenses incurred by the agency under section 3 shall be paid by the agency from the appropriation under this subdivision. Before using this appropriation, the agency shall use any federal money available to pay for corrective actions, except that the fund may be used to pay any state match required by federal law. The director shall report to the petroleum tank release compensation board describing the corrective or investigative action being taken, the reason that the appropriation is being used to pay for that action, and an estimate of the cost of that action.*

(c) *The approved complement of the agency is increased by _____ positions in fiscal year 1988 and by _____ additional position in fiscal year 1989.*

Subd. 3. [DEPARTMENT OF COMMERCE.] The following amounts are appropriated from the petroleum tank release cleanup fund for the fiscal years indicated:

	1988	1989
Department of Commerce Administration	\$ _____	\$ _____

The approved complement of the department of commerce is increased by _____ position.

Subd. 4. [PETROLEUM TANK RELEASE COMPENSATION BOARD.] The following amounts are appropriated from the petroleum tank release cleanup fund for the fiscal years indicated:

	1988	1989
Petroleum Tank Release Compensation Board Administration	\$ _____	\$ _____

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 15 are effective the day following final enactment. Sections 16 and 17 are effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to environment; establishing a petroleum tank release cleanup program; authorizing state action to prevent or correct health and environmental damage resulting from releases from petroleum storage tanks; establishing a petroleum tank release cleanup fund; establishing a petroleum tank release compensation board; authorizing reimbursement from the fund; requiring rulemaking; providing for administration by the pollution control agency and the department of commerce; requiring certification of tank installers; appropriating money; amending

Minnesota Statutes 1986, sections 116.46, by adding subdivisions; 116.47; and 116.48, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 116; proposing coding for new law as Minnesota Statutes, chapter 115C."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1232: A bill for an act relating to public safety; providing an exception from certain regulations for steam turbines which receive steam from remote municipal facilities; amending Minnesota Statutes 1986, section 183.56.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1237: A bill for an act relating to employment; requiring employees to promptly pay premiums on employee health plans; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [181.175] [EMPLOYER NONPAYMENT OF HEALTH PLAN PREMIUMS; NOTIFICATION OF DISCONTINUANCE OF HEALTH PLAN.]

Subdivision 1. [REQUIREMENTS.] (a) An employer that provides or makes available to employees a plan of health coverage, whether financed from funds contributed solely or partially by the employer, must promptly pay the required premium to the insurer.

(b) An employer that discontinues a plan of health coverage available to employees must notify the covered employees of the discontinuance.

Subd. 2. [DEFINITIONS.] For purposes of subdivision 1, "employer" is as defined in section 62E.02, subdivision 2, except that the term also includes a person or entity that employs fewer than ten employees who are residents of the state; and "plan of health coverage" is as defined under section 62E.02, subdivision 9.

Subd. 3. [REMEDY.] A person injured by a violation of subdivision 1 is entitled to recover the actual damages sustained, together with costs and disbursements, including reasonable attorney's fees."

Amend the title as follows:

Page 1, line 2, delete "employees" and insert "employers"

Page 1, line 3, after the semicolon, insert "requiring employers to notify employees of a discontinuance of employee health plans;"

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 466: A bill for an act relating to elections; prohibiting cities of the first class from changing their voting systems without demonstrating the effectiveness of a proposed new system; proposing coding for new law in Minnesota Statutes, chapter 204B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 487: A bill for an act relating to elections; changing certain voter registration procedures to increase voter participation; providing for a computerized central registration system, voter registration forms in state income tax forms and booklets, and a combined voter registration, driver's license, and identification card form; appropriating money; amending Minnesota Statutes 1986, sections 201.021; 201.054, subdivision 1; 201.061, subdivision 1; 201.071, subdivision 4; 201.081; 201.121, subdivision 1; 201.13; 201.15; 201.161; 201.171; 201.221, subdivision 2; 290.39, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 201.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 18, delete "and"

Page 2, line 21, delete the period and insert "; and"

Page 2, after line 21, insert:

"(10) prescribe a procedure for the return of completed voter registration forms from the department of public safety to the secretary of state or the county auditor."

Page 5, line 1, delete "shall" and insert "may"

Page 5, line 5, delete "then"

Page 7, line 11, after "the" insert "*county auditor of the county in which the voter maintains residence or to the*"

Page 7, line 12, delete "records" and insert "*record information relating to name, address, date of birth, driver's license number, county, town, and city*"

Page 8, after line 17, insert:

"Sec. 14. Minnesota Statutes 1986, section 201.221, subdivision 4, is amended to read:

Subd. 4. [COUNTY RULES.] The county auditor of each county may adopt rules which delegate to municipal officials in that county the duties

assigned to county auditors by this chapter. *Delegation to a municipal official requires the approval of the governing body of the municipality.* Delegation by the county auditor of the duty to accept registrations does not relieve the county auditor of the duty to accept registrations. When a municipal official is delegated duties given to the county auditor by this chapter, the governing body of the municipality shall immediately provide the necessary funds, equipment and facilities, establish a place of registration and put the registration plan into operation without delay."

Page 9, line 5, delete "13" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, delete "subdivision" and insert "subdivisions" and after "2" insert "and 4"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 550: A bill for an act relating to elections; requiring election judges to inform voters of certain laws; providing for selection of a party in certain primary elections; requiring parties to have different colored ballot book pages; amending Minnesota Statutes 1986, sections 204C.13, subdivision 2; 206.80; and 206.84, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 21, insert:

"Sec. 2. Minnesota Statutes 1986, section 204C.22, subdivision 3, is amended to read:

Subd. 3. [VOTES FOR TOO MANY CANDIDATES.] If a voter places a mark (X) beside the names of more candidates for an office than are to be elected or nominated, the ballot is defective with respect only to that office. No vote shall be counted for any candidate for that office, but the rest of the ballot shall be counted if possible. At a primary, if a voter *has not indicated a party preference and* places a mark (X) beside the names of candidates of more than one party on the partisan ballot, the ballot is totally defective and no votes on it shall be counted. *If a voter has indicated a party preference at a primary, only votes cast for candidates of that party shall be counted.*

Sec. 3. Minnesota Statutes 1986, section 204D.08, subdivision 4, is amended to read:

Subd. 4. [STATE PARTISAN PRIMARY BALLOT; PARTY COLUMNS.] The state partisan primary ballot shall be headed by the words "State Partisan Primary Ballot." The ballot shall be printed on white paper. *The ballot must be designed to include a form of party indicator by which the voter may choose the party in whose primary the voter intends to vote.* Each major political party shall have a separate column on the ballot, which column shall be headed by the words "_____ Party," giving the party name. Below the party name the following statement shall be printed.

"Do not vote for candidates of more than one party. If you do, your entire ballot will be defective and no vote marked on your ballot will be counted."

The names of the candidates seeking the nomination of each major political party shall be listed in that party's column. If only one individual files an affidavit of candidacy seeking the nomination of a major political party for an office, the name of that individual shall be placed on the state partisan primary ballot at the appropriate location in that party's column.

In each column, the candidates for senator in congress shall be listed first, candidates for representative in congress second, candidates for state senator third, candidates for state representative fourth and then candidates for state office in the order specified by the secretary of state.

The party columns shall be substantially the same in width, type and appearance. The columns shall be separated by a 12 point solid line."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "2;" insert "204C.22, subdivision 3; 204D.08, subdivision 4;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 873: A bill for an act relating to liquor; authorizing Lake county to issue seasonal on-sale licenses.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1183: A bill for an act relating to alcoholic beverages; authorizing the city of Minneapolis to issue an on-sale liquor license to the American Swedish Institute.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 735: A bill for an act relating to liquor; removing a restriction on issuance of off-sale licenses in Kanabec county; amending Minnesota Statutes 1986, section 340A.405, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1290: A bill for an act relating to liquor; authorizing the city of Little Canada to issue two additional on-sale licenses.

Reports the same back with the recommendation that the bill do pass.

Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 501: A bill for an act relating to school districts; permitting school district employees to participate in the state insurance plan; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [43A.315] [EMPLOYEES OF SCHOOL DISTRICTS.]

Subdivision 1. [DEFINITIONS.] In this section, the definitions in this subdivision apply.

(a) [EMPLOYEE.] “Employee” means (1) a person who is a public employee within the definition of section 179A.03, subdivision 14, and is employed by an eligible employer; or (2) a person employed by another public educational employer approved by the commissioner of employee relations.

(b) [ELIGIBLE EMPLOYER.] “Eligible employer” means one of the following: a school district as defined in section 120.02; an educational cooperative service unit as defined in section 123.58; an intermediate district as defined in section 136C.02, subdivision 7; a cooperative center for vocational education as defined in section 123.351; a regional management information center as defined in section 121.935; or an education unit organized under the joint powers act, section 471.59.

Subd. 2. [SCHOOL EMPLOYEE PARTICIPATION.] Participation in the basic benefits plan offered according to subdivision 3 is subject to the conditions in this subdivision.

(a) Each exclusive representative for an eligible employer determines whether the employees it represents will participate. The exclusive representative shall give notice to the employer of its determination to participate in the hospital, medical, life, and dental package before the execution of a new collective bargaining agreement or by April 1 of an odd-numbered year, whichever occurs first. The employer and the exclusive representative may by mutual consent make a determination at a later date to participate during the annual enrollment period. By April 1 of an odd-numbered year, the employer determines whether to participate in the hospital, medical, life, and dental package for employees not represented by an exclusive representative.

(b) The decision to participate is for a three-year term if coverage begins in an even-numbered year and a four-year term if coverage begins in an odd-numbered year. Participation is automatically renewed for an additional four-year term unless the exclusive representative gives the employer notice of withdrawal.

(c) The exclusive representative shall give notice of intent to withdraw before execution of a new collective bargaining agreement to cover the date on which the term of participation expires, or April 1 of the year in which the term of participation expires, whichever is first. If there is no exclusive representative, the employer shall notify the commissioner by

April 1 of the year in which participation expires. A group that withdraws shall wait two years before rejoining.

(d) Each participating employer shall notify the commissioner of the individuals who will be participating within two weeks of receiving notice of intent to participate. The employer shall also submit other information as required by the commissioner for administration of this plan.

Subd. 3. [BENEFITS.] By January 1, 1989, the commissioner of employee relations shall offer a basic benefits plan as provided to employees covered by section 43A.18, subdivision 2, or as modified by the commissioner, in consultation with a labor-management committee appointed by the commissioner. The plan shall include employee hospital, medical, dental, and life insurance for employees and hospital and medical benefits for dependents. Health maintenance organization options and other delivery system options, if they are available, cost effective, and capable of servicing a group of this size, shall be provided. Plans with different deductible amounts may be offered. Participation in optional coverages provided by the plan may be determined by collective bargaining agreements. For employees not represented by an exclusive representative, the employer may offer the optional coverages to eligible employees and their dependents provided in the plan.

Subd. 4. [PREMIUMS.] Premiums, including an administration fee, shall be established by the commissioner of employee relations. Each eligible employer shall pay monthly the amounts due for employee benefits including the amounts under subdivision 5 to the commissioner on or before the dates established by the commissioner. Failure to pay may result in cancellation of the benefits. The proportions of premium paid by the employer and employee are subject to collective bargaining.

Subd. 5. [FRINGE BENEFIT FUND.] A school employee fringe benefit fund is established in the state treasury. The deposits consist of the premiums received from employers participating in the plan. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money to cover the estimated cost of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund shall be credited or debited to the fund, as applicable.

Subd. 6. [CONTINUATION OF COVERAGE.] (a) A participating employee who is laid off or placed on unrequested leave may elect to continue the fringe benefit coverage at the expense of the employee unless otherwise provided by a collective bargaining agreement. Coverage continues until the employee is reemployed and eligible for health care coverage under a group policy or according to applicable state and federal laws, whichever is less.

(b) A participating employee who retires and receives an annuity under chapter 352, 353, 354, or 354A is eligible to continue to participate at the retiree's expense, unless otherwise provided by a collective bargaining agreement, in the group hospital, medical, and dental coverage at premiums established by the commissioner. An employer shall notify an employee of this option no later than the effective date of retirement. The retired employee must notify the employer within 30 days after the effective date of retirement of intent to exercise this option.

A spouse of a deceased retired employee may purchase the benefits provided at premiums established by the commissioner if the employee received an annuity under chapter 352, 353, 354, or 354A and if the spouse was a dependent under the retired employee's coverage under this section at the time of the death of the retired employee. Coverage under this paragraph must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

An employee who retired before August 1, 1987, and had participated in a retirement plan established according to chapter 352, 353, 354, or 354A, or is receiving an annuity under chapter 352, 353, 354, or 354A, is eligible to participate, at the retiree's expense, in the group hospital, medical, and dental coverage at premiums established by the commissioner.

(c) The benefits may continue in the event of a strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(d) A person who desires to participate under paragraphs (a) to (c) shall notify the employer or former employer of intent to participate according to timelines established by the commissioner. The employer shall notify the commissioner, and coverage shall begin as soon as permitted by the commissioner. Persons participating under these paragraphs shall make required premium payments in the time and manner established by the employer or the commissioner.

Subd. 7. [LABOR MANAGEMENT COMMITTEE.] A labor management committee of equal numbers of employees and employers or their representatives shall be appointed by the commissioner of employee relations. The committee shall study issues relating to the insurance plan including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1987, except that benefit coverage established in subdivision 3 is effective September 1, 1989.'

Amend the title as follows:

Page 1, line 3, delete "the" and insert "a"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 169: A bill for an act relating to education; eliminating the physical education requirement for teacher education programs; amending Minnesota Statutes 1986, section 126.02, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [PHYSICAL EDUCATION REPORT.]

The board of teaching shall review the need for courses in physical education or related courses in health and physical development in teacher education programs and shall report its recommendation to the legislature

by February 1, 1988.”

Delete the title and insert:

“A bill for an act relating to education; requiring a report by the board of teaching about physical education or related courses in teacher education programs.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 943: A bill for an act relating to parks; extending the term of the citizen's council on Voyageurs National Park; amending Laws 1975, chapter 235, section 2, as amended.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 526: A resolution memorializing the Federal Energy Regulatory Commission; expressing the Legislature's opposition to Northern States Power Company's application to install additional hydropower generating facilities at the Falls of St. Anthony in Minneapolis, Minnesota.

Reports the same back with the recommendation that the resolution be amended as follows:

Delete everything after the enacting clause and insert:

“WHEREAS, Father Louis Hennepin first sighted the Falls of St. Anthony in 1680 on his exploration of the territory that would later become known as the State of Minnesota; and

WHEREAS, the Falls of St. Anthony acted as the cornerstone of a community of pioneer settlers that later became known as the City of Minneapolis; and

WHEREAS, the Falls of St. Anthony were a vital part in the economic development of the City of Minneapolis and the State of Minnesota; and

WHEREAS, the Falls of St. Anthony were incorporated into the Great Seal of the State of Minnesota from the earliest beginnings of statehood; and

WHEREAS, the Falls of St. Anthony continue to be a part of the Great Seal of the State of Minnesota to depict the Falls of St. Anthony's importance in transportation and industry and are on the State's list of privately owned historic sights; and

WHEREAS, there has always been a history of multiple use of the Falls of St. Anthony including lumber milling, grain milling, hydropower production, recreational, scenic, and river transportation; and

WHEREAS, the federal government, the state of Minnesota, the Metropolitan Council, and the City of Minneapolis have made a major investment of public funds to reclaim the Mississippi Riverfront area surrounding the Falls of St. Anthony for recreational, scenic and economic development

purposes; and

WHEREAS, the potential private investment in area around the Falls of St. Anthony is expected to exceed \$800,000,000 and the aesthetic value of the Falls of St. Anthony is integral to that development; and

WHEREAS, the redevelopment of the riverfront area will open the area to people who have been underserved by such amenities in the past; and

WHEREAS, the Corp of Engineers and Northern States Power Company have both investigated in recent years the possibility of installing additional hydropower facilities; and

WHEREAS, Northern States Power Company has demonstrated sensitivity to community concerns about the impact of such additional hydropower development by withdrawing its recent license application to the Federal Energy Regulatory Commission; and

WHEREAS, additional power generating turbines could capture virtually all of the constant flow of the Mississippi River at the Falls of St. Anthony, for power generating purposes only; and

WHEREAS, additional power generating turbines would permanently alter the character of the Falls of St. Anthony and take permanently the historic, aesthetic, and recreational qualities of the Falls of St. Anthony out of the public domain; NOW, THEREFORE,

BE IT RESOLVED by the Legislature of the State of Minnesota that it urges the Federal Energy Regulatory Commission to deny any application for additional hydropower generation at the Falls of St. Anthony in Minneapolis, Minnesota.

BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is directed to prepare certified copies of this resolution and present them to the Federal Energy Regulatory Commission and to Minnesota's Senators and Representatives in Congress."

Amend the title as follows:

Page 1, line 3, after "to" insert "the installation of"

Page 1, delete line 4

And when so amended the resolution do pass. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1072: A bill for an act relating to utilities; providing for initial and continuing education of public utilities commissioners; lengthening the time period for preparation for a hearing on territorial disputes; raising dollar limit on value of property that public utility may transfer without commission approval; amending Minnesota Statutes 1986, sections 216A.03, by adding subdivisions; 216B.43; and 216B.50, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, delete "*curriculum*" and insert "*program*"

Page 1, line 18, delete "*curriculum*" and insert "*subject matter*" and

delete “, *but is not*”

Page 1, line 19, delete “*limited to.*”

Page 1, line 27, after “*meetings*” insert “*held in Minnesota*”

Page 2, line 3, delete everything after the period

Page 2, delete line 4

Page 2, line 5, delete “*meeting.*”

Page 2, delete lines 16 to 18

Page 2, line 30, after “*filed*” insert “*and shall render its decision within 30 days after the hearing*”

And when so amended the bill do pass: Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 841: A bill for an act relating to natural resources; conservation reserve program; definitions, eligibility for inclusion, applications, agreements, payments, and other terms and conditions; appropriating funds; amending Minnesota Statutes 1986, sections 40.41; 40.42, subdivision 5, and by adding a subdivision; 40.43, subdivisions 2, 5, 6, and 7; 40.44, subdivisions 2 and 3; 40.45; 84.943, subdivision 1; 84.944, subdivision 1; 84.95, by adding a subdivision; 105.391, subdivision 3; and 105.392, subdivisions 1, 2, 3, 4, 5, and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 40.41, is amended to read:
40.41 [PURPOSE AND POLICY.]

It is the purposes of sections 40.41 to 40.45 to keep certain marginal agricultural land out of crop production ~~or pasture~~ to protect soil and water quality and support fish and wildlife habitat. It is state policy to encourage the retirement of marginal, highly erodible land, particularly land adjacent to public waters and drainage systems, from crop production and to reestablish a cover of perennial vegetation.

Sec. 2. Minnesota Statutes 1986, section 40.42, subdivision 5, is amended to read:

Subd. 5. [LANDOWNER.] “Landowner” means a ~~Minnesota resident who owns or is a buyer under a contract for deed, of land that qualifies as a family farm, a family farm corporation or an authorized farm corporation under section 500.24, subdivision 2 individuals, family farms, family farm corporations as defined under section 500.24, subdivision 2, paragraph (c), and authorized farm corporations as defined under section 500.24, subdivision 2, paragraph (d), that either own eligible land or are purchasing eligible land under a contract for deed.~~

Sec. 3. Minnesota Statutes 1986, section 40.42, is amended by adding a subdivision to read:

Subd. 7. [WETLAND.] "Wetland" means land that has a predominance of hydric soils and that is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, or that periodically does support, a predominance of hydrophytic vegetation typically adapted for life in saturated soil conditions.

Sec. 4. Minnesota Statutes 1986, section 40.43, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE LAND.] (a) Land ~~may~~ owned by a landowner under paragraph (c) is eligible to be placed in the conservation reserve program if the land meets the requirements of paragraph (b) and:

(1) is marginal agricultural land; ~~or~~

(2) is adjacent to enrolled marginal agricultural land and is beneficial to resource protection or necessary for efficient recording of the land description; or

(2) was owned by the applicant on January 1, 1985, or for an application made on or after January 1, 1988, was owned by the applicant for at least three years before the date of application;

(3) is a drained wetland and the cropland adjacent to the drained wetland after it is restored to the extent of up to four acres of cropland for each acre of wetland restored.

(3) is (b) The land must be:

(1) at least five acres in size, or is a whole field as defined by the United States Agricultural Stabilization and Conservation Service;

(4) is (2) may not be set aside, enrolled or diverted under another federal or state government program; and

(5) was (3) must have been in agricultural crop production ~~or~~ pasture for at least two years during the period 1981 to 1985.

The eligible land of a landowner may not exceed 20 percent of the landowner's total acreage in the state.

(c) A landowner may enroll land that is eligible under paragraphs (a) and (b) and this paragraph based on the following amounts of agricultural land as defined in section 500.24, subdivision 2:

(1) if the landowner owns 20 acres or less of agricultural land, the entire amount of eligible land may be enrolled in the conservation reserve program;

(2) if the landowner owns more than 20 acres but less than 200 acres of agricultural land, 20 acres plus ten percent of the portion of agricultural land owned that is more than 20 acres but less than 200 acres that is eligible land may be enrolled in the conservation reserve program; and

(3) if the landowner owns 200 acres or more of agricultural land, 20 percent of the landowner's agricultural land that is eligible land may be enrolled in the conservation reserve program.

(d) In selecting land for enrollment in the conservation reserve program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 40.41.

Sec. 5. Minnesota Statutes 1986, section 40.43, subdivision 5, is amended to read:

Subd. 5. [AGREEMENTS BY LANDOWNER.] The commissioner may enroll eligible land in the conservation reserve program by signing an agreement in recordable form with a landowner in which the landowner agrees:

(1) to convey to the state a conservation easement that is not subject to any prior title, lien, or encumbrance;

(2) to seed the land subject to the conservation easement, as specified in the agreement, to establish and maintain perennial cover of either a grass-legume mixture or native grasses for the term of the easement, at seeding rates determined by the commissioner; or to plant trees or carry out other long-term capital improvements approved by the commissioner for soil and water conservation or wildlife management;

(3) to restore any drained wetland and to convey to the state a permanent easement for the wetland;

(4) to establish a windbreak, shelterbelt, or wildlife vegetation plantings on land to be enrolled with that condition;

(5) that other land supporting natural vegetation owned or leased as part of the same farm operation during the term of the easement, if it supports natural vegetation or has not been used in agricultural crop production or pasture, will not be converted to agricultural crop production or pasture; and

(4) (6) to the enforcement of the terms of the easement and agreements in this subdivision by an action for specific performance, a mandatory injunction, or for damages in an amount not to exceed the total amount paid by the state to the landowner under subdivision 6, with interest from the date of each default under the agreement.

Sec. 6. Minnesota Statutes 1986, section 40.43, subdivision 6, is amended to read:

Subd. 6. [PAYMENTS FOR CONSERVATION EASEMENTS AND ESTABLISHMENT OF COVER.] (a) The commissioner must make the following payments to the landowner for the conservation easement and agreement:

(1) to establish the perennial cover or other improvements required by the agreement, up to 75 percent of the total eligible cost not to exceed \$75 per acre for limited duration easements, and 100 per cent of the total eligible cost not to exceed \$100 per acre for permanent easements;

(2) for the cost of planting trees required by the agreement, up to \$75 75 percent of the total eligible cost not to exceed \$200 per acre for limited duration easements, and 100 per cent of the total eligible cost not to exceed \$300 per acre for permanent easements;

(3) to establish windbreaks, shelterbelts, and wildlife vegetation plantings required by the agreement, up to 75 percent of the total eligible cost not to exceed \$200 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$300 per acre for permanent easements;

(3) (4) for a permanent easement, 70 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time the easement is conveyed of application to the conservation reserve program; and

(4) (5) for an easement of limited duration, 90 percent of the present value of the average of the ~~acceptable~~ *accepted* bids for the federal conservation reserve program, as contained in ~~Public Law Number 99-198 United States Code, title 7, sections 3831 to 3836,~~ in the relevant geographic area and on bids ~~made immediately prior to when accepted at the easement is conveyed.~~ *If federal bid figures have not been determined for the area, or the federal program has been discontinued, the rate paid shall time of application to the conservation reserve program; or*

(6) *an alternative payment system for easements based on cash rent or a similar system as may be determined by the commissioner.*

(b) The commissioner may not pay more than \$50,000 to a landowner for all the landowner's conservation easements and agreements.

Sec. 7. Minnesota Statutes 1986, section 40.43, subdivision 7, is amended to read:

Subd. 7. [EASEMENT RENEWAL.] When a conservation easement of limited duration expires, a new conservation easement and agreement for an additional period of *not less than* ten years may be acquired by agreement of the commissioner and the landowner, under the terms of this section. The commissioner may adjust payment rates as a result of renewing an agreement and conservation easement only after examining the condition of the established cover, conservation practices, and land values.

Sec. 8. Minnesota Statutes 1986, section 40.44, subdivision 2, is amended to read:

Subd. 2. [TECHNICAL ASSISTANCE.] (a) The commissioners of agriculture and natural resources must provide necessary technical assistance to landowners enrolled in the conservation reserve program. The commissioner of natural resources must provide technical advice and assistance to the commissioner on:

(1) the form and content of the conservation easement and agreement, ~~and on;~~

(2) *forestry and agronomic practices; and*

(3) *hydrologic and hydraulic design* relating to the establishment and maintenance of permanent cover, or other conservation improvements.

(b) The commissioners of agriculture and natural resources shall jointly prepare an informational booklet on the conservation reserve program and other state and federal programs for land acquisition, conservation, and retirement to be made available to eligible landowners and the general public.

Sec. 9. Minnesota Statutes 1986, section 40.44, subdivision 3, is amended to read:

Subd. 3. [SUPPLEMENTAL CONSERVATION PAYMENTS.] The commissioner may supplement ~~cost-share~~ payments made under ~~other federal land retirement programs; up to \$75 an acre,~~ to the extent of available appropriations other than bond proceeds. The supplemental ~~cost-share~~ payments must be used to establish perennial cover on land enrolled *or increase payments for land enrollment* in programs approved by the commissioner, including the federal conservation reserve program and federal and state waterbank programs.

Sec. 10. Minnesota Statutes 1986, section 84.943, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The Minnesota critical habitat private sector matching account is established as a separate account in the ~~state treasury~~ *reinvest in Minnesota resources fund established under section 84.95*. The account shall be administered by the commissioner of natural resources as provided in this section.

Sec. 11. Minnesota Statutes 1986, section 84.943, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] Appropriations *transferred* to the critical habitat private sector matching account may be expended only to the extent that they are matched equally with contributions to the account from private sources or by funds contributed to the nongame wildlife management account. The private contributions may be made in cash or in contributions of land or interests in land that are designated by the commissioner of natural resources as program acquisitions. Appropriations *transferred* to the account that are not matched within three years from the date of the appropriation shall cancel to the source of the appropriation. For the purposes of this section, the private contributions of land or interests in land shall be valued in accordance with their appraised value.

Sec. 12. Minnesota Statutes 1986, section 84.943, subdivision 5, is amended to read:

Subd. 5. [PLEDGES AND CONTRIBUTIONS.] The commissioner of natural resources may accept contributions and pledges to the critical habitat private sector matching account. A pledge that is made contingent on an appropriation is acceptable and shall be reported with other pledges as required in this section. In the budget request for each biennium, the commissioner shall report the balance of contributions in the account and the amount that has been pledged for payment in the succeeding two calendar years.

Money in the account ~~may be expended~~ *is appropriated to the commissioner of natural resources* only for the direct acquisition or improvement of land or interests in land as provided in section 84.944. To the extent of available appropriations other than bond proceeds, the money matched to the nongame wildlife management account may be used for the management of nongame wildlife projects as specified in section 290.431. Acquisition includes: (1) purchase of land or an interest in land by the commissioner; or (2) acceptance by the commissioner of gifts of land or interests in land as program projects.

Sec. 13. Minnesota Statutes 1986, section 84.944, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION CONSIDERATIONS.] (a) In determining what critical natural habitat shall be acquired or improved, the commissioner shall consider:

(1) the significance of the land or water as existing or potential habitat for fish and wildlife and providing fish and wildlife oriented recreation;

(2) the significance of the land, water, or habitat improvement to maintain or enhance native plant, fish, or wildlife species designated as endangered or threatened under section 97.488;

(3) the presence of native ecological communities that are now uncommon or diminishing; and

(4) the significance of the land, water or habitat improvement to protect or enhance natural features within or contiguous to natural areas including fish spawning areas, wildlife management areas, scientific and natural areas, riparian habitat and fish and wildlife management projects.

(b) The commissioner must, by order, promulgated under section 97A.051, subdivision 3, establish a process to prioritize according to paragraph (a) the critical habitat to be acquired or improved.

Sec. 14. Minnesota Statutes 1986, section 84.95, is amended by adding a subdivision to read:

Subd. 3. [WORK PLANS AND REPORTS.] By February 1 of each year the commissioner of natural resources, in consultation with the commissioner of agriculture, must present a written work plan for expenditure of money from the reinvest in Minnesota resources fund for the next fiscal year to the senate and house committees on agriculture and environment and natural resources for their review and comment. Any recommendations to the commissioners by the committees must be returned to the commissioners by March 15. By April 30 of each year the commissioner must make the work plan, with any revisions, available to the public for comment. In so doing, the commissioner must hold at least three public meetings to inform the public of the work plan; one meeting to be held in the Twin Cities metropolitan area, the others at non-Twin Cities locations, one each in northern and southern Minnesota. By January 15 of each year, the commissioner must prepare a written progress report on projects undertaken and money encumbered during the fiscal year just ended, and must transmit the report to the above committees and make the report available to the public.

Sec. 15. Minnesota Statutes 1986, section 105.391, subdivision 3, is amended to read:

Subd. 3. Except as provided below, no public waters or wetlands shall be drained, and no permit authorizing drainage of public waters or wetlands shall be issued, unless the public waters or wetlands being drained are replaced by public waters or wetlands which that will have equal or greater public value. ~~However, after a state waterbank program has been established, Wetlands which are eligible for inclusion in that program, the drainage of which is lawful, feasible, and practical and would provide high quality cropland and that is the projected land use, as determined by the commissioner, may be drained without a permit and without replacement of wetlands of equal or greater public value if the commissioner does not elect, within 60 days of the receipt of an application for a permit to drain the wetlands, to either (1) place the wetlands in the state waterbank program under section 105.392, or (2) acquire it in fee pursuant to section 97A.145, or (3) indemnify the landowner through any other appropriate means, including but not limited to conservation restrictions, easements, leases, or any applicable federal program.~~ The applicant, if not offered a choice of the above alternatives, is entitled to drain the wetlands involved.

~~In addition, the owner or owners of lands underlying wetlands situated on privately owned lands may apply to the commissioner for a permit to drain the wetlands at any time after the expiration of ten years following the original designation thereof. Upon receipt of an application, the com-~~

missioner shall review the current status and conditions of the wetlands. If the commissioner finds that the current status or conditions are such that it appears likely that the economic or other benefits to the owner or owners which would result from drainage would exceed the public benefits of maintaining the wetlands, the commissioner shall grant the application and issue a drainage permit. If the application is denied, no additional application shall be made until the expiration of an additional ten years.

Sec. 16. Minnesota Statutes 1986, section 105.392, subdivision 1, is amended to read:

Subdivision 1. The legislature finds that it is in the public interest to preserve the wetlands of the state and thereby to conserve surface waters, ~~to maintain and improve water quality~~, preserve wildlife habitat, ~~to reduce runoff~~, ~~to provide for floodwater retention~~, ~~to reduce stream sedimentation~~, ~~to contribute to improved subsurface moisture~~, ~~to enhance the natural beauty of the landscape~~, and ~~to promote comprehensive and total water management planning~~. Therefore, the commissioner of natural resources is authorized to promulgate rules, which shall include the procedures and payment rates designed to effectuate the terms of this section. ~~This program is intended to supplement and complement the federal water bank program and the payment rates established shall be at least equal to the federal rates existing at the time any agreements are entered into.~~

Sec. 17. Minnesota Statutes 1986, section 105.392, subdivision 2, is amended to read:

Subd. 2. *For the conservation of wetlands, whether or not included in the definition contained in section 105.37, subdivision 15, the commissioner shall have authority to may acquire wetlands in fee pursuant to section 97A.145, or may enter into easement agreements with landowners for the conservation of wetlands and other waters. These easement agreements shall be conservation easements, as defined in section 84C.01, paragraph (1), but, in addition, may be made possessory as well as nonpossessory if agreed upon by the landowner and the commissioner.* These agreements shall be entered into for a period of *not less than ten years*, with provision for renewal for *additional not less than ten year ten-year periods, or the agreements may provide that the easement will be permanent in duration.* The commissioner may reexamine the payment rates at the beginning of any *ten year* renewal period *in the light of the then giving consideration to current land and crop values and make needed adjustments in rates for any renewal period.*

Wetlands eligible for inclusion in the waterbank program shall have all the following characteristics as determined by the commissioner: (a) type 3, 4, or 5 as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition); (b) its drainage is lawful, feasible, and practical; and (c) its drainage would provide high quality cropland and that is the projected land use. Waters which have the foregoing characteristics but are less than ten acres in size in unincorporated areas or less than 2-1/2 acres in size in incorporated areas shall also be eligible for inclusion in the waterbank program, at the discretion of the commissioner.

Sec. 18. Minnesota Statutes 1986, section 105.392, subdivision 3, is amended to read:

Subd. 3. In the *easement* agreement between the commissioner and an owner, the owner shall agree:

(1) to place in the program for the period of the agreement eligible wetland areas the owner designates, which areas may include wetlands covered by a federal or state government easement ~~which~~ *that* permits agricultural use, together with such adjacent areas as determined desirable by the commissioner;

(2) not to drain, burn, fill, or otherwise destroy the wetland character of such areas, nor to use such areas for agricultural purposes, as determined by the commissioner;

(3) to effectuate the wetland conservation and development plan for the land in accordance with the terms of the agreement, unless any requirement thereof is waived or modified by the commissioner;

(4) to forfeit all rights to further payments or grants under the agreement and to refund to the state all payments or grants received thereunder upon violating the agreement at any stage during the time the owner has control of the land subject to the agreement if the commissioner determines that the violation is of such a nature as to warrant termination of the agreement, or to make refunds or accept such payment adjustments as the commissioner may deem appropriate if the commissioner determines that the violation by the owner does not warrant termination of the agreement;

(5) ~~upon transfer of right and interest in the land subject to the agreement during the agreement period, to forfeit all rights to further payments or grants under the agreement and refund to the state all payments or grants received thereunder during the year of the transfer unless the transferee of any such land agrees with the commissioner to assume all obligations of the agreement;~~

(6) not to adopt any practice specified by the commissioner in the agreement as a practice which would tend to defeat the purposes of the agreement; and

~~(7)~~ (6) to additional provisions which the commissioner determines are desirable and includes in the agreement to effectuate the purposes of the program or to facilitate its administration.

Sec. 19. Minnesota Statutes 1986, section 105.392, subdivision 4, is amended to read:

Subd. 4. In return for the *easement* agreement of the owner, the commissioner shall ~~(1) make an annual payment to the owner for the period of the agreement at the rate as the commissioner determines to be fair and reasonable in consideration of the obligations undertaken by the owner; and (2) must provide advice on conservation and development practices on the wetlands and adjacent areas for the purposes of this section as the commissioner determines to be appropriate. In making the determination, the commissioner shall consider, among other things, the rate of compensation necessary to encourage owners of wetlands to participate in the waterbank program~~ *The commissioner must make the following payments to the landowner for the easement agreement:*

(1) for a permanent easement, 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue for the time period when the application is made;

(2) for an easement of limited duration, an annual payment of 50 percent of the mean adjusted cash rental for cropland in the county, as established

by the commissioner of revenue for the time period when the application is made; and

(3) for an easement of limited duration, the landowner may elect to receive a lump sum payment, the amount of which shall be the present value of the annual payments for the term of the easement.

Sec. 20. Minnesota Statutes 1986, section 105.392, subdivision 5, is amended to read:

Subd. 5. Any *easement* agreement may be renewed or extended at the end of the agreement period for an additional period of ten years by mutual agreement of the commissioner and the owner, subject to any rate re-termination by the commissioner. If during the agreement period the owner sells or otherwise disposes of the ownership or right of occupancy of the land, the new owner ~~may~~ must continue ~~such~~ the agreement under the same terms or conditions, ~~or enter into a new agreement in accordance with the provisions of this section, including the provisions for renewal and adjustment of payment rates, or may choose not to participate in the program,~~ except any water designated as wetlands shall not be drained.

Sec. 21. Minnesota Statutes 1986, section 105.392, subdivision 6, is amended to read:

Subd. 6. The commissioner may terminate any *easement* agreement by mutual agreement with the owner if the commissioner determines that the termination would be in the public interest, and may agree to any modification of agreements the commissioner may determine to be desirable to carry out the purposes of the program or facilitate its administration.

Sec. 22. [EXISTING AND NEW EMERGENCY RULES.]

The commissioner may adopt emergency rules to implement this act. The emergency rules adopted on August 27, 1986, shall remain in effect until amended or replaced by emergency or permanent rules.

Sec. 23. [FINDINGS.]

The legislature finds that native prairie is found primarily on marginal lands poorly suited to grain production and provides important wildlife, scientific, erosion control, educational, and recreational values.

Sec. 24. [84.96] [NATIVE PRAIRIE BANK.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a native prairie bank, determine where native prairie land is located in the state, and prescribe eligibility requirements for inclusion of land in the native prairie bank.

Subd. 2. [DEFINITION.] Native prairie means unplowed lands with less than ten percent tree cover and with predominantly native prairie vegetation.

Subd. 3. [EASEMENT ACQUISITION.] (a) The commissioner may acquire native prairies to conserve the native prairies by entering into easements with landowners. The easements must be conservation easements as defined in section 84C.01, paragraph (1), except the easements may be made possessory as well as nonpossessory if agreed upon by the landowner and the commissioner.

(b) The easements must be permanent easements.

Subd. 4. [EASEMENT AGREEMENT.] (a) In the easement between the

commissioner and an owner, the owner must agree:

(1) *to place in the program for the period of the easement eligible native prairie areas designated by the owner, including prairie covered by a federal or state easement that allows agricultural use and desirable land adjacent to the prairie as determined by the commissioner;*

(2) *not to alter the native prairie by plowing, heavy grazing, seeding to nonnative grasses or legumes, spraying with large amounts of herbicides, or otherwise destroying the native prairie character of the easement area, except mowing the native prairie tract for wild hay may qualify for easement as determined by the commissioner;*

(3) *to implement the native prairie conservation and development plan as provided in the easement agreement, unless a requirement in the easement agreement is waived or modified by the commissioner;*

(4) *to forfeit all rights to further payments under the terms of the easement and to refund to the state all payments received under the easement if the easement is violated at any time when the owner has control of the land subject to the easement, if the commissioner determines that the violation warrants termination of the easement, or if the commissioner determines that the violation does not warrant termination of the easement, the commissioner may determine refunds or payment adjustments to be paid by the commissioner;*

(5) *not to adopt a practice specified by the commissioner in the easement as a practice that would tend to defeat the purposes of the easement; and*

(6) *to additional provisions included in the easement that the commissioner determines are desirable.*

(b) In return for the easement of the owner, the commissioner shall make payments as provided in subdivision 5 and may provide advice on conservation and development practices on the native prairie in the easement and adjacent areas.

Subd. 5. [PAYMENTS.] (a) The commissioner must make payments to the landowner under this subdivision for the easement.

(b) For a permanent easement, the commissioner must pay 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue for the time period when the application is made.

(c) To maintain and protect native prairies, the commissioner may enter into easements that allow selected agricultural practices. Payment must be based on paragraph (b) but may be reduced due to the agricultural practices allowed after negotiation with the landowner.

Subd. 6. [EASEMENT RUNS WITH LAND.] If during the agreement period the owner sells or otherwise disposes of the ownership or right of occupancy of the land, the new owner must continue the agreement under the same terms or conditions.

Subd. 7. [MODIFICATION AND TERMINATION BY AGREEMENT.] The commissioner may terminate an easement agreement by mutual agreement with the owner if the commissioner determines that the termination would be in the public interest. The commissioner may agree to modifications of agreements if the commissioner determines the modification is desirable to implement the native prairie program.

Subd. 8. [RULES.] The commissioner of natural resources may adopt rules that include the procedures and payment rates to implement this section.

Sec. 25. [BONDS AUTHORIZED.]

The commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$36,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.641 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the reinvest in Minnesota resources fund.

Sec. 26. [APPROPRIATIONS.]

Subdivision 1. [APPROPRIATION TO RESOURCES FUND.] There is appropriated to the reinvest in Minnesota resources fund, other than the bond proceeds account within that fund, any money appropriated by law.

Subd. 2. [BOND PROCEEDS APPROPRIATION.] \$36,500,000 is appropriated from the bond proceeds account of the reinvest in Minnesota resources fund to the agencies and account for the purposes specified in this section.

Subd. 3. [COMMISSIONER OF AGRICULTURE.] \$22,403,000 is appropriated to the commissioner of agriculture:

(a) from the bond proceeds account of the reinvest in Minnesota resources fund for the conservation reserve program under section 40.43, to be available until expended \$20,000,000

(b) from the general fund for technical assistance and administration of the conservation reserve program to be available until June 30, 1989
\$2,000,000 of this appropriation must be distributed to soil and water conservation districts. \$ 2,403,000

The approved complement of the department of agriculture is increased by four positions in the classified service for implementing sections 1 to 21. One position shall be a coordinator to work with other agencies to implement sections 1 to 21.

Subd. 4. [COMMISSIONER OF NATURAL RESOURCES.] \$13,500,000 is appropriated to the commissioner of natural resources:

(a) from the bond proceeds account of the reinvest in Minnesota resources fund for fish and wildlife habitat improvements and acquisition of interests in land under the comprehensive fish and wildlife management plan under section 84.942, to be available until expended. The commissioner shall provide the necessary professional services for the performance of duties under this clause from the amount appropriated for the various purposes \$12,000,000

(b) from the bond proceeds account of the reinvest in Minnesota resources fund for aspen recycling under section 88.80 and other forest wildlife management projects, to be available until expended

\$ 1,500,000

The approved complement of the department of natural resources is increased by 12 positions in the unclassified service and eight positions in the classified service for implementing sections 1 to 21. One position in the unclassified service shall be a program coordinator to work with other agencies and staff to implement sections 1 to 21.

Subd. 5. [COMMISSIONER OF NATURAL RESOURCES.] \$1,600,000 is appropriated to the commissioner of natural resources from the general fund for the administration of projects included in clauses (a) and (b) of subdivision 4.

Subd. 6. [CRITICAL HABITAT PRIVATE SECTOR MATCHING ACCOUNT.] \$2,500,000 is appropriated from the bond proceeds account of the reinvest in Minnesota resources fund for transfer to the critical habitat private sector matching account."

Delete the title and insert:

"A bill for an act relating to natural resources; conservation reserve program; definitions, eligibility for inclusion, applications, agreements, payments, and other terms and conditions; native prairie bank program; applications, agreements, payments, and other terms and conditions; appropriating funds; amending Minnesota Statutes 1986, sections 40.41; 40.42, subdivision 5, and by adding a subdivision; 40.43, subdivisions 2, 5, 6, and 7; 40.44, subdivisions 2 and 3; 84.943, subdivisions 1, 3, and 5; 84.944, subdivision 1; 84.95, by adding a subdivision; 105.391, subdivision 3; 105.392, subdivisions 1, 2, 3, 4, 5, and 6; proposing coding for new law in Minnesota Statutes, chapter 84."

And when so amended the bill do pass and be re-referred to the Committee on Agriculture. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1100: A bill for an act relating to metropolitan government; regulating participation in a transportation program; providing conditions for incurrence of debt for certain purposes; removing fare restrictions; amending Minnesota Statutes 1986, section 473.388, subdivision 2; 473.39; and 473.446, subdivision 1; repealing Minnesota Statutes 1986, section 473.436, subdivisions 6 and 7; and Laws 1985, First Special Session chapter 10, section 122.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 36, after the second "or" insert "with the prior consent of the council"

Page 4, line 4, after "notes" insert "with a maximum maturity of three years"

Page 5, line 24, after "bonds," insert "including refunding bonds"

Page 6, after line 31, insert:

“Sec. 5. [RATIFICATION.]

Minnesota Statutes, section 473.39, subdivision 1, as amended by section 2, clarifies legislative intent. Obligations issued prior to the effective date of section 2 are not invalid or unenforceable if issued in accordance with Minnesota Statutes, section 473.39, subdivision 1, as amended by section 2.”

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1087: A bill for an act relating to the city of Champlin; permitting the city to use unexpended public improvement funds for a low-income special assessment grant program.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete “until December 31, 1988,” and delete “unexpended”

Page 1, line 10, delete “which” and insert “that” and delete “reverted” and insert “been lawfully transferred”

Page 1, line 11, delete “defray the cost of” and insert “assist low-income homeowners in paying”

Page 1, line 12, delete “property owners” and insert “their homesteads”

Page 1, lines 15 and 18, delete “ordinance” and insert “resolution”

Page 1, line 18, delete “shall” and insert “may”

Page 1, line 19, after “other” insert “eligibility” and delete “that”

Page 1, line 21, after “DATE” insert “; REPEALER”

Page 1, line 23, delete “this act takes” and insert “sections 1 and 2 take”

Page 1, line 24, after the period, insert “Sections 1 and 2 are repealed December 31, 1992.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1142: A bill for an act relating to local government; permitting the establishment of special service districts; providing taxing and other authority; proposing coding for new law as Minnesota Statutes, chapter 429A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, lines 21, 23, 27, 28, and 32, delete “15” and insert “25”

And when so amended the bill do pass and be re-referred to the Committee on Economic Development and Housing. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 897: A bill for an act relating to liquor; repealing the law requiring filing and maintenance of lists of wholesale prices; repealing Minnesota Statutes 1986, section 340A.313.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1986, section 340A.307, is amended by adding a subdivision to read:

Subd. 3a. [NONDISCRIMINATORY PRICES; RETAILERS.] All licensed wholesalers and manufacturers must offer for sale on an equal basis to all licensed retailers all intoxicating liquor brought into or sold in the state of Minnesota.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “requiring nondiscriminatory prices for sale to retailers;”

Page 1, line 3, after the semicolon, insert “amending Minnesota Statutes 1986, section 340A.307, by adding a subdivision;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1152: A bill for an act relating to alcoholic beverages; restricting sales to tax delinquent licensees; limiting imports by individuals; maximum volume for volume prices; purchases by delinquent licensees; restricting employment of minors in nonintoxicating liquor premises; repealing non-discriminatory price law; amending Minnesota Statutes 1986, sections 297A.151, subdivisions 2 and 3; 297C.09; 340A.302, subdivision 1; 340A.312, subdivision 2; 340A.318, subdivisions 1 and 3; and 340A.411, by adding a subdivision; repealing Minnesota Statutes 1986, section 340A.307, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete sections 1 and 2

Page 3, line 23, after the period, insert “A retail licensee who violates this subdivision is subject to the penalties provided in section 340A.415.”

Page 4, delete section 9 and insert:

“Sec. 7. [340A.907] [INSPECTION.]

The commissioner of public safety or any duly authorized employee may, at all reasonable hours, enter in and upon the premises of any licensee or permit holder under this chapter to inspect the premises and examine the

books, papers, and records of a manufacturer, wholesaler, importer, or retailer for the purpose of determining whether the provisions of this chapter are being complied with. If the commissioner or any duly authorized employee is denied free access or is hindered or interfered with in making an inspection or examination, the licensee or permit holder is subject to revocation pursuant to section 340A.304 in the case of a wholesaler, manufacturer, or importer, and section 340A.415 in the case of a retailer."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "restricting sales to"

Page 1, line 3, delete "tax delinquent licensees;"

Page 1, line 7, delete everything after the first semicolon and insert "providing for inspections;"

Page 1, line 8, delete "297A.151,"

Page 1, line 9, delete "subdivisions 2 and 3;"

Page 1, line 11, delete "repealing"

Page 1, delete line 12

Page 1, line 13, delete "3" and insert "proposing coding for new law in Minnesota Statutes, chapter 340A"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1114: A bill for an act relating to liquor; items which may be sold in exclusive liquor stores; amending Minnesota Statutes 1986, section 340A.101, subdivision 10.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 299A.02, subdivision 3, is amended to read:

Subd. 3. [REPORTS; RULES.] The commissioner shall have power to require periodic factual reports from all licensed importers, manufacturers, wholesalers and retailers of intoxicating liquors and to make all reasonable rules to effect the object of Laws 1985, chapter 305, articles 2 to 11. The rules shall include provisions for assuring the purity of intoxicating liquors and the true statement of its contents and proper labeling thereof with regard to all forms of sale. *No rule may require the use of new containers in aging whiskey. No rule may require cordials or liqueurs to contain in excess of two and one-half percent by weight of sugar or dextrose or both.*

Sec. 2. Minnesota Statutes 1986, section 340A.101, subdivision 10, is amended to read:

Subd. 10. [EXCLUSIVE LIQUOR STORE.] "Exclusive liquor store" is an establishment used exclusively for the sale of intoxicating liquor except for the incidental sale of ice, tobacco, nonintoxicating malt liquor, beverages

for mixing with intoxicating liquor, ~~and~~ soft drinks, *cork extraction devices, books and videos on the use of alcoholic beverages* may also be sold, and the establishment may offer recorded or live entertainment and make available coin-operated amusement devices. "Exclusive liquor store" also includes an on-sale or combination on-sale and off-sale intoxicating liquor establishment which sells food for on-premise consumption when authorized by the municipality issuing the license.

Sec. 3. [REPEALER.]

Minnesota Statutes 1986, sections 34.119, 34.12, 34.13, and 34.14 are repealed."

Delete the title and insert:

"A bill for an act relating to liquor; limitations on rules of the commissioner of public safety; items which may be sold in exclusive liquor stores; regulating sales of fermented malt beverages; amending Minnesota Statutes 1986, sections 299A.02, subdivision 3; and 340A.101, subdivision 10; repealing Minnesota Statutes 1986, sections 34.119; 34.12; 34.13; and 34.14."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 153: A bill for an act relating to consumer protection; requiring cash refunds for goods returned on certain retail sales; providing an exception; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [325F:80] [RETAIL SALES OF CONSUMER GOODS; REFUNDS.]

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

(1) "consumer" means a natural person who buys goods for personal, family, or household purposes and not for commercial, agricultural, or business purposes;

(2) "seller" means a person who regularly sells goods at retail to consumers;

(3) "acceptable" means that the goods returned are in a condition acceptable to the seller using reasonable and objective standards, the goods are returned within a reasonable time from the date of purchase, and proof of purchase is presented by the consumer at time of return;

(4) "cash refund" means the seller provides the consumer cash at the time of the return; or the seller mails a check to the consumer within a reasonable time following return; or, for sales involving financial transaction cards, as defined in section 325G.02, subdivision 2, or sales in which the seller extends credit to the consumer, the seller credits the account that was charged.

Subd. 2. [CASH REFUNDS REQUIRED.] A seller may not refuse to

give a cash refund to a consumer for goods that are acceptable for return unless the seller complies with subdivision 3.

Subd. 3. [NOTICE OF REFUND POLICY.] If a seller wishes to alter the cash refund policy required by this section, written notice of the seller's cash refund policy must be clearly and conspicuously displayed on the premises. The notice must be written in boldface type of a minimum size of 14 points.

Subd. 4. [NONAPPLICATION.] This section does not apply to home solicitation sales, as defined in section 325G.06, goods custom ordered or special ordered by the consumer, or sellers licensed under section 168.27.

Subd. 5. [VIOLATION.] A seller who violates this section is subject to the remedies under section 8.31, except that a civil penalty imposed under that section may not exceed \$500 per violation."

Delete the title and insert:

"A bill for an act relating to consumer protection; requiring cash refunds for goods returned on certain retail sales; providing enforcement; proposing coding for new law in Minnesota Statutes, chapter 325F"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1210: A bill for an act relating to health; establishing the Minnesota institute for health research; creating a health research trust fund with cigarette and tobacco products taxes; prescribing a floor stocks tax on cigarettes and tobacco products distributors; amending Minnesota Statutes 1986, sections 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.32, subdivisions 1, 2, and 9; proposing coding for new law as Minnesota Statutes, chapter 152A; proposing coding for new law in Minnesota Statutes, chapter 297.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 5, delete sections 1 to 7 and insert:

"Section. 1. [256.936] [FAMILY HEALTH INSURANCE PROGRAM.]

Subdivision 1. [PURPOSE.] It is the purpose of this section to assist families to achieve self-sufficiency by making available health insurance on a sliding fee basis. The commissioner of human services shall manage the program and seek to maximize use of available federal and state funds to establish the broadest program possible within the appropriation available.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms shall have the meanings given them:

(a) "Families" means a child or children under age 18 and their biological or adoptive parents or stepparents who reside with them.

(b) "Eligible persons" means the following persons who reside in families with gross incomes less than 200 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not

otherwise insured:

(1) pregnant women;

(2) families who have become ineligible for medical assistance within the last six months following the extensions allowed under section 256B.062; and

(3) children under 18 in families that have at least one child under six.

(c) "Covered services" means comprehensive health maintenance services as specified in section 62D.02, subdivision 7, and dental care.

(d) "Commissioner" means the commissioner of human services.

(e) "Health plan corporation" means a health insurer or health maintenance organization licensed under chapter 62A, 62C or 62D.

Subd. 3. [COMMISSIONER'S DUTIES.] The commissioner, with the advice and assistance of the commissioners of health and commerce, shall select a health plan corporation or corporations through a process of competitive bidding and negotiation. The health plan corporations shall provide or arrange to provide covered services to eligible persons. The commissioner shall select health plan corporations regulated under chapter 62A, 62C or 62D who can promote health care provider efficiencies while preserving access and quality care. In addition, the commissioner is required to:

(1) ensure that all plans of coverage provide at least the covered services;

(2) assure access to existing public and nonprofit community health clinics if they are available in the service area and they agree to accept rates and conditions comparable to those agreed to by other participating providers for similar services;

(3) provide eligible persons with the opportunity to choose among all health plans under contract to the commissioner in the designated service area, to change plans without penalty within the initial 30 days, and to participate in an annual open enrollment period of 30 days;

(4) arrange to subsidize the contribution required of eligible persons who can purchase comparable coverage through an employer sponsored plan, if this would be less expensive;

(5) assure continuity of care for eligible persons who may experience a change in income and become eligible for medical assistance;

(6) establish premiums for enrollees covered under this program; and

(7) guarantee payment for the first prenatal care visit for program applicants, even if the applicant is later determined to be ineligible.

Subd. 4. [HEALTH PLAN CORPORATION DUTIES.] Health plan corporations that contract with the commissioner under this section must agree to:

(1) provide or arrange to provide, at a minimum, the covered services to all persons enrolled in the plan;

(2) ensure that medical and social risk assessments are completed for all enrolled pregnant women and that they receive risk appropriate care; and

(3) comply with other contractual terms and conditions established by

the commissioner.

Subd. 5. [SLIDING FEE SCHEDULE.] Eligible persons shall contribute a specified percentage of the health plan premium not to exceed ten percent of their gross family income. For the first year of implementation, the sliding fee schedule must be as follows:

<i>Gross Income as a Percentage of the Federal Poverty Guideline</i>	<i>Enrollee Contribution</i>
<i>Below 125 percent</i>	<i>5 percent</i>
<i>126 to 150 percent</i>	<i>10 percent</i>
<i>151 to 170 percent</i>	<i>30 percent</i>
<i>171 to 185 percent</i>	<i>50 percent</i>
<i>186 to 199 percent</i>	<i>70 percent</i>

The commissioner may review this fee schedule and modify it in rule for future years. Enrollees may not be required to pay any deductibles or coinsurance outside the sliding fee schedule, except for copayments allowed by the commissioner to control inappropriate utilization.

Subd. 6. [FUNDING; ALLOCATION.] (a) The commissioner must make a quarterly assessment of the expected expenditures for the program and the appropriation available.

To the extent possible, the commissioner shall allocate funds so that there is a reasonable relationship between enrollees in each county and the number of eligible persons in each county. Based on this assessment the commissioner may limit enrollments in certain counties or all counties if the appropriations are not sufficient.

(b) If sufficient funds are not available to cover all costs incurred in one quarter, the commissioner may seek an additional authorization for funding from the legislative advisory committee.

Subd. 7. [ADMINISTRATION AND MARKETING.] The commissioner shall establish an office for the state administration of this program. A toll-free telephone number must be used to provide information and to provide access to the program. The commissioner shall establish a process for efficient orderly enrollment. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program. Applications and other information must be available in county social services offices. The commissioner shall make applications and other information available to organizations serving potentially eligible persons.

Subd. 8. [SUBROGATION.] Enrollees shall contract for and receive coverage for a period of no less than one year unless they become insured through some other plan of coverage. Notwithstanding any other law to the contrary, benefits under the family health insurance program are secondary to any other plan of insurance or benefit program under which an eligible person may have coverage. The commissioner shall establish procedures for identifying eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance and for notifying the health plan corporation with whom the persons are enrolled.

Subd. 9. [RULEMAKING AUTHORITY.] The commissioner shall adopt rules, including emergency rules, necessary to implement this section.

Subd. 10. [SPECIAL STUDY.] The commissioner shall report to the legislature by January 15, 1989, with recommendations for improving the program, evidence of state savings as a result of the program, and recommendations for a formal evaluation.

Sec. 2. Minnesota Statutes 1986, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 under Minnesota Statutes, section 259.40 or 259.431; or

(2) who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

(3) who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program; or

(4) who is a pregnant woman, as certified in writing by a physician or nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or

(5) who is a pregnant woman, as certified in writing by a physician or nurse midwife, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under clause (9) if born and living with the woman; or

(6) who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or

(7) who, except for the amount of income or resources, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section; or

(8) who is under 21 years of age and in need of medical care that neither the person nor the person's relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(9) who is an infant less than one year of age born on or after October 1, 1984, whose mother was eligible at the time of birth and who remains in the mother's household. Eligibility under this clause is concurrent with the mother's and does not depend on the father's income except as the income affects the mother's eligibility; or

(10) who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(11) who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the rules of the state

agency; and

(12) who alone, or together with the person's spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless the commissioner determines that sale of the real estate would cause undue hardship or unless the equity in the real estate when combined with the equity in the homestead totals \$15,000 or less; and

(13) who individually does not own more than \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(14) who has or anticipates receiving an annual income not in excess of the income standards by family size used in the aid to families with dependent children program, *except that families and children may have an income up to 133-1/3 percent of the AFDC payment standard*, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the rules of the state agency. Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Number 94-566, section 503. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(15) who has continuing monthly expenses for medical care that are more than the amount of the person's excess income, computed on a monthly basis, in which case eligibility may be established before the total income

obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of human services, is to be applied to the cost of institutional care. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

(16) who has applied or agrees to apply all proceeds received or receivable by the person or the person's spouse from automobile accident coverage and private health care coverage to the costs of medical care for the person, the spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits."

Page 7, lines 9 to 14, delete the new language

Page 8, delete section 13

Page 9, after line 29, insert:

"Sec. 9. [FEASIBILITY STUDY.]

The commissioner of health shall study the feasibility of a Minnesota institute for health research. The commissioner shall consider the following factors: clinical and community resources now existing in the state, methodology for the development of a health research institute, and components toward which the institute will direct its resources. The commissioner shall report to the legislature by January 1, 1989.

Sec. 10. [APPROPRIATIONS.]

(a) \$_____ is appropriated from the public health fund to the commissioner of human services to implement the provisions of section 1.

(b) \$_____ is appropriated from the public health fund to the commissioner of health for the feasibility study required under section 9."

Page 9, delete line 31 and insert "Section 1, subdivision 9, is effective the day following final enactment for purposes of promulgating rules to implement the provisions of section 1. Section 1, subdivisions 1 to 8 and subdivision 10, are effective upon adoption of the rules."

Page 9, line 32, delete "enactment." and delete "8 to 14" and insert "2 to 10"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to health; creating a program of health insurance for certain families; increasing cigarette and tobacco products taxes; raising the income standard for families for medical assistance; prescribing a floor stocks tax on cigarettes and tobacco products distributors; requiring a study of the feasibility of an institute for health research; appropriating money; amending Minnesota Statutes 1986, sections 256B.06, subdivision 1; 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.32, sub-

divisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256 and 297.”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 889 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
889			844		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 469 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
469			407		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 469 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 469 and insert the language after the enacting clause of S.F. No. 407, the first engrossment; further, delete the title of H.F. No. 469 and insert the title of S.F. No. 407, the first engrossment.

And when so amended H.F. No. 469 will be identical to S.F. No. 407, and further recommends that H.F. No. 469 be given its second reading and substituted for S.F. No. 407, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 750 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
750	715				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 750 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 750 and insert the language after the enacting clause of S.F. No. 715, the first engrossment; further, delete the title of H.F. No. 750 and insert the title of S.F. No. 715, the first engrossment.

And when so amended H.F. No. 750 will be identical to S.F. No. 715, and further recommends that H.F. No. 750 be given its second reading and substituted for S.F. No. 715, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred the following appointment as reported in the Journal for February 26, 1987:

TRANSPORTATION REGULATION BOARD
Eldon Keehr

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Luther moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Purfeerst from the Committee on Transportation, to which were referred the following appointments as reported in the Journal for March 12, 1987:

DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER
Paul Tschida

DEPARTMENT OF TRANSPORTATION
COMMISSIONER
Leonard Levine

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Luther moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 697: A bill for an act relating to economic development; authorizing counties to appropriate money for economic development; amending Minnesota Statutes 1986, section 375.83.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 375.83, is amended to read:

375.83 [ECONOMIC AND AGRICULTURAL DEVELOPMENT.]

Subdivision 1. [APPROPRIATION; TAX LEVY.] A county board may annually either: (1) appropriate not more than \$50,000 annually out of the general revenue fund of the county or (2) levy a tax of not more than one mill on each dollar of assessed valuation in the county to be paid to any incorporated development society or organization of this state which, in the board's opinion, will use the money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the county. The limitation on annual appropriations or levies under this subdivision does not prohibit accumulation of amounts in excess of the annual appropriations or levies in a fund to be used for purposes of this section. County funds made available under this subdivision may not be used to finance more than 50 percent of the total cost of an economic development project. The tax authorized by this section is in addition to any other tax imposed by the county and shall not be considered in any tax levy limitations. The tax authorized by this section shall be levied as other property taxes imposed by the county are levied. If the county board levies the tax authorized under clause (2) of this subdivision, the county must submit an economic development report to the department of energy and economic development by February 1 of each year and must comply with subdivisions 3 to 7.

Subd. 2. [REVERSE REFERENDUM.] If the county board proposes to levy the tax authorized under this section, it shall pass a resolution stating that fact. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or if there is no official newspaper, in a newspaper of general circulation in the county. If within 20 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a referendum on the proposed resolution is filed with the county auditor the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum.

Subd. 3. [ECONOMIC DEVELOPMENT DIRECTOR; APPOINTMENT.] The county board must appoint a director of economic development to review county economic development plans, programs, and project proposals. The board may appoint an existing county officer to serve as director of economic development.

Subd. 4. [ECONOMIC DEVELOPMENT DIRECTOR; DUTIES.] All economic development plans, programs, and project proposals must be submitted to the director of economic development. The director shall

review and comment on the plans, programs, and project proposals to the county board.

Subd. 5. [ECONOMIC DEVELOPMENT ADVISORY COMMITTEE.] The county board must appoint an economic development advisory committee consisting of at least five persons. One member must be the county attorney. One member must be employed by a financial institution. One member must be knowledgeable in small business and one member must be knowledgeable in large business. Notwithstanding section 471.705, subdivision 1, the advisory committee may meet in closed session to discuss and take action on specific matters where the disclosure of information pertaining to such matters would cause harm to the competitive position of an entity which is the subject of the advisory committee's discussion or action. Section 471.705, subdivision 1a, applies to the procedure for holding a closed meeting.

Subd. 6. [PROPOSAL EVALUATION.] Before submission to the county board of an economic development proposal for the financing of a project with county funds, the director of economic development must submit the proposal to the economic development advisory committee. The county board must not act on a proposal until it has received the evaluation and recommendations of the advisory committee or until 60 days have elapsed since the proposal was transmitted to the advisory committee, whichever occurs first.

Subd. 7. [ECONOMIC DEVELOPMENT PLAN.] The board must prepare an economic development plan that includes the economic development policy and objectives of the county and provides guidelines for selection of projects that are eligible for financing under this section. The department of energy and economic development must provide assistance in preparing the plan if the county board requests the department's assistance. Before adoption of the plan, the county board must submit a draft plan to the department of energy and economic development for review and comment. The county board may not adopt the plan until comments have been received from the department or 30 days have elapsed after the draft was submitted. The county may adopt the plan only after holding a public hearing on the plan. Notice of the hearing must be provided in a newspaper of general circulation in the county not less than ten days nor more than 30 days before the date of the hearing. The adopted plan must be made available for public inspection at the county auditor's office."

Amend the title as follows:

Page 1, line 3, after "money" insert "or levy a tax"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 796: A bill for an act relating to port authority powers for the city of Roseville; amending Laws 1985, chapter 301, section 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 84: A bill for an act relating to economic development; authorizing the energy and economic development authority to make loans and grants and to guarantee loans to small business investment companies; authorizing the issuance of general obligation bonds of the state; appropriating money; amending Minnesota Statutes 1986, sections 116M.03, subdivisions 10, 11, and by adding subdivisions; 116M.06, subdivisions 1, 2, and 4; and 116M.07, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [116P01] [CITATION.]

Sections 1 to 11 may be cited as the "greater Minnesota corporation act."

Sec. 2. [116P02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 11.

Subd. 2. [BOARD.] "Board" means the board of directors of the greater Minnesota corporation.

Subd. 3. [CORPORATION.] "Corporation" means the greater Minnesota corporation.

Subd. 4. [FUND.] "Fund" means the greater Minnesota fund.

Subd. 5. [SMALL BUSINESS.] "Small business" means an enterprise determined by the corporation to constitute a small business as defined in regulations of the United States Small Business Administration pursuant to United States Code, title 15, sections 631 to 647.

Subd. 6. [SBIC.] "SBIC" means a corporation or limited partnership licensed by the Small Business Administration under United States Code, title 15, section 681, and doing business in the state.

Sec. 3. [116P03] [CORPORATION; BOARD OF DIRECTORS; POWERS.]

Subdivision 1. [NAME.] The greater Minnesota corporation is a public corporation of the state and is not a state agency. All business of the corporation must be conducted under the name "greater Minnesota corporation."

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors appointed by the governor to six-year terms. The governor shall make the initial appointments. As the terms of the initial appointees expire, appointments must be made by the board. The board may determine the compensation of its members.

Subd. 3. [ARTICLES AND BYLAWS.] The board of directors shall adopt articles of incorporation and bylaws necessary for the conduct of the business of the corporation, consistent with the provisions of this chapter. The articles and bylaws must be filed with the secretary of state.

Subd. 4. [PLACES OF BUSINESS.] The board shall locate and maintain

the corporation's places of business within the state.

Subd. 5. [MEETINGS AND ACTIONS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving notice in accordance with the bylaws of the corporation. Board meetings are not subject to section 471.705.

Sec. 4. [116P04] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] (a) The board shall appoint and set the compensation for a president, who serves as chief executive officer of the corporation, and who may appoint subordinate officers. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees and agents the president considers necessary.

(b) The board shall define the duties and designate the titles of the employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans.

Sec. 5. [116P05] [POWERS OF THE CORPORATION.]

In addition to other powers granted by this chapter, the corporation may:

- (1) sue and be sued;*
- (2) have a seal and alter it at will;*
- (3) acquire and dispose of personal property, including inchoate and intellectual property, royalties, stock, and stock warrants;*
- (4) enter into contracts or agreements with a federal or state agency, person, business, or other organization;*
- (5) acquire and dispose of real property or an interest in real property;*
- (6) obtain insurance;*
- (7) sell, at public or private sale, any note, mortgage, or other instrument or obligation;*
- (8) consent to the modification of a contract or agreement to which the corporation is a party;*
- (9) borrow money to carry out its purposes and issue negotiable notes, which it may refund, guarantee, or insure in whole or in part with money from the fund, other assets of the corporation, or an account created by the corporation for that purpose;*
- (10) provide general consulting or technical services to businesses to which loans or grants may be made;*
- (11) develop, buy, and possess financial and technical information, including credit reports and financial statements;*
- (12) accept gifts, grants, and bequests and use or dispose of them for its purposes;*
- (13) receive payments in the form of royalties, dividends, or other pro-*

ceeds in connection with the ownership, license, or lease of products or businesses;

(14) spend money to cover expenses of consultants and speakers hired by the board and for publications, advertising, and promotional activities; and

(15) issue negotiable bonds, notes, or other obligations in the same manner and subject to the same conditions as negotiable bonds, notes, or obligations issued by the Minnesota energy and economic development authority under section 116M.08, subdivisions 11 to 14.

Sec. 6. [116P07] [ACTIVITIES.]

Subdivision 1. [GRANTS.] The corporation may make matching grants for applied research and development to the University of Minnesota, a state university, a community college, a Minnesota private college or university, or an area vocational technical institute.

Subd. 2. [LOANS.] The corporation may make loans to corporations, partnerships, sole proprietorships, or other business entities to promote development in the state of new products or processes with potential commercial value.

Subd. 3. [EQUITY INVESTMENTS.] The corporation may acquire an interest in a product or a private business entity located or intending to locate in an enterprise zone as defined in section 273.1312 or a distressed county as defined in section 297A.257. The corporation may enter into joint venture agreements with other private corporations to promote economic development and job creation, not limited to enterprise zones or distressed counties.

Subd. 4. [PRIVATE CAPITAL.] The corporation may solicit and obtain private capital to be available for the activities in subdivisions 1 to 3.

Subd. 5. [CONSULTING AND TECHNICAL SERVICES.] The corporation may provide general consulting and technical services to colleges or universities or to businesses and may set fees or charges for the services.

Subd. 6. [RESEARCH.] The corporation may identify opportunities for scientific research and technological innovation and advise colleges and universities of the research needs of private business.

Sec. 7. [116P08] [GREATER MINNESOTA FUND.]

Subdivision 1. [CREATION; USE.] The greater Minnesota fund is a separate account in the state treasury. The board may create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund may be deposited in an institution designated as a depository for state funds under section 9.031. Money in the fund may be allocated to the SBIC account in the amounts as the board may from time to time determine. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund may be used as provided in this chapter.

Subd. 2. [SOURCES.] The fund consists of:

- (1) appropriations made to the corporation;*
- (2) fees and charges collected by the corporation;*

(3) *income from investments and purchases;*

(4) *revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and*

(5) *gifts, donations, and bequests made to the corporation.*

Sec. 8. [116P09] [AUDITS.]

The board shall contract with a certified public accounting firm to audit the corporation and any subsidiary annually in accordance with generally accepted accounting standards.

Sec. 9. [116P10] [REPORTS.]

The board shall report to the legislature and the governor on the activities of the corporation by January 1 of each year.

Sec. 10. [116P11] [SPECIFIC POWERS OF THE CORPORATION FOR SBIC PROGRAMS.]

The corporation may make, purchase, or participate in the making of loans to SBICs which agree to lend the money to or invest the money in small business.

The corporation may guaranty or insure loans by others to SBICs which agree to lend the money to, or invest the money in, small business.

The corporation may collect reasonable interest, fees, and charges in connection with making and servicing loans, notes, bonds, obligations, commitments, and other evidences of indebtedness and in connection with providing technical, consultative, and project assistance services.

The corporation shall make available technical assistance to potential sponsors or organizers of SBICs.

The corporation may perform studies and analyses of capital needs of small businesses and SBICs located within the state and ways of meeting their capital needs. It may make the results of the studies and analyses available to the public. It may engage in research and disseminate information on small businesses.

The corporation may establish a cooperative relationship with the United States Small Business Administration and with other governmental and private agencies whose activities include promoting small businesses. It may enter into agreements and joint enterprises with them as it may consider desirable.

The corporation may agree to the modification of the rate of interest, time of payment of any installment of principal or interest, or any other term, of any loan, loan commitment, construction loan, temporary loan, contract, or agreement of any kind to which the corporation is a party.

The corporation may provide for a letter or line of credit, insurance policy, or other credit enhancement device.

Sec. 11. [116P12] [SBIC ACCOUNT.]

Subdivision 1. [CREATION.] The board may create a revolving account within the greater Minnesota fund to be known as the "SBIC account."

Subd. 2. [SOURCES.] The SBIC account consists of:

(a) *any money allocated by the board for the purposes of the account;*

(b) repayments of amounts paid from the account;

(c) any other money which may be made available to the corporation for the purpose of the account from any other source or sources;

(d) all fees and charges collected by the corporation with respect to its SBIC program; and

(e) all interest or other income with respect to its SBIC program not required by a resolution or indenture securing notes or bonds to be paid into another special fund.

Subd. 3. [ACCOUNTING.] *When money is appropriated by the state to the corporation solely for a specified purpose or purposes, the corporation shall establish a separate bookkeeping account in the SBIC account to record the receipt and disbursement of the money and of the income, gain, and loss from the investment and reinvestment of the money.*

Sec. 12. [INITIAL APPOINTMENTS.]

Notwithstanding section 3, subdivision 2, the governor shall appoint the initial members of the board of directors of the greater Minnesota corporation as follows: four to six-year terms, four to four-year terms, and three to two-year terms.

Sec. 13. [DEVELOPMENT PLAN.]

The board of directors of the greater Minnesota corporation shall prepare a comprehensive development plan and submit it to the governor and the legislature by November 15, 1987. The development plan must include at least the following:

(1) operating procedures;

(2) accounting procedures;

(3) grant procedures;

(4) loan procedures;

(5) personnel procedures;

(6) investment procedures; and

(7) board conduct and ethics.

In addition, the development plan must include a budget proposal and a five-year plan. It must identify sources and amounts of available non-governmental money and the purposes for which that money may be used, and it must suggest any further legislation that may be necessary to carry out the development plan.

Sec. 14. [APPROPRIATION.]

§ _____ is appropriated from the general fund to the greater Minnesota corporation established by section 3. This appropriation is available until expended.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to economic development; creating the greater Minnesota corporation and providing for its powers and duties; authorizing

the corporation to issue revenue bonds and make loans to small business investment companies; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 116P.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1279: A bill for an act relating to agriculture; clarifying and amending the required offer of the state, a federal agency, or a corporation to offer a lease or sale of agricultural land to the immediately preceding owner; clarifying and amending provisions relating to designating a homestead and allowing designation of separate agricultural tracts in foreclosure proceedings; prohibiting waiver of statutory rights of debtors and allowing damages against persons who violate waiver prohibitions; amending Minnesota Statutes 1986, sections 500.24, subdivisions 2, 6, and by adding a subdivision; and 582.041, subdivisions 1, 2, 3, and 5; proposing coding for new law in Minnesota Statutes, chapters 550 and 582.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

(a) “Farming” means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products or the production of poultry or poultry products.

(b) “Family farm” means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) “Family farm corporation” means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) “Authorized farm corporation” means a corporation meeting the following standards:

- (1) Its shareholders do not exceed five in number;
- (2) All its shareholders, other than any estate are natural persons;
- (3) It does not have more than one class of shares; and

(4) Its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and

(5) Shareholders holding a majority of the shares must be residing on the farm or actively engaging in farming.

(e) "Agricultural land" means land used for farming.

(f) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm, authorized farm corporation or family farm corporation.

(g) "*Farm homestead*" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.

Sec. 2. Minnesota Statutes 1986, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] (a) A state or federal agency or a corporation, other than a family farm corporation or an authorized farm corporation, ~~when leasing may not lease or selling farm sell~~ agricultural land or a farm homestead ~~must offer that was acquired by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed, before offering or~~ ~~make~~ making a good faith effort to offer the land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. *The offer must be made on the notice to offer form under section 3. Selling or leasing property at a price is prima facie evidence that the price is acceptable to the seller or lessor.*

(b) *This subdivision applies to a seller or lessor for five years after the agricultural land is acquired. An offer to lease to the immediately preceding former owner is required only ~~on~~ until after the first occasion ~~on which~~ the property is leased. An offer to sell to the immediately preceding former owner is required only ~~on~~ until the first ~~occasion on which~~ the property is sold. The notice of an offer ~~delivered~~ under section 3 personally delivered with a receipt or sent by certified mail with a receipt of mailing to the immediately preceding former owner's last known address is a good faith offer.*

(c) *For purposes of this subdivision, the term "a price no higher than the highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one which involves simultaneous transfer of title. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by the current Federal Intermediate Credit Bank of St. Paul interest rate plus 1.5 percent. A time-price offer is an offer that defers payment of any portion of the price and does not involve a transfer of fee*

title until full payment is made.

(d) This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years or longer.

(e) For purposes of this subdivision, if the immediately preceding former owner is a bankruptcy estate the debtor in the bankruptcy is the immediately preceding owner.

(f) The immediately preceding former owner must exercise the right to lease ~~farm~~ agricultural land or a homestead located on agricultural land in writing within ~~ten~~ 15 days after ~~receiving~~ an offer to lease under this subdivision is mailed with a receipt of mailing or personally delivered. The immediately preceding former owner must exercise the right to buy ~~farm~~ the agricultural land or farm homestead located on agricultural land, in writing, within ~~60~~ 65 days after ~~receiving~~ an offer to buy under this subdivision. ~~This subdivision does not apply if the former owner is a bankruptcy estate~~ is mailed with a receipt of mailing or is personally delivered. Within ten days after exercising the right to lease or buy by accepting the offer, the immediately preceding owner must fully perform according to the terms of the offer including paying the amounts due. A seller may sell and a lessor may lease the agricultural land or farm homestead subject to this subdivision to the third party in accordance with their lease or purchase agreement if:

(1) the immediately preceding former owner does not accept an offer to lease or buy before the offer terminates; or

(2) the immediately preceding former owner does not perform the obligations of the offer, including paying the amounts due, within ten days after accepting the offer.

(g) A certificate indicating whether or not the property contains agricultural land or a farm homestead that is signed by the county assessor where the property is located and recorded in the office of the county recorder or the registrar of titles where the property is located is prima facie evidence of whether the property is agricultural land or a farm homestead.

(h) As prima facie evidence that an offer to sell or lease agricultural land or a farm homestead has terminated, a receipt of mailing the notice under section 3 and an affidavit, signed by a person authorized to act on behalf of a state, federal agency, or corporation selling or leasing the agricultural land or a farm homestead may be filed in the office of the county recorder or registrar of titles of the county where the agricultural land or farm homestead is located. The affidavit must state that:

(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable;

(2) the time period during which the immediately preceding former owner is required to exercise the right to buy or lease the agricultural land or farm homestead has expired;

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this subdivision; and

(4) the offer to the immediately preceding former owner has terminated.

(i) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision or to lease or purchase at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor may be extinguished or limited by an express statement signed by the immediately preceding owner that complies with the plain language requirements of section 325G.31. The right may not be extinguished or limited except by the express statement in a deed in lieu of foreclosure or in a deed in lieu of a termination of a contract for deed for the agricultural land.

(j) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision may not be assigned or transferred, but may be inherited.

Sec. 3. Minnesota Statutes 1986, section 500.24, is amended by adding a subdivision to read:

Subd. 7. [NOTICE OF OFFER.] (a) The state, a federal agency, or a corporation subject to subdivision 6 must provide a notice of an offer to sell or lease agricultural land substantially as follows, after inserting the appropriate terms within the parentheses:

"NOTICE OF OFFER TO (LEASE, BUY) AGRICULTURAL LAND

TO: (...Immediately preceding former owner...)

FROM: (...The state, federal agency, or corporation subject to subdivision 6...)

DATE: (... date notice is mailed or personally delivered...)

(... The state, federal agency, or corporation...) **HAS ACQUIRED THE AGRICULTURAL LAND DESCRIBED BELOW AND HAS RECEIVED AN ACCEPTABLE OFFER TO (LEASE, SELL) THE AGRICULTURAL LAND FROM ANOTHER PARTY. UNDER MINNESOTA STATUTES, SECTION 500.24, SUBDIVISION 6, AN OFFER FROM (... the state, federal agency, or corporation...) MUST BE MADE TO YOU AT A PRICE NO HIGHER THAN THE HIGHEST OFFER MADE BY ANOTHER PARTY.**

THE AGRICULTURAL LAND BEING OFFERED CONTAINS APPROXIMATELY (... approximate number of acres...) ACRES AND IS INFORMALLY DESCRIBED AS FOLLOWS:

(Informal description of the agricultural land being offered that reasonably describes the land. This description does not need to be a legal description.)

(...The state, federal agency, or corporation...) **OFFERS TO (SELL, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE FOR A CASH PRICE OF \$(... cash price for lease and lease period, or cash price for sale of land or equivalent cash offer...), WHICH IS NOT HIGHER THAN THE PRICE OFFERED BY ANOTHER PARTY. THE PRICE IS OFFERED ON THE FOLLOWING TERMS:**

(Terms, if any, of acceptable offer)

IF YOU WANT TO ACCEPT THIS OFFER YOU MUST NOTIFY (... the state, federal agency, or corporation...) IN WRITING THAT YOU ACCEPT THE OFFER OR SIGN UNDERNEATH THE FOLLOWING PARAGRAPH AND RETURN A COPY OF THIS NOTICE BY (15 for a lease,

65 for a sale) DAYS AFTER THIS NOTICE IS PERSONALLY DELIVERED OR MAILED TO YOU. THE OFFER IN THIS NOTICE TERMINATES ON (... date of termination - 15 days for lease and 65 days for sale after date of mailing or personal delivery...).

ACCEPTANCE OF OFFER

I ACCEPT THE OFFER TO (BUY, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE AT THE PRICE OFFERED TO ME IN THIS NOTICE. AS PART OF ACCEPTING THIS OFFER I WILL PERFORM ACCORDING TO THE TERMS OF THE OFFER, INCLUDING MAKING PAYMENTS DUE UNDER THE OFFER, WITHIN TEN DAYS AFTER THE DATE I ACCEPT THIS OFFER.

Signature of Former Owner Accepting Offer

Date"

(b) For an offer to sell, a copy of the purchase agreement containing the price and terms of the highest offer made by a third party that is acceptable to the seller must be included with the notice under this subdivision. At the seller's discretion, reference to the third party's identity may be deleted from the copy of the purchase agreement.

Sec. 4. [550.42] [WAIVER OF AGRICULTURAL DEBTOR'S RIGHTS.]

Subdivision 1. [WAIVER IS VOID.] (a) A waiver of statutory rights of a debtor in a contract, loan agreement, or security agreement as a condition for a loan of money for agricultural production is void.

(b) A waiver of mediation rights under chapter 583, the right to an offer under section 500.24, subdivision 6, or the debtor's statutory rights under chapter 580, 581, or 582 for a mortgage on agricultural property, is void unless the waiver is expressly authorized by law.

Subd. 2. [PENALTY.] A person, corporation, financial institution, or other legal entity is liable to a debtor for up to \$2,500 plus attorney fees that:

(1) requires a waiver subject to subdivision 1 in a contract, loan agreement, or security agreement, and does not acknowledge that the waiver subject to subdivision 1 is void; or

(2) attempts to enforce a waiver that is void under subdivision 1.

Sec. 5. Minnesota Statutes 1986, section 582.041, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION OF HOMESTEAD DESIGNATION.] If a mortgage on real property is foreclosed and the property contains a portion of the a homestead of the mortgagor, the mortgagor person in possession of the real property must be notified by the foreclosing mortgagee that the homestead may be sold and redeemed separately from the remaining property. The notice in subdivision 2 must be included in served with the notice of foreclosure that is served on the mortgagor under person in possession of the real property with the requirements in section ~~580.04~~ 580.03 or for a foreclosure by action under chapter 581, in the summons and complaint served on the person in possession of the real property.

Sec. 6. Minnesota Statutes 1986, section 582.041, subdivision 2, is

amended to read:

Subd. 2. [HOMESTEAD DESIGNATION NOTICE.] (a) The following notice must be ~~included in~~ *served with* the foreclosure notice of property containing a homestead that is served on the ~~mortgagor~~ *person in possession of the real property* under section ~~580.04~~ *580.03*. The notice must be in 10-point capitalized letters.

"IF PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE-, YOU MAY DESIGNATE AN AREA AS A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of property containing a homestead under chapter 581. The notice must be in 10-point capitalized letters *and is not to be published with the summons if the summons is published.*

"IF PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE-, YOU MAY DESIGNATE AN AREA AS A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE COURT WITH A LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED."

Sec. 7. Minnesota Statutes 1986, section 582.041, subdivision 3, is amended to read:

Subd. 3. [DESIGNATION OF HOMESTEAD PROPERTY.] The ~~mortgagor~~ *person who is homesteading the property* must designate a legal description of the homestead property to be sold separately. The homestead property designated may include any amount of the property. The designation must conform to local zoning, include the dwelling occupied by the ~~mortgagor~~ *person homesteading the property*, and be compact so that it does not unreasonably affect the value of the remaining property. The ~~mortgagor~~ *person homesteading the property* must serve a copy of the designation on the foreclosing mortgagee, the sheriff, and the county recorder or registrar of titles by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the designation must be provided to the court.

Sec. 8. Minnesota Statutes 1986, section 582.041, subdivision 5, is amended to read:

Subd. 5. [REDEMPTION.] ~~The mortgagor~~ *A party who has a right of redemption may redeem the designated homestead, the remaining property, or the entire property including the homestead. The period of redemption is the period for the entire property including the designated homestead.*

Sec. 9. [582.042] [FORECLOSURE OF AGRICULTURAL LAND THAT INCLUDES SEPARATE TRACTS.]

Subdivision 1. [NOTIFICATION OF SEPARATE TRACT DESIGNATION.] If a mortgage on real property that is agricultural land is foreclosed and the property contains separate tracts, the person in possession of the real property must be notified by the foreclosing mortgagee that the separate tracts may be sold and redeemed separately. The notice in subdivision 2 must be served with the notice of foreclosure that is served on the person in possession of the property under section 580.03 or for a foreclosure by action under chapter 581, in the summons and complaint.

Subd. 2. [DESIGNATION NOTICE.] (a) The following notice must be served with the foreclosure notice of the property that is served on the person in possession of the real property under section 580.03. The notice must be in 10-point capitalized letters.

"IF THE PROPERTY TO BE SOLD CONTAINS SEPARATE TRACTS, YOU MAY REQUEST THAT THE TRACTS BE SOLD AND REDEEMED SEPARATELY. EACH OF THE SEPARATE TRACTS MUST CONFORM TO LOCAL ZONING ORDINANCES, MUST HAVE AN ENTRANCE BY DIRECT ACCESS TO A PUBLIC ROAD OR BY PERMANENT EASEMENT, AND MUST NOT UNREASONABLY AFFECT THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF, AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTIONS OF EACH OF THE TRACTS YOU HAVE DESIGNATED TO BE SOLD SEPARATELY BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of real property containing separate tracts under chapter 581. The notice must be in 10-point capitalized letters and is not to be published with the summons if the summons is published.

"IF THE PROPERTY TO BE SOLD CONTAINS SEPARATE TRACTS, YOU MAY REQUEST THAT THE TRACTS BE SOLD AND REDEEMED SEPARATELY. EACH OF THE SEPARATE TRACTS MUST CONFORM TO LOCAL ZONING ORDINANCES.

YOU MUST PROVIDE THE COURT WITH A COPY OF THE LEGAL DESCRIPTIONS OF EACH OF THE TRACTS YOU HAVE DESIGNATED TO BE SOLD SEPARATELY."

Subd. 3. [DESIGNATION OF SEPARATE TRACTS.] The person being foreclosed must designate legal descriptions of each of the tracts to be sold separately. The tracts designated must be previously recorded as separate tracts. Each of the separate tracts must conform to local zoning ordinances, must have an entrance by direct access to a public road or by permanent easement, and must not unreasonably affect the value of the remaining property. The person being foreclosed must serve a copy of the

legal descriptions of the tracts to be sold separately on the foreclosing mortgagee, the sheriff, and the county recorder or registrar of titles by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the legal descriptions of the tracts to be sold separately must be provided to the court.

Subd. 4. [SALE OF PROPERTY.] If the sheriff receives a designation of separate tracts under subdivision 3, or is ordered by the court, the sheriff must offer and sell the tracts separately.

Subd. 5. [REDEMPTION.] The designated tracts may be redeemed separately or the entire foreclosed property may be redeemed. The period of redemption is the period for the entire property including all of the designated tracts.

Sec. 10. [EFFECTIVE DATE.]

This act is effective July 1, 1987, except: sections 1, 2, and 3 apply to offers made under section 500.24, subdivision 6, after August 1, 1987; section 4, subdivision 1, is effective the day after final enactment; section 4, subdivision 2, applies to contracts, loan agreements, and security agreements entered into after July 1, 1987; and sections 5 to 9 apply to foreclosures where the first publication occurs on or after July 1, 1987, and to foreclosures under chapter 581 where the first service or publication occurs on or after July 1, 1987."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 751: A bill for an act relating to financial institutions; savings and loan associations; authorizing the deposit of trust funds received by real estate brokers or salespersons in savings and loan associations; amending Minnesota Statutes 1986, sections 51A.23, subdivision 1; 82.24, subdivisions 1, 2, and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 12, insert:

"Sec. 2. Minnesota Statutes 1986, section 52.04, is amended to read:
52.04 [POWERS.]

Subdivision 1. A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. *Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;*

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits;

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve;

(7) to borrow money as hereinafter indicated;

(8) to adopt and use a common seal and alter the same at pleasure;

(9) to make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal Credit Union Act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets. However, payments on shares of and deposit with credit unions chartered by other states are restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota corporate credit union in United States central credit union or to share accounts and deposit accounts of credit unions in the Minnesota corporate credit union;

(10) to contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(11) to indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise;

(12) upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make those payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts, but a credit union proposing to permit draft withdrawals shall notify the commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior to authorizing draft withdrawals. The board of directors of a credit union may restrict one class of shares to the extent that it may not be redeemed, withdrawn, or transferred except upon termination of membership in the credit union;

(13) to inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by share or deposit withdrawals or through proceeds of loans made by the members, or by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit life and accident and health insurance within the meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118;

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149.12, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

- (a) the loan is secured by a first lien;
- (b) the board of directors approves the sale;
- (c) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:
 - (i) identify the loan or loans covered by the agreement;
 - (ii) provide for the collection, processing, remittance of payments of

principal and interest, taxes and insurance premiums and other charges or escrows, if any;

(iii) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure;

(iv) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans;

(v) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans;

(vi) provide for loan status reports;

(vii) state the terms and conditions under which the agreement may be terminated or modified; and

(d) the sale is without recourse or repurchase unless the agreement:

(i) requires repurchase of a loan because of any breach of warranty or misrepresentation;

(ii) allows the seller to repurchase at its discretion; or

(iii) allows substitution of one loan for another;

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans, other than a self-replenishing line of credit; provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner;

(23) to designate the par value of the shares of the credit union by board resolution;

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757, as amended through August 1, 1985. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used;

(25) To offer self-directed individual retirement accounts and Keough accounts and act as custodian and trustee of these accounts if:

(1) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union;

(2) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets; and

(3) the member is clearly notified of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions.

Sec. 3. Minnesota Statutes 1986, section 82.17, subdivision 6, is amended to read:

Subd. 6. "Trust account" means, for purposes of this chapter, a *savings account, negotiable order of withdrawal account, demand deposit or check-*

ing account maintained for the purpose of segregating trust funds from other funds. A trust account shall not be an interest bearing account except by agreement of the parties and subject to rules of the commissioner, and shall not allow the financial institution a right of set off against moneys owed it by the licensee."

Page 2, line 18, after "*association*," insert "*credit union*,"

Page 2, line 27, after "*association*" insert "*or credit union*"

Page 3, line 1, after "*association*" insert "*, credit union*"

Page 3, lines 16, 22, and 24, after "*associations*," insert "*credit unions*."

Re-number the sections in sequence

Amend the title as follows:

Page 1, lines 2 and 3, delete "savings and loan associations;"

Page 1, line 5, before the semicolon, insert "and credit unions"

Page 1, line 6, after the semicolon, insert "52.04; 82.17, subdivision 6; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1078: A bill for an act relating to commerce; regulating conventional loans; requiring an additional notice of default under certain circumstances; amending Minnesota Statutes 1986, section 47.20, subdivision 8.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1201: A bill for an act relating to human rights; requiring certain boards and commissions to develop certain programs for persons subject to prejudice and discrimination; changing certain procedures in cases before the department of human rights; amending Minnesota Statutes 1986, sections 3.922, subdivision 6; 3.9222, by adding a subdivision; 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 256.482, subdivision 5; 363.05, subdivision 1; 363.06, subdivisions 1 and 4; 363.071; 363.072, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 363.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 3 to 7, delete sections 2 to 6

Page 8, line 13, strike "such hearing examiners" and insert "*administrative law judges*"

Page 8, line 30, strike "hearing examiners" and insert "*administrative law judges*"

Page 9, line 16, strike "hearing examiner" and insert "*administrative law judge*"

Page 11, line 34, delete "or"

Page 12, line 2, before the period, insert "; or

(f) the charge is supported by substantial and credible documentation, witnesses, or other evidence"

Page 14, line 20, delete "commissioner" and insert "administrative law judge"

Page 14, line 29, reinstate the stricken "except"

Page 14, line 30, reinstate the stricken "that the report of the" and after the stricken "hearing examiner" insert "administrative law judge" and reinstate the stricken "shall be binding on all"

Page 14, lines 31 to 33, reinstate the stricken language and delete the new language

Page 15, lines 1 to 14, reinstate the stricken language and delete the new language

Page 15, line 23, delete everything after "to" and insert "*either mediation or to a local human rights commission for no fault grievance processing*"

Page 15, line 24, after the period, insert "*Tolling of the time during settlement negotiations requires written approval of the charging party or the party's attorney.*"

Page 15, line 27, after the period, insert "*A case may not be certified as complex unless it involves multiple parties or issues, presents complex issues of law or fact, or presents substantially new issues of law in the discrimination area.*"

Page 15, line 32, after "case" insert "*in which the time has been tolled or a case*"

Page 16, lines 4 to 7, delete the new language

Delete page 16, line 11, to page 18, line 31, and insert:

"Subd. 2. [DETERMINATION OF DISCRIMINATORY PRACTICE.] The ~~hearing examiner~~ *administrative law judge* shall make findings of fact and conclusions of law, and if the ~~hearing examiner~~ *administrative law judge* finds that the respondent has engaged in an unfair discriminatory practice, the ~~hearing examiner~~ *administrative law judge* shall issue an order directing the respondent to cease and desist from the unfair discriminatory practice found to exist and to take such affirmative action as in the judgment of the ~~examiner~~ *administrative law judge* will effectuate the purposes of this chapter. ~~Such~~ *The* order shall be a final decision of the department. The ~~examiner~~ *administrative law judge* shall order any respondent found to be in violation of any provision of section 363.03 to pay a civil penalty to the state. This penalty is in addition to compensatory and punitive damages to be paid to an aggrieved party. The ~~hearing examiner~~ *administrative law judge* shall determine the amount of the civil penalty to be paid, taking into account the seriousness and extent of the violation, the public harm occasioned by the violation, whether the violation was intentional, and the financial resources of the respondent. Any penalties imposed under this provision shall be paid into the general fund of the state. In all cases where the ~~examiner~~ *administrative law judge* finds that the respondent has engaged in an unfair discriminatory practice the ~~examiner~~ *administrative law judge* shall order the respondent to pay an aggrieved party,

who has suffered discrimination, compensatory damages in an amount up to three times the actual damages sustained. In all cases, the ~~examiner~~ *administrative law judge* may also order the respondent to pay an aggrieved party, who has suffered discrimination, damages for mental anguish or suffering and reasonable attorney's fees, in addition to punitive damages in an amount not more than \$6,000. Punitive damages shall be awarded pursuant to section 549.20. In any case where a political subdivision is a respondent the total of punitive damages awarded an aggrieved party may not exceed \$6,000 and in that case if there are two or more respondents the punitive damages may be apportioned among them. Punitive damages may only be assessed against a political subdivision in its capacity as a corporate entity and no regular or ex officio member of a governing body of a political subdivision shall be personally liable for payment of punitive damages pursuant to this subdivision. In addition to the aforesaid remedies, in a case involving discrimination in

(a) employment, the ~~examiner~~ *administrative law judge* may order the hiring, reinstatement or upgrading of an aggrieved party, who has suffered discrimination, with or without back pay, admission or restoration to membership in a labor organization, or admission to or participation in an apprenticeship training program, on-the-job training program, or other re-training program, or any other relief the ~~examiner~~ *administrative law judge* deems just and equitable.

(b) housing, the ~~examiner~~ *administrative law judge* may order the sale, lease, or rental of the housing accommodation or other real property to an aggrieved party, who has suffered discrimination, or the sale, lease or rental of a like accommodation or other real property owned by or under the control of the person against whom the complaint was filed, according to terms as listed with a real estate broker, or if no such listing has been made, as otherwise advertised or offered by the vendor or lessor, or any other relief the ~~examiner~~ *administrative law judge* deems just and equitable.

The ~~examiner~~ *administrative law judge* shall cause the findings of fact, conclusions of law, and order to be served on the respondent personally, on the charging party by registered or certified mail, and shall furnish copies to the attorney general and the commissioner.

Subd. 3. [DISMISSAL OF HEARING.] If the ~~examiner~~ *administrative law judge* makes findings of fact, conclusions of law, and an order in favor of the respondent, ~~such~~ the order shall be a final decision of the department.

Subd. 4. [RESPONDENTS SUBJECT TO STATE LICENSING OR REGULATORY POWER.] In the case of a respondent which is subject to the licensing or regulatory power of the state or any political subdivision or agency thereof, if the ~~hearing examiner~~ *administrative law judge* determines that the respondent has engaged in a discriminatory practice, and if the respondent does not cease to engage in such discriminatory practice, the commissioner may so certify to the licensing or regulatory agency. Unless such determination of discriminatory practice is reversed in the course of judicial review, a final determination is binding on the licensing or regulatory agency. Such agency may take appropriate administrative action, including suspension or revocation of the respondent's license or certificate of public convenience and necessity, if ~~such~~ the agency is otherwise authorized to take such action.

Subd. 5. [PUBLIC CONTRACTS.] In the case of a respondent which is a party to a public contract, if the ~~hearing examiner~~ *administrative law*

judge determines that the respondent has engaged in a discriminatory practice, the commissioner may so certify to the contract letting agency. Unless ~~such~~ the finding of a discriminatory practice is reversed in the course of judicial review, a final determination is binding on the contract letting agency and ~~such~~ the agency may take appropriate administrative action, including the imposition of financial penalties or termination of the contract, in whole or in part, if ~~such~~ the agency is otherwise authorized to take ~~such~~ the action."

Page 19, delete section 11

Page 19, line 23, delete everything after the period

Page 19, delete lines 24 to 26

Page 19, line 27, delete everything before "*The governor*"

Page 19, line 30, delete "*nonlegislative*"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to human rights; requiring the Indian affairs council to develop certain programs; changing certain procedures in cases before the department of human rights; establishing the human rights coordinating council; amending Minnesota Statutes 1986, sections 3.922, subdivision 6; 363.05, subdivision 1; 363.06, subdivisions 1 and 4; and 363.071; proposing coding for new law in Minnesota Statutes, chapter 363."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 247: A bill for an act relating to elections; requiring fair campaign practices; imposing penalties; amending Minnesota Statutes 1986, sections 123.015; 200.015; 201.275; 204C.04; proposing coding for new law as Minnesota Statutes, chapters 211A and 211B; repealing Minnesota Statutes 1986, chapter 210A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, line 35, delete "*or imply*" and insert "*in written campaign material*"

Page 10, line 9, delete "*one of the forms*" and insert "*the form provided*"

Page 10, line 11, delete "*forms*" and insert "*form*" and delete "*are*" and insert "*is*"

Page 10, line 12, delete "(1)"

Page 10, line 13, delete everything after "*committee.*" and insert "*— (address).*"

Page 10, delete lines 14 to 23 and insert:

"(c) Campaign material which is not circulated on behalf of a particular candidate or ballot question must also include in the disclaimer either that

it is "in opposition to _____(insert name of candidate or ballot question _____)"; or that "this publication is not circulated on any candidate's or ballot question's behalf".

Page 10, line 24, delete "(c)" and insert "(d)"

Page 10, line 25, delete "and does not modify or" and insert ", fundraising tickets, or personal letters which are clearly being sent by the candidate."

Page 10, delete line 26 and insert:

"(e) This section does not modify or repeal section 4."

Page 11, line 21, after "other" insert "political candidate and may be no greater than charges made for any other"

Page 16, line 6, after the period, insert "A corporation may not take a deduction as provided in section 290.09 for an expenditure made under this subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 604: A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; amending Minnesota Statutes 1986, section 10A.01, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 10A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [10A.065] [CONTRIBUTIONS DURING LEGISLATIVE SESSION.]

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS, REGULATION.] A registered lobbyist may not make a contribution to a single individual candidate for the state legislature or a state constitutional office or to a single individual candidate's principal campaign committee at an organized fundraising event held for that purpose when the legislature is meeting in regular session and is not recessed for more than three days.

Subd. 2. [PENALTY.] A violation of this section is a misdemeanor.

Sec. 2. Minnesota Statutes 1986, section 10A.15, is amended by adding a subdivision to read:

Subd. 3b. Contributions to a candidate or principal campaign committee by individual members of a political fund or political committee which are solicited by the political fund shall be reported as attributable to the political fund and count toward the contribution limits on that fund specified in section 10A.27, if the political fund was organized to direct the contributions and expenditures of its members, as well as to influence the nomination or election of a candidate.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to elections; regulating lobbyist contributions; providing a penalty; requiring reporting of contributions by members of a political fund; changing the disclosure requirements of contributors; amending Minnesota Statutes 1986, section 10A.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 10A."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 652: A bill for an act relating to agriculture; providing a computerized filing system and central data base for uniform commercial code financing statements and lien statements; imposing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 336.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1082: A bill for an act relating to special school district No. 1, Minneapolis; requiring a subsidy be paid to Minneapolis retired teachers for health insurance; authorizing a levy.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, after the first comma, insert "*who retired*"

Amend the title as follows:

Page 1, line 5, before the period, insert "; repealing Minnesota Statutes 1986, section 62E.081"

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 822: A bill for an act relating to human services; providing that interest earned by the revolving fund for vocational rehabilitation of the blind be credited to the fund by the state treasurer; amending Minnesota Statutes 1986, section 248.07, subdivision 8.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 648: A bill for an act relating to state departments and agencies; repealing the requirement for older members of certain boards, commissions, and councils; repealing Minnesota Statutes 1986, section 15.0591.

Reports the same back with the recommendation that the bill do pass.

Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1143: A bill for an act relating to the administration of state property; extending the period for which the commissioner of administration may lease state property; amending Minnesota Statutes 1986, section 16B.24, subdivision 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 823: A bill for an act relating to the city of Duluth; authorizing the acquisition of banks for operation as detached banking facilities in the city of Duluth and adjacent municipalities.

Reports the same back with the recommendation that the bill do pass. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 678, 353, 1232, 1237, 466, 550, 873, 1183, 1290, 169, 526, 1072, 1087, 897, 1152, 1114, 153, 751, 1078, 247, 604, 648, 1143 and 823 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 735, 889, 750 and 469 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Stumpf moved that the name of Mr. Bernhagen be added as a co-author to S.F. No. 650. The motion prevailed.

Ms. Berglin moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 681. The motion prevailed.

Ms. Berglin moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 712. The motion prevailed.

Mr. Luther moved that the name of Mr. Marty be added as a co-author to S.F. No. 794. The motion prevailed.

Mr. Dahl moved that the name of Mr. Marty be added as a co-author to S.F. No. 818. The motion prevailed.

Ms. Berglin moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1040. The motion prevailed.

Mr. Merriam moved that the name of Mr. Marty be added as a co-author to S.F. No. 1088. The motion prevailed.

Mr. Brandl moved that the name of Mrs. Lantry be added as a co-author to S.F. No. 1274. The motion prevailed.

Mr. Merriam moved that the name of Mr. Novak be added as a co-author to S.F. No. 1304. The motion prevailed.

Mr. Langseth moved that the name of Mr. Dahl be added as a co-author

to S.F. No. 1315. The motion prevailed.

Mr. Luther moved that the names of Messrs. Dahl, Merriam and Marty be added as co-authors to S.F. No. 1320. The motion prevailed.

Mr. Luther moved that the name of Mr. Marty be added as a co-author to S.F. No. 1321. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Anderson be added as a co-author to S.F. No. 1336. The motion prevailed.

Mrs. McQuaid introduced—

Senate Resolution No. 48: A Senate resolution congratulating the Orioles girls basketball team from St. Louis Park High School for winning third place in the 1987 Class AA State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Larson introduced—

Senate Resolution No. 49: A Senate resolution recognizing Stan Daley on the occasion of his retirement as Supervisor at Bemidji Regional Fisheries.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 50: A Senate resolution commending Willard L. Nelson for 34 years of dedicated and effective service to the New London-Spicer School District.

Referred to the Committee on Rules and Administration.

Ms. Berglin moved that her name be stricken as chief author, shown as a co-author, and the name of Mrs. Lantry be added as chief author to S.F. No. 682. The motion prevailed.

Ms. Berglin moved that S.F. No. 83 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Finance. The motion prevailed.

Mr. Frederickson, D.R. moved that his name be stricken as chief author and the name of Mr. Frederickson, D.J. be added as chief author to S.F. No. 1172. The motion prevailed.

Mr. Pehler moved that S.F. No. 501 be withdrawn from the Committee on Finance and re-referred to the Committee on Governmental Operations. The motion prevailed.

CONSENT CALENDAR

H.F. No. 312: A bill for an act relating to elections; changing what name may be used on ballots, nominating petitions, and affidavits of candidacy; repealing Minnesota Statutes 1986, section 204B.05.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R.D.	Schmitz
Anderson	DeCramer	Knutson	Morse	Solon
Beckman	Dicklich	Kroening	Novak	Spear
Belanger	Diessner	Laidig	Olson	Storm
Benson	Frank	Langseth	Pehler	Stumpf
Berg	Frederick	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Piper	Waldorf
Bertram	Freeman	Luther	Pogemiller	Wegscheid
Brandl	Gustafson	Marty	Purfeerst	Willet
Brataas	Hughes	McQuaid	Ramstad	
Chmielewski	Johnson, D.E.	Mehrrens	Reichgott	
Cohen	Johnson, D.J.	Merriam	Renneke	
Dahl	Jude	Moe, D.M.	Samuelson	

So the bill passed and its title was agreed to.

S.F No. 927: A bill for an act relating to driver's licenses; providing for a medical alert identifier; amending Minnesota Statutes 1986, section 171.07, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R.D.	Schmitz
Anderson	DeCramer	Knutson	Morse	Solon
Beckman	Dicklich	Kroening	Novak	Spear
Belanger	Diessner	Laidig	Olson	Storm
Benson	Frank	Langseth	Pehler	Stumpf
Berg	Frederick	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Piper	Waldorf
Bertram	Freeman	Luther	Pogemiller	Wegscheid
Brandl	Gustafson	Marty	Purfeerst	Willet
Brataas	Hughes	McQuaid	Ramstad	
Chmielewski	Johnson, D.E.	Mehrrens	Reichgott	
Cohen	Johnson, D.J.	Merriam	Renneke	
Dahl	Jude	Moe, D.M.	Samuelson	

So the bill passed and its title was agreed to.

S.F No. 1067: A bill for an act relating to local government; providing for the discharge of charter commissions; amending Minnesota Statutes 1986, section 410.05, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Luther	Peterson, R.W.
Anderson	Dahl	Johnson, D.E.	Marty	Piper
Beckman	Davis	Johnson, D.J.	McQuaid	Pogemiller
Belanger	DeCramer	Jude	Mehrrens	Purfeerst
Benson	Dicklich	Knaak	Merriam	Ramstad
Berg	Diessner	Knutson	Moe, D.M.	Reichgott
Berglin	Frank	Kroening	Moe, R.D.	Renneke
Bernhagen	Frederick	Laidig	Morse	Samuelson
Bertram	Frederickson, D.J.	Langseth	Novak	Schmitz
Brandl	Frederickson, D.R.	Lantry	Olson	Solon
Brataas	Freeman	Larson	Pehler	Spear
Chmielewski	Gustafson	Lessard	Peterson, D.C.	Storm

Stumpf Vickerman Waldorf Wegscheid Willet
Taylor

So the bill passed and its title was agreed to.

S.F. No. 725: A bill for an act relating to local government; removing limitations on tax adjustments related to annexations; amending Minnesota Statutes 1986, section 414.035.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Reichgott
Anderson	Davis	Jude	Merriam	Renneke
Beckman	DeCramer	Knaak	Moe, R.D.	Samuelson
Belanger	Dicklich	Knutson	Morse	Schmitz
Benson	Diessner	Kroening	Novak	Solon
Berg	Frank	Laidig	Olson	Spear
Berglin	Frederick	Langseth	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Brandl	Freeman	Lessard	Piper	Vickerman
Brataas	Gustafson	Luther	Pogemiller	Waldorf
Chmielewski	Hughes	Marty	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Ramstad	Willet

So the bill passed and its title was agreed to.

S.F. No. 888: A bill for an act relating to the city of Melrose; regulating the stopping of school buses at certain railroad grade crossings.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, R.D.	Samuelson
Anderson	DeCramer	Knaak	Morse	Schmitz
Beckman	Dicklich	Knutson	Novak	Solon
Belanger	Diessner	Kroening	Olson	Spear
Benson	Frank	Laidig	Pehler	Storm
Berglin	Frederick	Lantry	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Taylor
Bertram	Frederickson, D.R.	Lessard	Piper	Vickerman
Brandl	Freeman	Luther	Pogemiller	Waldorf
Brataas	Gustafson	Marty	Purfeerst	Wegscheid
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Moe, D.M.	Renneke	

Messrs. Berg, Langseth, Merriam and Willet voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 424: A bill for an act relating to the military; authorizing the adjutant general to delegate certain duties to subordinates; amending Minnesota Statutes 1986, section 190.16, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Reichgott
Anderson	Davis	Jude	Merriam	Renneke
Beckman	DeCramer	Knaak	Moe, D.M.	Samuelson
Belanger	Dicklich	Knutson	Moe, R.D.	Schmitz
Benson	Diessner	Kroening	Morse	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederick	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brandl	Freeman	Lessard	Peterson, R.W.	Vickerman
Brataas	Gustafson	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Ramstad	Willet

So the bill passed and its title was agreed to.

S.F No. 721: A bill for an act relating to veterans; requiring the placement of a plaque on the Capitol grounds recognizing certain prisoners of war and soldiers missing in action.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Moe, D.M.	Renneke
Belanger	Dicklich	Knutson	Moe, R.D.	Schmitz
Benson	Diessner	Kroening	Morse	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederick	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brandl	Freeman	Lessard	Peterson, R.W.	Vickerman
Brataas	Gustafson	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Purfeerst	Willet

So the bill passed and its title was agreed to.

S.F No. 698: A bill for an act relating to education; authorizing northeast metropolitan intermediate school district No. 916 to issue certain bonds for the acquisition and betterment of a secondary vocational and special education facility.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Reichgott
Anderson	Davis	Jude	Merriam	Renneke
Beckman	DeCramer	Knaak	Moe, D.M.	Samuelson
Belanger	Dicklich	Knutson	Moe, R.D.	Schmitz
Benson	Diessner	Kroening	Morse	Solon
Berg	Frank	Laidig	Olson	Spear
Berglin	Frederick	Langseth	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Brandl	Freeman	Lessard	Piper	Vickerman
Brataas	Gustafson	Luther	Pogemiller	Waldorf
Chmielewski	Hughes	Marty	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Ramstad	Willet

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

H.F. No. 28, which the committee recommends to pass.

S.F. No. 376, which the committee recommends be re-referred to the Committee on Judiciary.

S.F. No. 80, which the committee recommends to pass with the following amendment offered by Mr. Waldorf:

Page 1, line 16, delete "dollar"

The motion prevailed. So the amendment was adopted.

H.F. No. 240, which the committee recommends to pass with the following amendment offered by Mr. Dahl:

Amend H.F. No. 240, as amended pursuant to Rule 49, adopted by the Senate March 16, 1987, as follows:

(The text of the amended House File is identical to S. F. No. 49.)

Page 1, delete lines 8 to 13 and insert:

"Subdivision 1. [LIMITATION; PROHIBITION.] (a) A seller of goods or services may impose a surcharge on a purchaser who elects to use a credit card in lieu of payment by cash, check, or similar means, provided (1) the seller informs the purchaser of the surcharge both orally at the time of sale and by a sign conspicuously posted on the seller's premises, and (2) the surcharge does not exceed five percent of the purchase price.

(b) A seller of goods or services that establishes and is responsible for its own customer credit card may not impose a surcharge on a purchaser who elects to use that credit card in lieu of payment by cash, check, or similar means."

Page 1, line 14, before "For" insert "(c)"

Page 1, line 24, delete "guilty of a misdemeanor and may be sentenced" and insert "subject" and delete "fine" insert "civil penalty"

Page 1, line 25, delete "\$700" and insert "\$500"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 776: A bill for an act relating to natural resources; creating the state board of water and soil resources and providing for its administration and powers and duties; abolishing the state soil and water conservation board and the water resources board; amending the duties of the environmental quality board; amending Minnesota Statutes 1986, sections 40.01, subdivision 4; 40.03, subdivision 4; 40.035, subdivision 2; 40.21, subdivisions 1 and 3; 40.43, subdivision 1; 105.73; 110B.02, subdivision 2; 112.35, subdivision 4; 116C.03, subdivision 2; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; and 473.878, subdivisions 7 and 8; proposing coding for new law in Minnesota Statutes, chapter 110B; repealing Minnesota Statutes 1986, sections 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; and 116C.41, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 40.01, subdivision 4, is amended to read:

Subd. 4. [~~STATE BOARD OR STATE SOIL AND WATER CONSERVATION BOARD OF WATER AND SOIL RESOURCES.~~] "State board" or "~~state soil and water conservation board of water and soil resources~~" means the agency created in section ~~40.03~~ 9.

Sec. 2. Minnesota Statutes 1986, section 40.03, subdivision 4, is amended to read:

Subd. 4. [~~POWERS AND DUTIES.~~] In addition to the powers and duties hereinafter conferred upon the ~~state soil and water conservation board by section 9~~, it shall have the following powers and duties:

(1) ~~Prepare and present to the commissioner of agriculture a budget to finance the activities of the state board and the districts and to administer any law appropriating funds to districts. The board shall~~ Receive and disburse any grants made available to the state by the United States Department of Agriculture under the preferred program developed under United States Code, title 16, sections 2001 to 2009;

(2) Offer any appropriate assistance to the supervisors of the districts in implementing any of their powers and programs. Any funds made available to a district for expenditures necessary for the operations of the district shall be a grant to the district to be used only for purposes authorized by the state board pursuant to law. The soil and water conservation district may designate the board of county commissioners to act as the agent of the district to receive and expend these funds at the direction and with the approval of the board of supervisors of the district. At least annually the state board shall audit, in a manner it prescribes, the expenditure of funds so granted;

(3) Keep the supervisors of each district informed of the activities and experience of all other districts and facilitate cooperation and an inter-

change of advice and experience among the districts;

(4) Coordinate the programs and activities of the districts with appropriate agencies by advice and consultation;

(5) Approve or disapprove the plans or programs of districts relating to the use of state funds administered by the state board;

(6) Secure the cooperation and assistance of the appropriate agencies in the work of the districts and to develop a program to advise and assist appropriate agencies in obtaining state and federal funds for erosion, sedimentation, flooding and agriculturally related pollution control programs;

(7) Develop and implement a comprehensive public information program concerning the districts' activities and programs, the problems and preventive practices of erosion, sedimentation, agriculturally related pollution, flood prevention, and the advantages of formation of districts in areas where their organization is desirable;

(8) Subdivide and consolidate districts without a hearing or a referendum so as to confine districts within county limits, provided that no district, when feasible and practicable, shall contain less than four full or fractional congressional townships;

(9) Assist in the implementation of a statewide program for inventorying and classification of the types of soils throughout the state as determined by the Minnesota cooperative soil survey;

(10) Identify research needs and cooperate with other public agencies in research concerning the nature and extent of erosion, sedimentation, flooding and agriculturally related pollution, the amounts and sources of sediment and pollutants delivered to the waters of the state, and long-term soil productivity;

(11) Develop programs to reduce or prevent soil erosion, sedimentation, flooding and agriculturally related pollution, including but not limited to structural and land-use management practices;

(12) Develop a system of priorities within the state to identify the erosion, flooding, sediment and agriculturally related pollution problem areas that are most severely in need of control systems; and

(13) Ensure compliance with statewide programs and policies established by the state board pursuant to this section and section 40.02 by advice, consultation, and approval of grant agreements with the districts.

Sec. 3. Minnesota Statutes 1986, section 40.035, subdivision 2, is amended to read:

Subd. 2. For the purpose of developing the program plan, the state board may request any existing pertinent information from any state agency pursuant to section 40.03, subdivision 2, and may conduct any hearing it deems necessary.

Sec. 4. Minnesota Statutes 1986, section 40.21, subdivision 1, is amended to read:

Subdivision 1. [RULES AND MODEL ORDINANCE AS GUIDE.] The ~~commissioner~~ board of agriculture water and soil resources, in consultation with counties, soil and water conservation districts, and other appropriate agencies, shall adopt a model ordinance and rules that serve as a guide for local governments to carry out the provisions of Laws 1985, chapter 256,

sections 12 to 22 and sections 40.20 to 40.26, and provide administrative procedures for the ~~state soil and water conservation~~ board for Laws 1985, chapter 256, sections 12 to 21 and sections 40.20 to 40.26.

Sec. 5. Minnesota Statutes 1986, section 40.21, subdivision 3, is amended to read:

Subd. 3. [PERIODIC REVIEW.] At least once every five years the ~~commissioner of agriculture~~ board shall review the rules and model ordinance in cooperation with counties, soil and water conservation districts, and appropriate agencies to ensure their continued applicability and relevance.

Sec. 6. Minnesota Statutes 1986, section 40.43, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of agriculture, in consultation with the commissioner of natural resources, shall establish and administer a conservation reserve program. *The commissioner of agriculture shall contract with the board of water and soil resources to implement sections 40.40 to 40.44.* Selection of land for the conservation reserve program must be based on its potential for fish and wildlife production, reducing erosion, and protecting water quality.

Sec. 7. Minnesota Statutes 1986, section 105.73, is amended to read:

105.73 [DEFINITIONS.]

Unless the context clearly indicates a different meaning is intended, the following terms for the purposes of this chapter shall be given the meanings ascribed to them in this section.

Board — ~~Minnesota water resources~~ Board of water and soil resources.

Proceeding — Any procedure under any of the laws enumerated in section 105.74 however administrative discretion or duty thereunder may be invoked in any instance.

Agency — Any state officer, board, commission, bureau, division, or agency, other than a court, exercising duty or authority under any of the laws enumerated in section 105.74.

Court — The court means the district court or a judge thereof before whom the proceedings are pending.

Question of water policy — Where use, disposal, pollution, or conservation of water is a purpose, incident, or factor in a proceeding, the question or questions of state water law and policy involved, including either (a) determination of the governing policy of state law in the proceeding, resolving apparent inconsistencies between different statutes, (b) the proper application of that policy to facts in the proceeding when application is a matter of administrative discretion, or both (a) and (b).

Sec. 8. Minnesota Statutes 1986, section 110B.02, subdivision 2, is amended to read:

Subd. 2. [BOARD.] "Board" means the *board of water and soil resources board*.

Sec. 9. [110B.35] [BOARD OF WATER AND SOIL RESOURCES.]

Subdivision 1. [BOARD ESTABLISHED; MEMBERS.] *The board of water and soil resources is established as an agency of the state to perform the functions conferred upon it by law. The board is composed of 15 voting*

members who must be conversant with water and soil problems and conditions within the state and who may not be officers or employees of the state or federal government. The board shall be appointed in accordance with this section. The members shall not be considered public officers of the state for the purposes of section 112.37, subdivision 1a. The membership of the board shall be as follows:

- (1) three county commissioners;
- (2) seven soil and water conservation district supervisors;
- (3) three watershed district managers or watershed management organization representatives;
- (4) two citizens who are not employed by, or the appointed or elected official of, any governmental office, board, or agency; and
- (5) a chair.

Subd. 2. [MEMBER DISTRIBUTION.] Members shall be distributed across the state with at least the number of members from each of the following areas:

- (1) one member from the Red River basin;
- (2) one member from the Rainy River-Lake Superior tributaries basin;
- (3) one member from the Upper Mississippi-Si. Croix basin;
- (4) one member from the Minnesota-Missouri-Des Moines rivers basin;
- (5) one member from watersheds tributary to the Mississippi River south of its confluence with the Minnesota River;
- (6) three members from the metropolitan area, as defined by section 473.121, subdivision 2;
- (7) seven members, one from each of the current soil and water conservation administrative regions; and
- (8) the chair from at large.

Subd. 3. [EX OFFICIO NONVOTING MEMBERS.] The following agencies shall each provide one nonvoting member to the board:

- (1) environmental quality board;
- (2) department of agriculture;
- (3) department of health;
- (4) department of natural resources;
- (5) Minnesota geological survey;
- (6) pollution control agency; and
- (7) institute of agriculture of the University of Minnesota.

Subd. 4. [NOMINEES.] All voting members must be appointed by the governor with the advice and consent of the senate. In making the appointments, the governor may consider persons recommended by the association of Minnesota counties, the Minnesota association of soil and water conservation districts, and the Minnesota association of watershed districts, respectively. The list submitted by an association shall contain at least three nominees for the position to be filled.

Subd. 5. [TERMS; COMPENSATION; REMOVAL; VACANCIES.] Except as provided in this subdivision, the membership terms, compensation, removal of members and filling of vacancies on the board for the members specified in subdivision 1 shall be as provided in section 15.0575. The chair shall be appointed by the governor with the advice and consent of the senate.

Subd. 6. [EMPLOYEES.] The board may employ permanent and temporary technical and professional personnel, agents, and employees, and shall determine their qualifications and duties. Compensation of employees shall be determined in accordance with chapter 43A. The board may prescribe the powers and duties of its officers and employees and may delegate to its employees or members any of the board's powers and duties.

Subd. 7. [OFFICERS; QUORUM; RECORDS; AUDIT.] The board shall elect a vice-chair and any other officers that it considers necessary from its membership. A majority of the board shall constitute a quorum, and concurrence of a majority in any matter within its jurisdiction is required for the board to act on that matter. The board shall keep a full and accurate record of its official actions. The board may hold public hearings and adopt rules necessary to execute its duties provided in law.

Subd. 8. [ADMINISTRATIVE SERVICES.] The board shall contract with the commissioner of agriculture who shall make available administrative services and office space necessary for the administration and coordination of its functions.

Subd. 9. [POWERS AND DUTIES.] In addition to the powers and duties prescribed elsewhere, the board has the following powers and duties:

(1) coordinate the water and soil resources planning activities of counties, soil and water conservation districts, watershed districts, and any other local units of government through its various authorities for approval of local plans, administration of state grants, and by other means as may be appropriate;

(2) facilitate communication and coordination among state agencies in cooperation with the environmental quality board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;

(3) coordinate state and local interests with respect to the study in southwestern Minnesota under Public Law Number 87-639;

(4) develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;

(5) provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;

(6) adopt an annual budget and work program that integrates the various functions and responsibilities assigned to it by law; and

(7) report to the governor and the legislature by October 15 of each even-numbered year with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources

management.

Sec. 10. Minnesota Statutes 1986, section 112.35, subdivision 4, is amended to read:

Subd. 4. "Board" means the ~~Minnesota water resources~~ board of water and soil resources established by section ~~105.74~~ 9.

Sec. 11. Minnesota Statutes 1986, section 116C.03, subdivision 2, is amended to read:

Subd. 2. The board shall include as members the director of the state planning agency, the director of the pollution control agency, the commissioner of natural resources, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, *the chair of the board of water and soil resources*, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members shall have knowledge of and be conversant in water management issues in the state.

Sec. 12. Minnesota Statutes 1986, section 473.876, is amended by adding a subdivision to read:

Subd. 1a. [BOARD.] "Board," unless the context indicates otherwise, means the board of water and soil resources created in section 9.

Sec. 13. Minnesota Statutes 1986, section 473.877, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF WATERSHED BOUNDARIES.] Before commencing planning under section 473.878, a watershed management organization established pursuant to section 471.59 and this section shall submit a map delineating the boundaries of the watershed to the ~~water resources~~ board of water and soil resources for review and comment on the conformance of the boundaries with the requirements of sections 473.875 to 473.883. The board shall have 60 days to comment.

Sec. 14. Minnesota Statutes 1986, section 473.8771, subdivision 1, is amended to read:

Subdivision 1. [BOUNDARY CHANGE.] The boundaries of a watershed district wholly within the metropolitan area may be changed pursuant to this subdivision or chapter 112. The governing board of a watershed management organization may petition the ~~water resources~~ board of water and soil resources for an order changing the boundaries of a watershed district wholly within the metropolitan area, either by adding new territory to the district or by transferring territory that is within the district to the jurisdiction of another watershed management organization. The petition must:

(a) describe with particularity the change in boundary requested, the territory affected, and the reasons for the change;

(b) show that the change is consistent with the purposes and requirements of sections 473.875 to 473.883; and

(c) identify any property subject to subdivision 3.

The petition must be accompanied by a written statement of concurrence in the petition from the governing body of each statutory or home rule charter city and town and each watershed management organization having

jurisdiction over the territory proposed to be added or transferred. Upon the filing of a sufficient petition, the ~~water resources~~ board shall give notice of the filing of the petition by publication once each week for two successive weeks in a legal newspaper in each county affected and by mail to the county auditor of each county affected and to the chief official of each statutory or home rule charter city and township affected. The notice must describe the action proposed by the petition and invite written comments on the petition for consideration by the board. The notice must announce that any person who objects to the action proposed in the petition may submit a written request for hearing to the board within 20 days of the last publication of the notice of the filing of the petition and that if no timely request for hearing is received the board will make a decision on the petition pursuant to this subdivision without conducting the public hearing required under chapter 112. If no timely request for hearing is received the board shall make a decision on the petition without a hearing within 30 days after the last publication of the notice. If one or more timely requests for hearing are received the board shall hold a hearing on the petition and shall follow the procedures in chapter 112 regarding notice and conduct of hearings. After completing the procedures required by this subdivision, the board shall, by its findings and order, make the boundary change requested if the board determines that:

- (a) (i) the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred concurs in the petition,
- (b) (ii) the change is consistent with the purposes and requirements of sections 473.875 to 473.883, and
- (c) (iii) the change can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order making the change must conform to subdivision 3. The order making the change may amend the order prescribing the distribution of managers of the district.

Sec. 15. Minnesota Statutes 1986, section 473.8771, subdivision 2, is amended to read:

Subd. 2. [TERMINATION.] A watershed district wholly within the metropolitan area may be terminated pursuant to this subdivision or chapter 112. Proceedings for termination under this subdivision must be initiated by a petition to the ~~water resources~~ board of *water and soil resources* filed jointly by the governing bodies of all statutory and home rule charter cities and towns having jurisdiction over territory within the watershed. Upon the filing of a sufficient petition, the board shall hold a hearing in accordance with the procedures prescribed in chapter 112, to take testimony on the determinations required to be made by the board. Following the hearing, the board shall, by its findings and order, terminate the district as requested if the board determines:

- (a) that the local units of government having jurisdiction over territory within the watershed have formed a joint powers organization for the watershed pursuant to section 473.877,
- (b) that upon termination of the district the members of the joint powers organization, jointly or severally, are willing and able to assume ownership

of the district's assets and the responsibility for managing and maintaining the district's projects as necessary to accomplish the purposes of sections 473.875 to 473.883 and to implement the watershed plan of the joint powers organization to be developed pursuant to section 473.878, and

(c) that the termination can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order terminating the district must transfer the assets of the district to the joint powers organization or its members. The order must conform to subdivision 3.

Sec. 16. Minnesota Statutes 1986, section 473.878, subdivision 7, is amended to read:

Subd. 7. [REVIEW BY STATE AGENCIES.] After completion of the review under subdivision 6, the plan shall be submitted to the commissioner of natural resources and the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the ~~water resources~~ board of *water and soil resources* for review under section 112.46. Except as otherwise provided in this subdivision, the ~~water resources~~ board of *water and soil resources* shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 473.875 to 473.883. The board shall not prescribe a plan, but may disapprove all or parts of a plan which it determines is not in conformance with the requirements of chapter 112 and sections 473.875 to 473.883. If the capital improvement program is the subject of a dispute between counties, the ~~water resources~~ board of *water and soil resources* shall make a final decision on the issue. The decision shall be binding on the organization and the counties involved.

Sec. 17. Minnesota Statutes 1986, section 473.878, subdivision 8, is amended to read:

Subd. 8. [ADOPTION; IMPLEMENTATION.] The organization shall adopt and implement its plan within 120 days after compliance with the provisions of subdivision 7 and approval of the plan by the ~~water resources~~ board of *water and soil resources*. A watershed district may implement its approved plan and approved capital improvement program by resolution of the majority of the board of managers and without respect to the provisions of chapter 112 requiring the managers to wait upon petitions for projects, to submit projects for review by the ~~water resources~~ board of *water and soil resources*, and to limit the cost and purposes of projects.

Sec. 18. [MEMBERSHIP; COMPLEMENT OF BOARD.]

Subdivision 1. [TRANSFER OF EMPLOYEES.] All classified and unclassified state employees of the state soil and water conservation board and the water resources board may be transferred to the board of water and soil resources.

Sec. 19. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "state soil and water conservation board," "water resources board," "water policy or other board," language intended to refer to those boards, wherever they appear in Minnesota Statutes to "board of water and soil resources" or other

appropriate language to refer to the board of water and soil resources created in section 9.

Sec. 20. [REPEALER.]

Minnesota Statutes 1986, sections 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; and 116C.41, subdivision 2, are repealed."

And when so amended the bill do pass and be re-referred to the Committee on Agriculture.

Mr. Moe, R.D. moved the adoption of the foregoing Committee Report. The motion prevailed. Amendments adopted. Report adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Knaak, Jude and Mehrkens introduced—

S.F. No. 1342: A bill for an act relating to natural resources; appropriating money to the commissioners of natural resources and agriculture for an oak wilt management program.

Referred to the Committee on Environment and Natural Resources.

Mr. Willet introduced—

S.F. No. 1343: A bill for an act relating to elections; removing the incumbency designation for judicial offices on the official ballot; amending Minnesota Statutes 1986, section 487.03, subdivision 2; repealing Minnesota Statutes 1986, section 204B.36, subdivision 5.

Referred to the Committee on Elections and Ethics.

Messrs. Frederickson, D.R. and Taylor introduced—

S.F. No. 1344: A bill for an act relating to education; providing aid for teachers in a district's gifted and talented program; appropriating money; amending Minnesota Statutes 1986, section 124.247, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Peterson, R.W.; Luther; Merriam; Mrs. Brataas and Mr. Johnson, D.J. introduced—

S.F. No. 1345: A bill for an act relating to the judiciary; public defenders; requiring the state board of public defense to adopt standards governing district public defender offices; authorizing the state board of public defense to fix the salary of the state public defenders; requiring the state public defender to provide training for state and district public defenders; providing that compensation of district public defenders may not exceed compensation of county attorneys; allowing representation of indigents by public defender before formal appointment; providing for state funding of district public defenders by weighted caseload; appropriating money; amending Minnesota Statutes 1986, sections 611.215, subdivisions 1 and 2; 611.216, subdivisions 1, 2, and 3; 611.23; 611.24; 611.25; 611.26, subdivisions 1, 2, 3, 4, and 6; and 611.27, subdivisions 1, 2, and 3; proposing coding for new

law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1986, sections 611.22; and 611.26, subdivisions 5 and 8.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 1346: A bill for an act relating to hazardous waste facilities; providing for financial responsibility when an owner or operator is bankrupt; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 1347: A bill for an act relating to workers' compensation; requiring security of self-insurers; regulating special compensation fund assessments and liability; creating a self-insurer insolvency fund; authorizing certain inspections; providing penalties; amending Minnesota Statutes 1986, sections 176.041, subdivision 4, and by adding a subdivision; 176.129, subdivisions 3 and 13; 176.131, subdivisions 1, 1a, and 8; 176.132, subdivision 1; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.225, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 60A and 176.

Referred to the Committee on Employment.

Messrs. Frank, Renneke, Freeman and Ms. Peterson, D.C. introduced—

S.F. No. 1348: A bill for an act relating to vocational training; requiring the commissioner of jobs and training to certify entities that provide supported employment to persons with disabilities; authorizing rulemaking; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 129A.

Referred to the Committee on Employment.

Messrs. Vickerman and Frederickson, D.J. introduced—

S.F. No. 1349: A bill for an act relating to state departments and agencies; renaming the division of emergency services; amending Minnesota Statutes 1986, section 12.04.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Wegscheid, Renneke and Waldorf introduced—

S.F. No. 1350: A bill for an act relating to retirement; providing that membership in a public pension plan is an enforceable contractual right; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Mr. Luther introduced—

S.F. No. 1351: A bill for an act relating to Hennepin county; providing for the management of county health facilities; permitting the county board

to hold closed meetings on certain medical center business; permitting certain data to be treated as trade secret information; amending Minnesota Statutes 1986, section 383B.217, subdivision 7.

Referred to the Committee on Judiciary.

Messrs. Gustafson and Solon introduced—

S.F. No. 1352: A bill for an act relating to taxation; property; extending the exemption period for lands held by a political subdivision for economic development; amending Minnesota Statutes 1986, section 272.02, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Kroening and Frank introduced—

S.F. No. 1353: A bill for an act relating to labor; making collective bargaining agreements binding upon transferee employers; defining transferee employer; creating certain exclusions; requiring the disclosure of collective bargaining agreements; providing for enforcement procedures; proposing coding for new law in Minnesota Statutes, chapter 179.

Referred to the Committee on Employment.

Messrs. Bernhagen, Stumpf, Renneke, Frank and Larson introduced—

S.F. No. 1354: A bill for an act relating to taxation; mandating county treasurers to accept property tax payments of more or less than amount due; amending Minnesota Statutes 1986, sections 277.01; and 279.01, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. DeCramer; Frederickson, D.R.; Vickerman and Beckman introduced—

S.F. No. 1355: A bill for an act relating to courts; requiring that at least one trial court judge be assigned to each county in a judicial district; amending Minnesota Statutes 1986, sections 2.722, subdivision 4, and by adding a subdivision; 484.69, subdivision 3; 487.01, subdivision 5; and 487.191.

Referred to the Committee on Judiciary.

Mr. Pogemiller and Ms. Peterson, D.C. introduced—

S.F. No. 1356: A bill for an act relating to education; establishing clinical schools for teacher preparation; establishing professional development and assessment centers; requiring research on teacher education programs; appropriating money; amending Minnesota Statutes 1986, section 125.185, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mr. Pogemiller and Ms. Peterson, D.C. introduced—

S.F. No. 1357: A bill for an act relating to human rights; enabling the University of Minnesota to provide services and benefits to organizations with membership practices that are exempt from certain federal law; amending Minnesota Statutes 1986, section 363.02, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Pogemiller and Freeman introduced—

S.F. No. 1358: A bill for an act relating to employment and training; establishing a committee; authorizing pilot projects in service delivery; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 267.

Referred to the Committee on Governmental Operations.

Messrs. Lessard, Novak, Solon, Larson and Johnson, D.E. introduced—

S.F. No. 1359: A bill for an act relating to natural resources; establishing a reinvest in Minnesota resources endowment fund; appropriating money; amending Minnesota Statutes 1986, section 84.95, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Pogemiller introduced—

S.F. No. 1360: A bill for an act relating to state government; establishing the economic opportunity office; providing for the appointment of an advisory council; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1361: A bill for an act relating to game and fish; allowing elderly deer hunters to take one deer of either sex; amending Minnesota Statutes 1986, section 97A.451, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 1362: A bill for an act relating to retirement; teachers retirement act; teachers retirement, certain cities; permitting teachers on unrequested leaves of absence to receive allowable service credit toward annuities and other benefits; proposing coding for new law in Minnesota Statutes, chapters 354 and 354A.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1363: A bill for an act relating to retirement; public pension plans and funds; providing that retirement annuity payments begin to accrue

on the date of termination of public service; amending Minnesota Statutes 1986, sections 352.115, subdivision 8; 352B.08, subdivision 1; 352D.06, subdivision 3; 353.29, subdivision 7; 354.44, subdivision 4; and 354A.31, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1364: A bill for an act relating to occupations and professions; requiring a license to practice naturopathy; providing for conditions of licensure; providing qualifications and exemptions; establishing a state board of naturopathic examiners; providing for discipline and penalties; amending Minnesota Statutes 1986, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 1365: A bill for an act relating to economic development; providing training and employment for low income seniors; creating the hospitality host older worker tourism program; prescribing duties for the commissioner of the department of jobs and training; appropriating money.

Referred to the Committee on Employment.

Mr. Dicklich introduced—

S.F. No. 1366: A bill for an act relating to education; allowing variances from licensure for practicing school psychologists in certain circumstances; proposing coding for new law in Minnesota Statutes 1986, chapter 125.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 1367: A bill for an act relating to utilities; providing for representation of small business by attorney general in certain proceedings relating to utility rates, service, and other matters; amending Minnesota Statutes 1986, section 8.33.

Referred to the Committee on Public Utilities and Energy.

Mr. Waldorf introduced—

S.F. No. 1368: A bill for an act relating to human services; creating a new formula for distribution of administrative aid to counties; eliminating equalization aid to counties; amending Minnesota Statutes 1986, section 256D.22; repealing Minnesota Statutes 1986, section 245.74.

Referred to the Committee on Health and Human Services.

Mr. Purfeerst introduced—

S.F. No. 1369: A bill for an act relating to traffic regulations; repealing authorization of emergency speed limit by executive order; repealing Minnesota Statutes 1986, section 169.141.

Referred to the Committee on Transportation.

Mr. Purfeerst introduced—

S.F. No. 1370: A bill for an act relating to education; modifying, clarifying, and extending programs and certain staff requirements at the state academies for the blind and deaf; creating a revolving fund for receipts and expenditures for services, seminars, and conferences there; appropriating money; amending Minnesota Statutes 1986, sections 128A.01; 128A.02, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 128A.

Referred to the Committee on Education.

Messrs. Kroening and Willet introduced—

S.F. No. 1371: A bill for an act relating to employment; prohibiting employers from restricting the legal off-the-job activities of employees; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Messrs. Kroening and Willet introduced—

S.F. No. 1372: A bill for an act relating to commerce; clarifying unregulated sales of eyeglasses; amending Minnesota Statutes 1986, section 148.56, subdivision 3.

Referred to the Committee on Commerce.

Mr. Purfeerst introduced—

S.F. No. 1373: A bill for an act relating to taxation; imposing fuel excise tax on distributors; increasing gasoline excise tax; providing for transfer of motor vehicle excise tax to highway user distribution fund; amending Minnesota Statutes 1986, sections 296.01, subdivisions 7, 13, and by adding a subdivision; 296.02, subdivisions 1b and 2; 296.025, subdivisions 1, 2, and 6; 296.06, subdivisions 1 and 2; 296.12, subdivisions 3, 4, 9, and 11; 296.13; 296.14; 296.15, subdivisions 1 and 5; 296.16, subdivision 1; 296.17, subdivisions 1, 3, 5, 8, 9a, 12, and 14; 296.18, subdivisions 1, 2, and 3a; 296.23; 296.24; 296.25, subdivision 2; 296.27; 296.421; and 297B.09, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 296.

Referred to the Committee on Transportation.

Mr. Pehler introduced—

S.F. No. 1374: A bill for an act relating to retirement; St. Cloud police; pension fund uses; pension amounts; health and medical insurance; amending Laws 1973, sections 4, as amended; 5, subdivision 1; and 6, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Vickerman, Beckman and Davis introduced—

S.F. No. 1375: A bill for an act relating to agriculture; authorizing and requiring a license to use the Minnesota grown label; assessing license

fees; providing penalties; amending Minnesota Statutes 1986, section 17.102.

Referred to the Committee on Agriculture.

Ms. Piper introduced—

S.F. No. 1376: A bill for an act relating to corrections; raising fees for reinstatement of drivers licenses; changing allocation of fees; amending Minnesota Statutes 1986, section 171.29, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Bertram, Chmielewski and Mrs. Brataas introduced—

S.F. No. 1377: A bill for an act relating to workers' compensation; regulating the scope of coverage; regulating eligibility for benefits; regulating benefits and benefit adjustments; amending Minnesota Statutes 1986, sections 176.021, subdivision 1; 176.041, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 3e, 3h, 3k, 3o, 3t, 4, and 8; 176.131, subdivision 6; 176.132, subdivision 1; 176.138; and 176.645, subdivision 1.

Referred to the Committee on Employment.

Mrs. McQuaid introduced—

S.F. No. 1378: A bill for an act relating to transportation; appropriating money to the commissioner of transportation to acquire certain parcels of real property; establishing certain conditions for expenditures for construction of interstate highway 394 after June 30, 1988.

Referred to the Committee on Transportation.

Mr. Pogemiller introduced—

S.F. No. 1379: A bill for an act relating to unemployment compensation; appropriating federal money received for unemployment compensation administration.

Referred to the Committee on Employment.

Messrs. Moe, R.D.; Storm; Johnson, D.E. and Merriam introduced—

S.F. No. 1380: A bill for an act relating to health care; establishing the Minnesota board on biomedical ethics; setting its membership; assigning its duties and powers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Mr. Luther, Ms. Reichgott and Mr. Freeman introduced—

S.F. No. 1381: A bill for an act relating to courts; authorizing the court to require parties in a contested civil action to enter mediation; proposing coding for new law in Minnesota Statutes, chapter 484.

Referred to the Committee on Judiciary.

Messrs. Luther; Moe, R.D.; Spear; Willet and Hughes introduced—

S.F. No. 1382: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; making related changes in the ethics in government act; imposing penalties; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 7, 10, 10b, 15, and by adding subdivisions; 10A.25, subdivision 10, and by adding subdivisions; 10A.255; 10A.27, by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 10A.33; 10A.335; and 290.06, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1986, sections 10A.02, subdivision 11a; 10A.25, subdivision 7; 10A.27, subdivision 5; and 10A.32.

Referred to the Committee on Elections and Ethics.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 8, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTIETH DAY

St. Paul, Minnesota, Wednesday, April 8, 1987

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Purfeerst imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Marjorie B. Aurelius.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Knaak	Moe, D.M.	Renneke
Anderson	Davis	Knutson	Moe, R.D.	Samuelson
Beckman	Dicklich	Kroening	Morse	Schmitz
Belanger	Diessner	Laidig	Novak	Solon
Benson	Frank	Langseth	Olson	Spear
Berg	Frederickson, D.J.	Lantry	Pehler	Storm
Berglin	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Bernhagen	Freeman	Luther	Peterson, R.W.	Taylor
Bertram	Gustafson	Marty	Piper	Vickerman
Brandl	Hughes	McQuaid	Pogemiller	Waldorf
Brataas	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Chmielewski	Johnson, D.J.	Merriam	Ramstad	Willet
Cohen	Jude	Metzen	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 6, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1987 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
	27	12	March 27	March 27
	130	13	March 27	March 27
	688	14	March 27	March 27

Sincerely,
 Joan Anderson Growe
 Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 397: A bill for an act relating to elections; setting times for changing election precincts and redistricting certain election districts; amending Minnesota Statutes 1986, sections 204B.14, subdivision 3; and 375.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B.

Senate File No. 397 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 1987

Ms. Peterson, D.C. moved that the Senate do not concur in the amendments by the House to S.F. No. 397, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 238, 338, 923 and 1119.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 6, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 238: A bill for an act relating to retirement; removing age limits on commencement of membership in firefighters relief associations; amending Minnesota Statutes 1986, section 424.04.

Referred to the Committee on Governmental Operations.

H.F. No. 338: A bill for an act relating to retirement; authorizing a certain Stearns county historical society employee to retain membership in the

public employees retirement association.

Referred to the Committee on Governmental Operations.

H.F. No. 923: A bill for an act relating to human services; regulating budgets and procedures of human services boards; amending Minnesota Statutes 1986, sections 402.02, subdivision 2; 402.05, subdivision 1a; and 402.062, subdivisions 1 and 2; repealing Minnesota Statutes 1986, section 402.095.

Referred to the Committee on Health and Human Services.

H.F. No. 1119: A bill for an act relating to state lands; permitting the sale of certain land in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1005.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 11 and 929. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 349: A bill for an act relating to conciliation courts; providing for entry of judgment; providing for vacation of default judgment in certain circumstances; providing for time limitation and service by mail on removal to county court; allowing a party to proceed without payment of a filing fee; amending Minnesota Statutes 1986, section 487.30, by adding subdivisions.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 461: A bill for an act relating to natural resources; changing certain provisions relating to the sale of state timber; eliminating laws relating to white pine blister rust control and cutting notices; amending Minnesota Statutes 1986, sections 90.101, subdivision 1; 90.121; 90.14; 90.151, subdivisions 1 and 13; 90.161, subdivision 1; 90.173; and 97A.205; repealing Minnesota Statutes 1986, sections 18.431 to 18.436 and 88.13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 88.49, subdivision 5, is amended to read:

Subd. 5. [CANCELLATION.] Upon the failure of the owner faithfully to fulfill and perform such contract or any provision thereof, or any requirement of sections 88.47 to 88.53, or any rule adopted by the commissioner thereunder, the commissioner may cancel the contract in the manner herein provided. The commissioner shall give to the owner, in the manner prescribed in section 88.48, subdivision 4, 60 days notice of a

hearing thereon at which the owner may appear and show cause, if any, why the contract should not be canceled. The commissioner shall thereupon determine whether the contract should be canceled and make an order to that effect. Notice of the commissioner's determination and the making of the order shall be given to the owner in the manner provided in section 88.48, subdivision 4. On determining that the contract should be canceled and no appeal therefrom be taken, the commissioner shall send notice thereof to the auditor of the county and to the town clerk of the town affected and file with the recorder a certified copy of the order, who shall forthwith note the cancellation upon the record thereof, and thereupon the land therein described shall cease to be an auxiliary forest and, together with the timber thereon, become liable to all taxes and assessments that otherwise would have been levied against it had it never been an auxiliary forest from the time of the making of the contract, any provisions of the statutes of limitation to the contrary notwithstanding, less the amount of taxes paid under the provisions of section 88.51, subdivision 1, together with interest on such taxes and assessments at six percent per annum, but without penalties.

The commissioner may in like manner and with like effect cancel the contract upon written application of the owner.

The commissioner shall cancel any contract if the owner has made successful application under sections 270.31 to 270.39 inclusive, the Minnesota tree growth tax law, and has paid to the county treasurer the difference between the amount which would have been paid had the land under contract been subject to the Minnesota tree growth tax law from the date of the filing of the contract and the amount actually paid under section 88.51, subdivisions 1 and 2. If the amount which would have been paid, had the land under contract been under the Minnesota tree growth tax law from the date of the filing of the contract, is less than the amount actually paid under the contract, the cancellation shall be made without further payment by the owner.

When the execution of any contract creating an auxiliary forest shall have been procured through fraud or deception practiced upon the county board or the commissioner or any other person or body representing the state, it may be canceled upon suit brought by the attorney general at the direction of the ~~executive council~~ commissioner. This cancellation shall have the same effect as the cancellation of a contract by the commissioner.

Sec. 2. Minnesota Statutes 1986, section 88.49, subdivision 9, is amended to read:

Subd. 9. [AUXILIARY FORESTS; WITHDRAWAL OF LAND FROM.] Land needed for other purposes may be withdrawn from an auxiliary forest as herein provided. A verified application therefor in a form prescribed by the commissioner of natural resources may be made by the owner to the county board of the county in which the land is situated, describing the land and stating the purpose of withdrawal. Like proceedings shall be had upon the application as upon an application for the establishment of an auxiliary forest, except that consideration need be given only to the questions to be determined as provided in this subdivision. If the county board shall determine that the land proposed to be withdrawn is needed and is suitable for the purposes set forth in the application, and that the remaining land in the auxiliary forest is suitable and sufficient for the purposes thereof as provided by law, the board may, in its discretion, grant the application,

subject to the approval of the commissioner ~~and the executive council~~. Upon such approval a supplemental contract evidencing the withdrawal shall be executed, filed, and recorded or registered as the case may require, in like manner as an original auxiliary forest contract. Thereupon the land described in the supplemental contract shall cease to be part of the auxiliary forest, and, together with the timber thereon, shall be liable to taxes and assessments in like manner as upon cancellation of an auxiliary forest contract.

Sec. 3. Minnesota Statutes 1986, section 88.49, subdivision 11, is amended to read:

Subd. 11. [AUXILIARY FORESTS; TRANSFER OF TITLE; PROCEDURE ON DIVISION.] The title to the land in an auxiliary forest or any part thereof is subject to transfer in the same manner as the title to other real estate, subject to the auxiliary forest contract therefor and to applicable provisions of law. In case the ownership of such a forest is divided into two or more parts by any transfer or transfers of title and the owners of all such parts desire to have the same made separate auxiliary forests, they may join in a verified application therefor to the county board of the county in which the forest is situated in a form prescribed by the commissioner of natural resources. If the county board determines that each of the parts into which the forest has been divided is suitable and sufficient for a separate auxiliary forest as provided by law, it may, in its discretion, grant the application, subject to the approval of the commissioner ~~and the executive council~~. Upon such approval, the commissioner shall prepare a new auxiliary forest contract for each part transferred, with like provisions and for the remainder of the same term as the prior contract in force for the entire forest at the time of the transfer, and shall also prepare a modification of such prior contract, eliminating therefrom the part or parts of the land transferred but otherwise leaving the remaining land subject to all the provisions of such contract. The new contract or contracts and modification of the prior contract shall be executed and otherwise dealt with in like manner as provided for an original auxiliary forest contract, but no such instrument shall take effect until all of them, covering together all parts of the forest existing before the transfer, have been executed, filed, and recorded or registered, as the case may require. Upon the taking effect of all such instruments, the owner of the forest prior to the transfer shall be divested of all rights and relieved from all liabilities under the contract then in force with respect to the parts transferred except such as may have existed or accrued at the time of the taking effect of such instruments, and thereafter the several tracts into which the forest has been divided and the respective owners thereof shall be subject to the new contract or contracts or the modified prior contract relating thereto, as the case may be, as provided for an original auxiliary forest contract. The provisions of this subdivision shall not supersede or affect the application of any other provision of law to any auxiliary forest which is divided by transfer of title unless the procedure herein authorized is fully consummated.

Sec. 4. Minnesota Statutes 1986, section 90.031, subdivision 3, is amended to read:

Subd. 3. ~~The executive council may compromise and settle, with the approval of the attorney general, upon terms as it may deem just, any claim of the state for casual and involuntary trespass upon state lands or timber where the full value of such timber or other materials so taken in trespass exceeds \$5,000; provided, that no claim shall be settled for less~~

than the full value of all timber or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result. The executive council commissioner may make settlement for not less than the full value of any timber cut by lessees of state lands holding under section 92.50.

Sec. 5. Minnesota Statutes 1986, section 90.041, subdivision 2, is amended to read:

Subd. 2. The commissioner may compromise and settle, with the approval of the attorney general, upon terms the commissioner deems just, any claim of the state for casual and involuntary trespass upon state lands or timber where the full value of the timber or other materials taken in trespass is \$5,000 or less; provided that no claim shall be settled for less than the full value of all timber or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result. The commissioner shall advise the executive council of any information acquired by the commissioner concerning any trespass on state lands, giving all details and names of witnesses and all compromises and settlements made under this subdivision.

Sec. 6. Minnesota Statutes 1986, section 90.101, subdivision 1, is amended to read:

Subdivision 1. The commissioner may sell the timber on any tract of state land in lots not exceeding \$20,000 in appraised value and may determine the number of sections or fractional sections of land to be covered by any one permit issued to the purchaser of timber on state lands, or in any one contract or other instrument relating thereto. No timber shall be sold, except (1) to the highest bidder at public auction, and or (2) if unsold at public auction the commissioner may offer the timber for private sale for a period of no more than 90 days after the public auction to any person who pays the appraised value for the timber. The minimum price shall be the appraised value as fixed by the report of the state appraiser. All sales shall be held in the county in which the tract is located and no sale shall be held in more than one location on any one day.

Sec. 7. Minnesota Statutes 1986, section 90.14, is amended to read:

90.14 [AUCTION SALE PROCEDURE.]

All state timber shall be offered and sold by the same unit of measurement as it was appraised. The sale shall be made to the party who (1) shall bid the highest price for all the several kinds of timber as advertised, or (2) if unsold at public auction, to the party who purchases at any sale authorized under section 90.101, subdivision 1. The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner 25 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

Sec. 8. Minnesota Statutes 1986, section 90.151, subdivision 1, is amended to read:

Subdivision 1. (a) Following receipt of the down payment for state timber sold at public auction, the commissioner shall issue a numbered permit to

the purchaser, in a form approved by the attorney general, by the terms of which the purchaser shall be authorized to enter upon the land, and to cut and remove the timber therein described, according to the provisions of this chapter. The permit shall be correctly dated and executed by the commissioner or agent and signed by the purchaser.

(b) The permit shall expire no later than ~~two~~ *three* years after the date of sale as the commissioner shall specify, and the timber shall be cut within the time specified therein. All cut timber, equipment, and buildings not removed from the land within 90 days after expiration of the permit shall become the property of the state.

(c) The commissioner may grant an additional period of time not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of such request by the permit holder for good and sufficient reasons. No permit shall be issued to any person other than the purchaser in whose name the bid was made.

Sec. 9. Minnesota Statutes 1986, section 90.151, subdivision 13, is amended to read:

Subd. 13. [PERMIT EXTENSIONS.] (a) The commissioner may grant extensions of timber permits and contracts for periods as the commissioner deems advisable, provided that:

(1) for permits issued on or after May 15, 1975, *and before the effective date of this act*, the total of the extensions shall not exceed three years from the date of the expiration of the original permit; and

(2) for permits issued ~~prior to May 15, 1975~~ *the total of the extensions and the original permit term shall not exceed ten years from date of issuance of the permit. on or after the effective date of this act, the permit may not be extended more than two one-year periods.*

(b) All extensions granted pursuant to this subdivision shall be subject to all the provisions of this chapter.

Subd. 14. [INTEREST ON EXTENSIONS.] (a) The commissioner shall include in each extension a condition that the purchaser shall pay to the state interest at the rate of:

(1) eight percent of the unpaid purchase price for each year of extension ~~or portion thereof for an extension granted under subdivision 13, paragraph (a), clause (1); and~~

(2) ~~five percent the first year of extension and 15 percent the second year of extension for an extension granted under subdivision 13, paragraph (a), clause (2).~~

(b) ~~The interest shall be calculated from the beginning of the extension period to the date of the seasonal scale report of products cut as and computed on:~~

(1) the sale price of the timber cut; or

(2) if not cut, upon the official estimate ~~thereof; however,~~ of the merchantable timber not utilized under the permit.

(c) A purchaser is not required to pay interest totaling \$1 or less.

Sec. 10. Minnesota Statutes 1986, section 90.161, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided by law the purchaser of any state timber, before any timber permit shall become effective for any purpose, shall within 90 days from the date of purchase give a good and valid bond to the state of Minnesota equal to the value of all timber covered or to be covered by the permit, as shown by the sale price bid therefor and the appraisal report thereof as to quantity, less the amount of any payment pursuant to section 90.14, which bond shall be conditioned upon the faithful performance by the purchaser and successors in interest of all the terms and conditions of the permit and all requirements of law in respect to such sales; and the bond shall be approved in writing by the commissioner and filed for record in the commissioner's office. *In the alternative to cash and bond as provided above, but upon the same conditions, a purchaser may post bond for 100 percent of the purchase price and request refund of the amount of any payment pursuant to section 90.14.*

Sec. 11. Minnesota Statutes 1986, section 90.173, is amended to read:

90.173 [PURCHASER'S OR ASSIGNEE'S CASH DEPOSIT IN LIEU OF BOND.]

In lieu of filing the bond required by section 90.161 or 90.171, as security for the issuance or assignment of a timber permit the person required to file the bond may deposit with the state treasurer cash, a certified check, a cashier's check, a *personal check*, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount as would be required for a bond. If securities listed in this section are deposited, the par value of the securities shall be not less than the amount required for the timber sale bond, and the person required to file the timber sale bond shall submit an agreement authorizing the commissioner to sell or otherwise take possession of the security in the event of default under the timber sale. All of the conditions of the timber sale bond shall equally apply to the deposit with the state treasurer. In the event of a default the state may take from the deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making the deposit and shall bear interest at the rate determined pursuant to section 549.09 if not returned within 30 days from the date of the default. Sums of money as may be required by the state treasurer to carry out the terms and provisions of this section are appropriated from the general fund to the state treasurer for these purposes. When cash is deposited for a bond, it shall be applied to the amount due when a statement is prepared and transmitted to the permit holder pursuant to section 90.181. Any balance due to the state shall be shown on the statement and shall be paid as provided in section 90.181. Any amount of the deposit in excess of the amount determined to be due pursuant to section 90.181 shall be returned to the permit holder when a final statement is transmitted pursuant to that section. All or part of a cash bond may be withheld from application to an amount due on a nonfinal statement if it appears that the total amount due on the permit will exceed the bid price.

Sec. 12. Minnesota Statutes 1986, section 97A.205, is amended to read:

97A.205 [ENFORCEMENT OFFICER POWERS.]

An enforcement officer is authorized to:

(1) execute and serve court issued warrants and processes relating to wild animals, wild rice, public waters, water pollution, conservation, and

use of water, in the same manner as a constable or sheriff;

(2) enter any land to carry out the duties and functions of the division;

(3) make investigations of violations of the game and fish laws;

(4) take an affidavit, if it aids an investigation;

(5) arrest, without a warrant, a person that is detected in the actual violation of the game and fish laws, a provision of chapters 84A, 85, 86A, 88 to 106A, 361, sections 89.51 to 89.61 and ~~18.431 to 18.436~~; or 609.66, subdivision 1, clauses (1), (2), (5), and (7); and 609.68; and

(6) take an arrested person before a court in the county where the offense was committed and make a complaint.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, sections 18.431, 18.432, 18.433, 18.434, 18.435, 18.436, and 88.13 are repealed.

Sec. 14. [EFFECTIVE DATE.]

This act is effective 30 days after final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; changing certain provisions relating to the sale of state timber; eliminating laws relating to white pine blister rust control and cutting notices; amending Minnesota Statutes 1986, sections 88.49, subdivisions 5, 9, and 11; 90.031, subdivision 3; 90.041, subdivision 2; 90.101, subdivision 1; 90.14; 90.151, subdivisions 1 and 13; 90.161, subdivision 1; 90.173; and 97A.205; repealing Minnesota Statutes 1986, sections 18.431 to 18.436 and 88.13."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 909: A bill for an act relating to natural resources; establishing a state flood hazard mitigation grant program; authorizing grants-in-aid to local government units; appropriating money; amending Minnesota Statutes 1986, section 104.02; proposing coding for new law in Minnesota Statutes, chapter 104.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 84.01, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of Laws 1969, chapter 1129, and to other applicable laws the commissioner shall organize the department and employ ~~two~~ *three* assistant commissioners, ~~both~~ *each* of whom shall serve at the pleasure of the commissioner in the unclassified service, one of whom shall have responsibility for coordinating and directing the planning of every division within the agency, and such other officers, employees, and agents as the commissioner may deem necessary to discharge the functions of the department, define the duties of such officers, employees,

and agents and to delegate to them any of the commissioner's powers, duties, and responsibilities subject to the control of, and under the conditions prescribed by, the commissioner. Appointments to exercise delegated power shall be by written order filed with the secretary of state.

Sec. 2. Minnesota Statutes 1986, section 84.081, subdivision 1, is amended to read:

Subdivision 1. [DIRECTORS.] Subject to the commissioner's authority to revise or abolish existing divisions and to establish new divisions, all as prescribed in section 84.083, subdivision 1, the department of natural resources shall be organized with the following divisions: a division of lands and forestry, a division of waters, soils and minerals, a division of game and fish, a division of parks and recreation, and a division of enforcement and field service. Each division shall be under the immediate charge of a director, subject to the supervision and control of the commissioner. The commissioner may place a director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a. They shall be chosen with regard to knowledge, training, experience, and ability in administering the work of their respective divisions, and with consideration given to applicable professional registration.

Sec. 3. Minnesota Statutes 1986, section 104.02, is amended to read:

104.02 [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 104.01 to 104.07 and sections 4 and 5, the terms defined in this section have the meanings given them.

Subd. 2. [REGIONAL FLOOD.] "Regional flood" means a flood which is representative of large floods known to have occurred generally in Minnesota and reasonably characteristic of what can be expected to occur on an average frequency in the magnitude of the 100 year recurrence interval.

Subd. 3. [FLOODPLAIN.] "Floodplain" means the areas adjoining a watercourse or water basin which has been or hereafter may be covered by the regional flood.

Subd. 4. [FLOODWAY.] "Floodway" means the channel of the watercourse, the bed of water basins, and those portions of the adjoining floodplains which are reasonably required to carry and discharge, and provide storage for the regional flood.

Subd. 5. [FLOOD FRINGE.] "Flood fringe" means that portion of the floodplain outside of the floodway.

Subd. 6. [LOCAL GOVERNMENTAL UNIT OR LOCAL GOVERNMENT.] "Local governmental unit" or "local government" means a county or, statutory or home rule charter city, town, watershed district, or lake improvement district.

Subd. 7. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 8. [STRUCTURAL FLOOD MANAGEMENT MEASURES.] "Structural flood management measures" means physical actions taken to modify the behavior and extent of floods and flooding, including the construction of dams, dikes, levees, flood bypass channels, flood storage and retardation structures, and water level control structures, but exclud-

ing deepening or straightening of existing stream channels.

Subd. 9. [NONSTRUCTURAL FLOOD MANAGEMENT MEASURES.] "Nonstructural flood management measures" means actions in floodplains designed to reduce the damaging effects of floods on existing and potential users of floodplains, without physically altering the flood behavior. The measures include:

- (1) public acquisition of floodplain lands;*
- (2) relocation of public and private structures and facilities;*
- (3) floodproofing of public and private facilities;*
- (4) installation and operation of flood warning systems and evacuation procedures;*
- (5) adoption and enforcement of land use control ordinances and building codes;*
- (6) installation of signs and other notifications in regional flood areas; and*
- (7) provision of flood insurance and public education.*

Subd. 10. [MITIGATION.] "Mitigation" means the act of alleviating the effects of floods and flooding by moderating or reducing the severe damages resulting from floods through structural and nonstructural flood management measures.

Subd. 11. [MITIGATION MEASURES.] "Mitigation measures" means structural or nonstructural flood management measures, or both.

Subd. 12. [WATERBASIN.] "Waterbasin" has the meaning given it by section 105.37, subdivision 9.

Sec. 4. [104.10] [STATE INVENTORY AND ASSESSMENT.]

The commissioner shall conduct a statewide inventory and flood damage assessment of flood prone structures and lands.

Sec. 5. [104.11] [FLOOD HAZARD MITIGATION GRANTS.]

Subdivision 1. [GRANTS AUTHORIZED.] The commissioner may make grants to local governments to:

(1) conduct floodplain damage reduction studies to determine the most feasible, practical, and effective methods and programs for mitigating the damages due to flooding within flood prone rural and urban areas and their watersheds; and

(2) plan or implement, or both, flood mitigation measures.

Subd. 2. [ACTION ON GRANT APPLICATIONS.] (a) Upon receipt of a request for a grant for less than \$75,000 on forms provided by the commissioner, the commissioner shall confer with the local government requesting the grant and may make a grant based on the following considerations:

(1) the extent and effectiveness of mitigation measures already implemented by the local government requesting the grant;

(2) the feasibility, practicability, and effectiveness of the proposed mitigation measures and the associated nonflood related benefits and detriments;

(3) *the level of grant assistance that should be provided to the local government, based on available facts regarding the nature, extent, and severity of flood problems;*

(4) *the frequency of occurrence of severe flooding that has resulted in declaration of the area as a flood disaster area by the president of the United State;*

(5) *the economic, social, and environmental benefits and detriments of the proposed mitigation measures;*

(6) *whether the floodplain management ordinance or regulation adopted by the local government meets the minimum standards established by the commissioner, the degree of enforcement of the ordinance or regulation, and whether the local government is complying with the ordinance or regulation;*

(7) *the degree that the grant request is consistent with local water plans developed under chapters 110B and 112 and sections 473.875 to 473.883;*

(8) *the financial capabilities of the local government to solve its flood hazard problems without financial assistance; and*

(9) *the estimated cost and method of financing of the proposed mitigation measures based on local funds and federal and state funding assistance.*

(b) If the amount of the grant requested is \$75,000 or more, the commissioner shall determine, under the considerations in paragraph (a), whether any part of the grant shall be awarded and submit to the governor and the legislature for funding consideration before each odd-numbered year a list of the grant requests or parts of grant requests of \$75,000 or more. The commissioner must prioritize the grant requests, under the considerations in paragraph (a), beginning with the projects the commissioner determines most deserving of financing.

(c) The maximum amount of a grant may not exceed one-half the total cost of the proposed mitigation measures.

(d) After July 1, 1991, grants made under this section may be made to local governments whose grant requests are part of, or responsive to, a comprehensive local water plan prepared under chapter 110B or 112 or sections 473.875 to 473.883.

Sec. 6. Minnesota Statutes 1986, section 105.40, subdivision 1, is amended to read:

Subdivision 1. The director of the division of waters, soils and minerals of the department of natural resources shall be a ~~registered professional engineer, skilled in hydraulics~~ possess the qualifications required of division directors by section 84.081, subdivision 1. Under the direction of the commissioner, the director shall ~~make~~ be responsible for providing the surveys and engineering investigations required by sections 105.37 to 105.55 and shall perform the following duties.

Sec. 7. Minnesota Statutes 1986, section 105.482, subdivision 5, is amended to read:

Subd. 5. [LIMITATIONS.] If the cost of repair or reconstruction of a state owned dam or a grant to a local governmental unit is less than \$75,000 \$250,000, the commissioner may direct that the state owned dam be repaired or reconstructed or that a grant be made to repair or reconstruct a

dam owned by a local governmental unit ~~without the approval of the state executive council. If the cost of repair or reconstruction of a state owned dam, or a grant to a local governmental unit is \$75,000 or more but less than \$150,000, the expenditure shall be made only with the approval of the state executive council.~~ If the cost of repair or reconstruction of a state owned dam or a grant to a local governmental unit is ~~\$150,000~~ \$250,000 or more, the commissioner may recommend the project to the legislature for its consideration and action, except in the following emergency situations. With the approval of the ~~executive council~~ legislative advisory commission on request of the commissioner of finance, the commissioner may direct that a state owned dam be repaired or reconstructed or a grant be made to a local governmental unit where the commissioner determines that an emergency condition exists and that there is danger that life will be lost or that substantial property losses will be suffered if such action is not promptly taken.

Sec. 8. [APPROPRIATION.]

\$1,000,000 is appropriated from the general fund to the commissioner of natural resources for the purposes of sections 4 and 5, to be available until July 1, 1989.

Sec. 9. [COMPLEMENT.]

The approved complement of the department of natural resources is increased by _____ positions.

Sec. 10. [EFFECTIVE DATE.]

Sections 1, 2, and 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; establishing a state flood hazard mitigation grant program; authorizing grants-in-aid to local government units; revising qualifications for the office of director of the division of waters; authorizing an additional assistant commissioner of natural resources; appropriating money; amending Minnesota Statutes 1986, sections 84.01, subdivision 3; 84.081, subdivision 1; 104.02; 105.40, subdivision 1; and 105.482, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 104."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1092: A bill for an act relating to water; prohibiting the commissioner of natural resources from issuing certain permits or approving certain plans for diversion of water from certain water basins before consultation with state and Canadian officials; amending Minnesota Statutes 1986, sections 105.37, by adding subdivisions; 105.405, subdivision 2, and by adding subdivisions; and 105.44, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 105.37, is amended by

adding a subdivision to read:

Subd. 17. "Basin of origin" means waters of the state that originate within the water basins of the Great Lakes, the Red River of the North, the Mississippi River, or the Missouri River.

Sec. 2. Minnesota Statutes 1986, section 105.37, is amended by adding a subdivision to read:

Subd. 18. "Consumptive use" means water that is withdrawn from its source for immediate further use in the area of the source and is not directly returned to the source.

Sec. 3. Minnesota Statutes 1986, section 105.405, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS FOR DIVERSION.] No permit authorized by sections 105.37 to 105.55 nor any plan for which that requires a permit or the commissioner's approval is required or permitted, involving a diversion of any waters of the state, surface or underground, in excess of 2,000,000 gallons per day average in any 30-day period, to a place outside of this state or from the basin of origin within this state shall be granted or approved until after (1) a determination by the commissioner that the water remaining in this state the basin of origin will be adequate to meet the state's basin's water resources needs during the specified life of the diversion project; and after (2) approval by the legislature.

Sec. 4. Minnesota Statutes 1986, section 105.405, is amended by adding a subdivision to read:

Subd. 3. [REQUIREMENTS FOR CONSUMPTIVE USE.] No permit authorized by sections 105.37 to 105.55 nor any plan that requires a permit or the commissioner's approval, involving a consumptive use in excess of 2,000,000 gallons per day average in any 30-day period, shall be granted or approved until after (1) a determination by the commissioner that the water remaining in the basin of origin will be adequate to meet the basin's water resources needs during the specified life of the consumptive use; and (2) approval by the legislature.

Sec. 5. Minnesota Statutes 1986, section 105.405, is amended by adding a subdivision to read:

Subd. 4. [REQUIREMENTS FOR GREAT LAKES.] (a) No permit authorized by sections 105.37 to 105.55 nor any plan that requires a permit or the commissioner's approval, involving a diversion or consumptive use of waters of the state from the Great Lakes water basin within Minnesota where the diversion or consumptive use of waters would be in excess of 5,000,000 gallons per day average in any 30-day period, shall be granted or approved until:

(1) the commissioner has notified and solicited comments on the proposed diversion or consumptive use from the offices of the governors of the Great Lakes states and premiers of the Great Lakes provinces, the appropriate water management agencies of the Great Lakes states and provinces, and the international joint commission;

(2) the commissioner has considered the comments and concerns of the offices, agencies, and commission to which notice was given under clause (1); and

(3) approval by the legislature.

(b) If an objection is made to the proposed diversion or consumptive use by an office, agency, or commission to which notice was given under paragraph (a), clause (1), the commissioner will convene a meeting with the affected office, agency or commission to investigate and consider the issues involved, and to seek a mutually agreeable solution to be recommended to the commissioner. In making a final decision on the approval of any permit or plan subject to review under this subdivision, the commissioner shall consider the record of the meeting and the recommendation. The commissioner shall send notification of the final decision to each office, agency, or commission to which notice was given under paragraph (a), clause (1).

Sec. 6. Minnesota Statutes 1986, section 105.44, subdivision 4, is amended to read:

Subd. 4. [TIME.] *(a) Except as provided in paragraph (b), the commissioner shall act upon all applications, ~~except for appropriations for irrigation, pursuant to subdivision 8,~~ for appropriation permits within 30 days after the application and all required data is filed in the commissioner's office; either waiving hearing and making an order thereon or directing hearing thereon.*

(b) The requirements of paragraph (a) do not apply to applications for:

(1) appropriations for irrigation, under subdivision 8;

(2) appropriations for diversion from the basin of origin in excess of 2,000,000 gallons per day average in any 30-day period; or

(3) appropriations with a consumptive use in excess of 2,000,000 gallons per day average for any 30-day period."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 760: A bill for an act relating to taxation; providing for conveyance of certain tax-forfeited land to its previous owner.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 7 to 15 and insert:

"Notwithstanding Minnesota Statutes, section 92.45, or any other law, the commissioner of revenue shall convey to Duane and Gloria Fuchs, Glyndon, Minnesota, the state's interest in the land in Becker county described as Lot 2, Township 138n, 43 West Dahlgren Beach, which became forfeited for unpaid property taxes in 1984. The attorney general shall prepare appropriate instruments of conveyance with a precise description of all land subject to this section. The price for the land shall be the same as that provided for a redemption under Minnesota Statutes, section 281.02."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 423: A bill for an act relating to finance; allowing remaining funds in Red River of the North dike appropriation to be used for planning and engineering.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [EXPANDING USE OF RED RIVER DIKE FUNDS.]

The unobligated balance of the appropriations made in Laws 1981, chapter 361, section 3, subdivision 3, and Laws 1985, First Special Session chapter 15, section 4, subdivision 5, does not cancel pursuant to Minnesota Statutes, section 16A.28 or other law, but is available for grants to evaluate the practicality and feasibility of establishing a coordinated diking system along both sides of the Red River of the North beginning at East Grand Forks and Grand Forks and extending north for the Minnesota counties of Polk, Marshall, and Kittson, and North Dakota counties of Grand Forks, Walsh, and Pembina. The commissioner of natural resources shall make the grants available to the Lower Red River watershed management board to cooperate and work with the Minnesota counties and the North Dakota counties and local water management organizations."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 650: A bill for an act relating to game and fish; providing for cooperative management of wildlife resources; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, delete "*at least ten*"

Page 2, line 1, delete "*, and interested individuals,*"

Page 2, line 3, delete "*In soliciting*"

Page 2, line 4, delete "*projects,*"

Page 2, line 10, after "*must*" insert "*use the following criteria to*" and delete "*based on*"

Page 2, line 15, delete "*local sportsmen*" and insert "*volunteer*"

Page 2, line 29, after "*projects*" delete the comma and insert "*and*" and delete "*, and*" and insert "*of*" and delete "*relative*" and insert "*effectiveness*"

Page 2, line 30, delete "*success*"

Page 2, line 32, delete everything before "*environment*"

Page 2, line 33, before the period, insert "*of the house of representatives and senate*"

Page 3, line 7, after "projects" insert "in which"

Page 3, line 8, delete "in and request further information from" and insert a period

Page 3, delete lines 9 and 10

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 635: A bill for an act relating to taxation; income; requiring that the nongame wildlife checkoff appear on the short income tax return; amending Minnesota Statutes 1986, section 290.39, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 464: A bill for an act relating to natural resources; authorizing counties to retain certain fees for the issuance of cross country ski licenses; amending Minnesota Statutes 1986, section 85.41, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 85.41, subdivision 2, is amended to read:

Subd. 2. [LICENSE AGENTS.] County auditors are appointed agents of the commissioner for the sale of annual cross country ski licenses and daily permits. A county auditor may appoint subagents within the county or within adjacent counties to sell licenses and *daily* permits. Upon appointment the auditor shall notify the commissioner of the name and address of the subagent. The auditor may revoke the appointment of a subagent at any time. Upon demand of the commissioner, the auditor shall revoke a subagent's appointment. The auditor shall furnish license and *daily* permit blanks on consignment to any subagent who furnishes a surety bond in favor of the county in an amount at least equal to the value of the blanks to be consigned to that subagent. The county auditor shall be responsible for all blanks issued to, and user fees received by agents, except in St. Louis county or in a county where the county auditor does not retain fees paid for license purposes. In these counties, the responsibilities imposed upon the county auditor are imposed upon the county. The commissioner may promulgate additional rules pursuant to under section 98.50 97A.485, subdivision 2 11.

Any resident desiring to sell annual cross country ski licenses and daily permits may either purchase for cash or obtain on consignment license and *daily* permit blanks from a county auditor in groups of not less than ten individual blanks. In selling licenses, the resident shall be deemed a subagent of the county auditor and the commissioner, and shall observe all rules promulgated by the commissioner for the accounting and handling of licenses pursuant to under section 98.50 97A.485, subdivision 40 11.

The county auditor shall promptly deposit all monies received from the sale of licenses and *daily permits* with the county treasurer, and shall promptly transmit any reports required by the commissioner, plus 96 percent of the price to each annual licensee *and daily permittee*, exclusive of the issuing fee, for each annual license *and daily permit* sold or consigned by the auditor and subsequently sold to a licensee *or daily permittee* during the accounting period.

The county auditor shall retain as a commission:

(1) four percent of all annual license *and daily permit* fees, excluding the issuing fee for licenses *and daily permits* consigned to subagents; and

(2) *the issuing fees on licenses and on daily permits sold by the auditor to licensees or daily permittees.*

Unsold blanks in the hands of any subagent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner. Any blanks not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the subagent possessing the same or to whom they are charged shall be accountable."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 867: A bill for an act relating to environment; creating the clean water partnership program for the control of nonpoint source water pollution and providing for administration by the pollution control agency; requiring a state water quality assessment; authorizing technical and financial assistance to local governments; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [115.091] [CITATION.]

Sections 1 to 11 may be cited as the "Minnesota clean water partnership act."

Sec. 2. [115.092] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 11.

Subd. 2. [BEST MANAGEMENT PRACTICES.] "Best management practices" means practices, techniques, and measures that prevent or reduce water pollution from nonpoint sources by using the most effective and practicable means of achieving water quality goals. Best management practices include, but are not limited to, official controls, structural and nonstructural controls, and operation and maintenance procedures.

Subd. 3. [DIRECTOR.] "Director" means the director of the pollution control agency.

Subd. 4. [LOCAL UNIT OF GOVERNMENT.] "Local unit of govern-

ment" means a statutory or home rule charter city, town, county, soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, and any other special purpose district or authority exercising authority in water and related land resources management at the local level.

Subd. 5. [NONPOINT SOURCE.] "Nonpoint source" is a land management activity or land use activity that contributes or may contribute to ground and surface water pollution as a result of runoff, seepage, or percolation that is not a point source. Nonpoint sources include rural and urban land management activities and land use activities and specialty land use activities such as transportation.

Subd. 6. [OFFICIAL CONTROLS.] "Official controls" means ordinances and regulations that control the physical development of the whole or part of a local government unit or that implement the general objectives of the local government unit.

Subd. 7. [PROJECT.] "Project" means the diagnostic study of water pollution caused by nonpoint sources of water pollution, a plan to implement best management practices, and the physical features constructed or actions taken by a local unit of government to implement best management practices.

Sec. 3. [115.093] [CLEAN WATER PARTNERSHIP PROGRAM.]

A clean water partnership program is established as provided in sections 3 to 11. The agency shall administer the clean water partnership program. As a basis for the program, the agency and the metropolitan council shall conduct an assessment of waters under section 4. After the assessment is completed the agency shall provide financial and technical assistance under section 5 to local units of government for projects in geographical areas that contribute to surface or ground water flows. The projects shall provide for protection and improvement of surface and ground water from nonpoint sources of water pollution.

Sec. 4. [115.094] [STATEWIDE RESOURCE ASSESSMENT.]

The agency shall conduct an assessment of waters of the state that have been polluted by nonpoint sources and of geographical areas with waters of the state that have a high potential for water pollution caused by nonpoint sources as provided in the federal Clean Water Act, Public Law Number 100-4, section 319, 101 United States Statutes 52 to 61. The metropolitan council shall conduct the assessment in the metropolitan area, as defined in section 473.121, subdivision 2, in cooperation with the agency. The assessment shall be completed by July 1, 1988.

Sec. 5. [115.095] [FINANCIAL AND TECHNICAL ASSISTANCE; ELIGIBILITY.]

Subdivision 1. [FINANCIAL ASSISTANCE.] (a) The agency may award grants for up to 50 percent of the eligible cost for:

- (1) the development of a diagnostic study and implementation plan; and
- (2) the implementation of that plan.

(b) The agency shall determine which costs are eligible costs and grants shall be made and used only for eligible costs.

Subd. 2. [TECHNICAL ASSISTANCE.] The agency may provide tech-

nical assistance to local units of government to ensure efficient and effective development and implementation of projects and coordination of projects with other water management activities.

Sec. 6. [115.096] [ELIGIBILITY FOR ASSISTANCE.]

Subdivision 1. [GENERALLY.] (a) To be eligible for the financial or technical assistance or both as provided in section 5, a local unit of government applying for assistance must:

(1) have authority to coordinate and enter into contracts with local, state, and federal agencies and private organizations, raise funds, and adopt and enforce official controls; and

(2) provide the agency with the documents required in subdivision 2.

(b) After July 1, 1991, only projects that are a part of, or are responsive to, a local water plan under chapter 110B, section 112.46, or sections 473.875 to 473.883 will be eligible under this subdivision.

Subd. 2. [DOCUMENTS REQUIRED.] (a) An applicant for assistance shall submit the following to the agency:

(1) an application form as prescribed by the agency;

(2) evidence that the applicant has consulted with the local soil and water conservation districts and watershed districts, where they exist, in the preparation of the application; and

(3) one of the following documents:

(i) the comprehensive water plan authorized under chapter 110B;

(ii) a surface water management plan required under section 473.878;

(iii) an overall plan required under section 112.46; or

(iv) any other local plan that provides an inventory of existing physical and hydrologic information on the area, a general identification of water quality problems and goals, and that demonstrates a local commitment to water quality protection or improvement.

(b) The document submitted in compliance with paragraph (a), clause (3), must identify existing and potential nonpoint source water pollution problems and must recognize the need and demonstrate the applicant's commitment to abate or prevent water pollution from nonpoint sources in the geographic areas for which the application is submitted.

Sec. 7. [115.097] [AGENCY REVIEW OF APPLICATIONS; RANKING OF PROJECTS.]

Subdivision 1. [RANKING OF APPLICATIONS.] The agency shall rank applications for technical and financial assistance in order of priority and shall, within the limits of available appropriations, grant those applications having the highest priority.

Subd. 2. [RANKING CRITERIA.] The agency shall by rule adopt appropriate criteria to determine the priority of projects. The criteria shall give the highest priority to projects that best demonstrate compliance with the following objectives:

(1) demonstration of participation, coordination, and cooperation between local units of government and other public agencies, including soil and water conservation districts or watershed districts, or both those

districts;

(2) maximization of the degree of water quality improvement or protection relative to the cost of implementing the best management practices;

(3) utilization of best management practices to provide a feasible means of abating or preventing nonpoint source water pollution; and

(4) consistency of the project goals and objectives with the state water quality management plans, the statewide resource assessment conducted under section 4, and other applicable state and local resource management programs.

Sec. 8. [115.098] [PLAN IMPLEMENTATION.]

Subdivision 1. [IMPLEMENTATION ACCORDING TO LAW AND CONTRACT.] A local unit of government receiving technical or financial assistance or both from the agency shall carry out the implementation plan approved by the agency according to the terms of the plan, any contract or grant agreement made with the agency and according to sections 3 to 11, the rules of the agency, and applicable federal requirements.

Subd. 2. [REVIEW BY AGENCY.] The director or the director's designee may, at any reasonable time, inspect any project and conduct an audit of the expenditure of financial assistance funds granted by the agency in order to determine whether the local unit of government has complied with subdivision 1.

Subd. 3. [ENFORCEMENT OF AGREEMENTS.] The agency may bring a civil action in district court to recover from a local governmental unit any financial assistance funds used in violation of subdivision 1.

Sec. 9. [115.099] [RULES.]

The agency shall adopt permanent rules and may adopt emergency rules necessary to implement sections 3 to 11. The rules must at least contain:

(1) procedures to be followed by local units of government in applying for technical or financial assistance or both;

(2) conditions for the administration of assistance;

(3) procedures for the development, evaluation, and implementation of best management practices;

(4) requirements for a diagnostic study and implementation plan;

(5) criteria for the evaluation and approval of a diagnostic study and implementation plan;

(6) criteria for the evaluation of best management practices;

(7) criteria for the ranking of projects in order of priority for assistance;

(8) criteria for defining and evaluating eligible costs and cost-sharing by local units of government applying for assistance; and

(9) other matters as the agency and the director find necessary for the proper administration of sections 3 to 11, including rules determined by the director to be necessary for the implementation of federal programs to control nonpoint source water pollution.

Sec. 10. [115.10] [NONPOINT SOURCE POLLUTION CONTROL PLAN AND PROGRAM EVALUATION.]

For the purpose of coordinating the programs and activities used to control nonpoint sources of pollution to achieve the state's water quality goals, the agency shall:

(1) develop a state plan for the control of nonpoint source water pollution to meet the requirements of the federal Clean Water Act, Public Law Number 100-4, section 319, 101 United States Statutes 52 to 61;

(2) work through the environmental quality board to coordinate the activities and programs of federal, state, and local agencies involved in nonpoint source pollution control and, where appropriate, develop agreements with federal and state agencies to accomplish the purposes and objectives of the state nonpoint source pollution control plan; and

(3) evaluate the effectiveness of programs in achieving water quality goals and recommend to the legislature, under section 3.195, subdivision 1, any necessary amendments to the Minnesota clean water partnership act.

Sec. 11. [115.101] [PUBLIC AGENCY COORDINATION.]

Subdivision 1. [PROJECT COORDINATION TEAM.] The director shall establish and chair a project coordination team made up of representatives of the pollution control agency, department of natural resources, soil and water conservation board, department of agriculture, department of health, state planning agency, Minnesota extension service, United States Environmental Protection Agency, United States Department of Agriculture Agricultural Stabilization and Conservation Service, United States Department of Agriculture Soil Conservation Service, water resources board, metropolitan council, association of Minnesota counties, league of Minnesota cities, and other agencies as the director may determine.

Subd. 2. [DUTIES.] The project coordination team shall evaluate projects and recommend to the director those projects that the team believes should receive financial or technical assistance or both from the agency. After approval of assistance for a project by the agency, the team shall review project activities and assist in the coordination of the state program with other state and federal resource management programs.

Sec. 12. [APPROPRIATION.]

§ _____ is appropriated from the _____ fund to the pollution control agency for the purpose of the Minnesota clean water partnership act, to be available until expended."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 385: A bill for an act relating to game and fish; clarifying and making technical changes in the game and fish laws; recodifying establishment of the wild rice management account; defining enforcement officer; defining brown trout as a game fish; defining an unloaded firearm; allowing the commissioner to use the game and fish fund for activities of the enforcement division; designating notices to be placed on state park and wildlife management area boundaries; changing the expiration date for muskrat farm licenses; removing certain restrictions on the size of shooting

preserves; prescribing violations of hunting while under the influence of alcohol or a controlled substance; providing when license must be in personal possession; allowing more than one license, except a big game license, to be issued in a license year; exempting big game licenses from certain types of license revocations; prescribing submission of annual reports for tanners, fur dealers, and taxidermists; providing a nonresident under age 16 may purchase a nonresident fishing license and take and possess fish; prescribing conditions for oath administration; eliminating certain requirements for wild animals that are gifts; allowing a person to transport more than one big game animal; eliminating certain restrictions on transporting big game animals; prohibiting a person from trespassing to retrieve wounded game after being notified; allowing a person to ship more than one fish with a permit; prescribing permission needed to take wild animals in certain areas; allowing possession of shotgun and certain shells in areas where deer may be taken; allowing persons to take raccoons with lights and firearms at night; clarifying that a small game license is not required to pursue and tree raccoons during the closed season; authorizing the commissioner to restrict the taking of pine marten and opossum; eliminating requirement for a license and seals to take beaver damaging property; prescribing when certain devices to take fish may be possessed; amending Minnesota Statutes 1986, sections 97A.015, subdivisions 18, 25, 43, 45, and 51; 97A.055, subdivision 1; 97A.065, subdivision 2; 97A.075, subdivision 1; 97A.085, subdivisions 5 and 7; 97A.111, subdivisions 2 and 7; 97A.115, subdivision 3; 97A.135, subdivision 1; 97A.201, subdivision 1; 97A.211, subdivisions 1 and 2; 97A.221, subdivision 1; 97A.311, subdivision 4; 97A.315, subdivision 2; 97A.325, subdivision 1; 97A.331, subdivision 1; 97A.405, subdivision 2; 97A.415, subdivision 1; 97A.421, subdivision 1; 97A.425, subdivision 3; 97A.445, subdivision 3; 97A.451, subdivisions 1 and 5; 97A.475, subdivision 7; 97A.481; 97A.505, subdivisions 4 and 5; 97A.535, subdivisions 3 and 4; 97A.545, subdivision 4; 97A.551, subdivision 3; 97B.001, subdivisions 3, 5, and 7; 97B.041; 97B.061; 97B.065; 97B.081, subdivision 1; 97B.601, subdivision 4; 97B.605; 97B.635; 97B.655, subdivision 2; 97C.345, subdivisions 2 and 3; repealing Minnesota Statutes 1986, sections 97A.065, subdivision 4; 97A.121, subdivision 5; 97A.255, subdivision 3; 97A.461; 97A.505, subdivisions 1, 3, and 6; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [84.0911] [WILD RICE MANAGEMENT ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The wild rice management account is established as an account in the state treasury.

Subd. 2. [RECEIPTS.] Money received from the sale of wild rice licenses issued by the commissioner under section 84.091, subdivision 3, clauses (1) and (3), shall be credited to the wild rice management account.

Subd. 3. [USE OF MONEY IN ACCOUNT.] (a) Money in the wild rice management account shall be used by the commissioner for management of designated public waters to improve natural wild rice production.

(b) Money that is not appropriated from the wild rice management account does not cancel but shall remain in the wild rice management account

until appropriated.

Sec. 2. Minnesota Statutes 1986, section 97A.015, subdivision 3, is amended to read:

Subd. 3. [BIG GAME.] "Big game" means deer, moose, elk, bear, ~~an-~~telope, and ~~caribou~~ cougar.

Sec. 3. Minnesota Statutes 1986, section 97A.015, subdivision 18, is amended to read:

Subd. 18. [ENFORCEMENT OFFICER.] "Enforcement officer" means the commissioner, the director of the *enforcement division*, a conservation officer, or a game refuge manager.

Sec. 4. Minnesota Statutes 1986, section 97A.015, subdivision 25, is amended to read:

Subd. 25. [GAME FISH.] "Game fish" means walleye, sauger, yellow perch, channel catfish, flathead catfish; members of the pike family, Esocidae, including muskellunge and northern pike; members of the sunfish family, Centrarchidae, including largemouth bass, smallmouth bass, sunfish, rock bass, white crappie, black crappie, members of the temperate bass family, Percichthyidae, including white bass and yellow bass; members of the salmon and trout subfamily, Salmoninae, including Atlantic salmon, chinook salmon, coho salmon, pink salmon, kokanee salmon, lake trout, brook trout, *brown trout*, rainbow (steelhead) trout, and splake; members of the paddlefish family, Polyodontidae; members of the sturgeon family, Acipenseridae, including lake sturgeon, and shovelnose sturgeon. "Game fish" includes hybrids of game fish.

Sec. 5. Minnesota Statutes 1986, section 97A.015, subdivision 43, is amended to read:

Subd. 43. [ROUGH FISH.] "Rough fish" means carp, buffalo, sucker, sheepshead, bowfin, burbot, ~~eisee~~ cisco, gar, goldeye, and bullhead.

Sec. 6. Minnesota Statutes 1986, section 97A.015, subdivision 45, is amended to read:

Subd. 45. [SMALL GAME.] "Small game" means game birds, gray squirrel, fox squirrel, cottontail rabbit, snowshoe hare, jack rabbit, raccoon, lynx, bobcat, *red fox and gray fox*, fisher, pine marten, ~~opossum~~ opossum, badger, ~~cougar~~, wolverine, muskrat, mink, otter, and beaver.

Sec. 7. Minnesota Statutes 1986, section 97A.015, subdivision 51, is amended to read:

Subd. 51. [UNLOADED.] "Unloaded" means, with reference to a firearm, without ammunition in the barrels and magazine, *if the magazine is in the firearm*. A muzzle loading firearm with a flintlock ignition is unloaded if it does not have priming powder in a pan. A muzzle loading firearm with percussion ignition is unloaded if it does not have a percussion cap on a nipple.

Sec. 8. Minnesota Statutes 1986, section 97A.055, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSES.] The game and fish fund is established as a fund in the state treasury. The money in the fund is annually appropriated to the commissioner for the activities of the *division of fish and wildlife and the division of enforcement*.

Sec. 9. Minnesota Statutes 1986, section 97A.065, subdivision 2, is amended to read:

Subd. 2. [FINES AND FORFEITED BAIL.] (a) Fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter ~~34B~~ 348, and any other law relating to wild animals, and aquatic vegetation must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one-half of the receipts to the commissioner and credit the balance to the county general revenue fund except as provided in paragraph (b).

(b) The commissioner must reimburse a county, from the game and fish fund, for the cost of keeping prisoners prosecuted for violations under this section if the county board, by resolution, directs: (1) the county treasurer to submit all fines and forfeited bail to the commissioner; and (2) the county auditor to certify and submit monthly itemized statements to the commissioner.

Sec. 10. Minnesota Statutes 1986, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. [DEER AND BEAR LICENSES.] (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivision 2, clauses (4) and (5) and subdivision 3, clauses (2) and (3).

(b) At least \$2 from each deer license shall be used for deer habitat improvement.

(c) At least \$1 from each resident deer license and each resident bear license shall be used for deer and bear management programs, including a computerized licensing system.

Sec. 11. Minnesota Statutes 1986, section 97A.085, subdivision 5, is amended to read:

Subd. 5. [SPECIES GAME REFUGE FOR SPECIFIED GAME.] The commissioner may, by order, designate a ~~species~~ game refuge for only specified species. The game refuge must be posted accordingly.

Sec. 12. Minnesota Statutes 1986, section 97A.085, subdivision 7, is amended to read:

Subd. 7. [GAME REFUGE BOUNDARY POSTING.] (a) The designation of a state game refuge is not effective until the boundary has been posted with notices that measure at least 12 inches. ~~The notices posted on state park boundaries must have black letters on a yellow background stating that the area is a state park. The notices on other game refuges must have black letters on a white background stating that the area is a state game refuge.~~

(b) The notices must be posted at intervals of not more than 500 feet or less along the boundary. The notices must also be posted at all public road entrances to the refuges, except where the boundary is also an international or state boundary in public waters. Where the boundary of a refuge extends more than 500 feet continuously through a body of water, instead of placing notices in the water, notices with the words, "Adjacent Waters Included," may be placed on the shoreline at the intersection of the boundary and the water 20 feet or less above the high water mark and at intervals of 500 feet or less along the shoreline.

(c) A certification by the commissioner or the director, or a certification filed with the commissioner or director by a conservation officer, refuge

supervisor, or other authorized officer or employee, stating that the required notices have been posted is prima facie evidence of the posting.

Sec. 13. Minnesota Statutes 1986, section 97A.111, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF LICENSE.] (a) The commissioner shall investigate the application filed and may require the applicant to produce evidence of the facts stated. The commissioner shall issue a muskrat farm license to an applicant if the commissioner determines that:

- (1) the applicant is the owner of the land;
- (2) the applicant intends to establish and operate a muskrat farm; and
- (3) the establishment of a muskrat farm in the proposed area will conserve the natural resources.

(b) The license must describe the land and certify that the licensee is entitled to use the land to breed, raise, trap, and trade muskrats. ~~The license expires on December 31 each year but may be renewed annually at the discretion of the commissioner upon payment of the license fee.~~

Sec. 14. Minnesota Statutes 1986, section 97A.111, subdivision 7, is amended to read:

Subd. 7. [ANNUAL REPORT.] By March 4 31 of each year, the licensee must submit a signed report to the commissioner covering the preceding ~~calendar~~ license year. The report must be completed on a form furnished by the commissioner stating the license number, the number and value of muskrats killed, transported, and sold from the muskrat farm, and other information required by the commissioner.

Sec. 15. Minnesota Statutes 1986, section 97A.115, subdivision 3, is amended to read:

Subd. 3. [SIZE OF PRESERVE.] A private shooting preserve must be at least 100 ~~but not more than 1,000~~ contiguous acres, including any water area. A preserve limited to duck hunting may be a minimum of 50 contiguous acres including water area.

Sec. 16. Minnesota Statutes 1986, section 97A.121, subdivision 5, is amended to read:

Subd. 5. [MARKING HARVESTED GAME.] Harvested game, except ducks that are marked in accordance with regulations of the United States Fish and Wildlife Service, must be tagged with a self-sealing tag, identifying the private shooting preserve. The commissioner shall issue the tags at a cost of 15 cents each. The tag must remain attached on the bird ~~until~~ while the bird is actually prepared for consumption transported.

Sec. 17. Minnesota Statutes 1986, section 97A.135, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC HUNTING AND WILDLIFE AREAS.] (a) The commissioner or the commissioner of administration shall acquire and improve land for public hunting, game refuges, and food and cover planting. The land may be acquired by a gift, lease, easement, purchase, or condemnation. At least two-thirds of the total area acquired in a county must be open to public hunting. The commissioner may designate land acquired under this subdivision as a wildlife management area for the purposes of the outdoor recreation system.

(b) The commissioner of administration may transfer money to the commissioner for acquiring ~~wetlands~~ *wildlife lands* to qualify for Pittman-Robertson funds. The transferred money is reappropriated to the commissioner for the ~~wetland~~ *wildlife land* acquisition.

Sec. 18. Minnesota Statutes 1986, section 97A.201, subdivision 1, is amended to read:

Subdivision 1. [ENFORCEMENT BY THE COMMISSIONER.] The commissioner shall execute and enforce the laws relating to wild animals. The commissioner may delegate execution and enforcement of the wild animal laws to the director, ~~game refuge managers,~~ and ~~conservation enforcement officers.~~

Sec. 19. Minnesota Statutes 1986, section 97A.211, subdivision 1, is amended to read:

Subdivision 1. [NOTICE TO APPEAR IN COURT.] (a) A person must be given notice to appear in court for a misdemeanor violation of the game and fish laws, chapter 84, 105, or ~~106~~ *106A*, or section 609.68 if:

(1) the person is arrested and is released from custody prior to appearing before a court; or

(2) the person is subject to a lawful arrest and is not arrested because it reasonably appears to the enforcement officer that arrest is unnecessary to prevent further criminal conduct and that there is a substantial likelihood that the person will respond to a notice.

(b) The enforcement officer shall prepare, in quadruplicate, a written notice to appear in court. The notice must be in the form and has the effect of a summons and complaint. The notice must contain the name and address of the person charged, the offense, and the time and the place to appear in court. The court must have jurisdiction within the county where the offense is alleged to have been committed.

Sec. 20. Minnesota Statutes 1986, section 97A.211, subdivision 2, is amended to read:

Subd. 2. [RELEASE AFTER ARREST.] A person arrested for a misdemeanor violation of the game and fish laws, chapter 84, 105, or ~~106~~ *106A* or section 609.68 may obtain release by signing the written notice prepared by the arresting officer promising to appear in court. The officer shall deliver a copy marked "SUMMONS" to the person arrested. The officer must then release the person from custody.

Sec. 21. Minnesota Statutes 1986, section 97A.221, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO CONFISCATION.] (a) An enforcement officer may confiscate:

(1) wild animals, wild rice, and other aquatic vegetation taken, bought, sold, transported, or possessed in violation of the game and fish laws or chapter 84; and

(2) firearms, bows and arrows, nets, boats, lines, poles, fishing rods and tackle, lights, lanterns, snares, traps, spears, dark houses, fish houses, and wild rice harvesting equipment *that are used,* with the owner's knowledge to unlawfully take or transport wild animals, wild rice, or other aquatic vegetation.

(b) An enforcement officer must confiscate nets and equipment unlawfully possessed within ten miles of Lake of the Woods or Rainy Lake.

(c) Confiscated property may be disposed of, retained for use by the division, or sold at the highest price obtainable as prescribed by the commissioner.

Sec. 22. Minnesota Statutes 1986, section 97A.255, subdivision 2, is amended to read:

Subd. 2. [BURDEN OF PROOF] In a prosecution that alleges animals have been taken, bought, sold, transported, or possessed in violation of the game and fish laws, the burden of establishing that the animals were domesticated, reared in a private preserve, raised in a private fish hatchery, taken for scientific purposes, or lawfully taken outside of this state, or received as a gift, is on the defendant.

Sec. 23. Minnesota Statutes 1986, section 97A.311, subdivision 4, is amended to read:

Subd. 4. [SUSPENSION OF LICENSE AGENT SUSPENSION.] In addition to other penalties, a license agent that violates a law, rule, or order of the commissioner relating to license sales, handling, or accounting forfeits the right to sell and handle licenses for a period of one year.

Sec. 24. Minnesota Statutes 1986, section 97A.315, subdivision 2, is amended to read:

Subd. 2. [LICENSE REVOCATIONS.] (a) If a person is convicted under subdivision 4 of trespassing under subdivision 1 while exercising or attempting to exercise an activity licensed under the game and fish laws or requiring snowmobile registration under section 84.82, the applicable license and registration are null and void.

(b) A person convicted of a gross misdemeanor under subdivision 1, paragraph (b), may not be issued a license to take game for two years after the conviction.

Sec. 25. Minnesota Statutes 1986, section 97A.325, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR FOR SALES OF \$300 OR MORE.] (a) A person that buys or sells protected wild animals in violation of the game and fish laws where the sales total \$300 or more is guilty of a gross misdemeanor. The person is subject to the penalty in section 97A.301-97A.301, subdivision 2, except that the fine is may not be less than \$3,000 or more than \$10,000.

(b) Licenses possessed by a person convicted under this subdivision are null and void and the person may not take wild animals for three years after the conviction.

Sec. 26. Minnesota Statutes 1986, section 97A.331, subdivision 1, is amended to read:

Subdivision 1. [HUNTING WHILE INTOXICATED OR USING NARCOTIC DRUGS UNDER THE INFLUENCE OF ALCOHOL OR A CONTROLLED SUBSTANCE.] A person that violates a the provision of section 97B.065 relating to hunting while visibly intoxicated or under the influence of alcohol or a narcotic drug under section 97B.065, controlled substance is guilty of a gross misdemeanor.

Sec. 27. Minnesota Statutes 1986, section 97A.405, subdivision 2, is amended to read:

Subd. 2. [PERSONAL POSSESSION.] A person to whom a license is issued must have the license in personal possession while acting under the license and while traveling ~~to and~~ from the area where the licensed activity is performed. If possession of a license is required, a person must exhibit the proper license when requested by a conservation officer or peace officer. A receipt for license fees, a copy of a license, or evidence showing the issuance of a license does not entitle a licensee to exercise the rights or privileges conferred by a license.

Sec. 28. Minnesota Statutes 1986, section 97A.415, subdivision 1, is amended to read:

Subdivision 1. [ONE LICENSE PER PERSON.] Only one *trapping and big game* license of each kind may be issued to a person in a license year, ~~except the nonresident short-term angling license~~, unless authorized by commissioner's order.

Sec. 29. Minnesota Statutes 1986, section 97A.421, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The license of a person convicted of a violation of the game and fish laws relating to the license or wild animals covered by the license is void when:

(1) a second conviction occurs within three years under a license to take small game or to take fish by angling or spearing;

(2) a third conviction occurs within one year under a minnow dealer's license; or

(3) the conviction occurs under a license not described in clause (1) or (2).

(b) ~~Except for big game licenses and as otherwise provided in this section, and for one year after the conviction,~~ the person may not obtain ~~that the~~ kind of license *relating to the game and fish law violation*.

Sec. 30. Minnesota Statutes 1986, section 97A.425, subdivision 3, is amended to read:

Subd. 3. [REPORTS.] An annual ~~notarized~~ report covering the preceding ~~calendar~~ license year must be submitted to the commissioner by ~~January~~ *March* 15. The commissioner may require other reports for statistical purposes. The reports must be on forms supplied by the commissioner.

Sec. 31. Minnesota Statutes 1986, section 97A.445, subdivision 3, is amended to read:

Subd. 3. [ANGLING AND SPEARING; DISABLED RAILROAD AND POSTAL RETIREES.] A license is not required to take fish by angling or spearing for a resident that is:

(1) receiving aid under the federal Railroad Retirement Act of 1937, United States Code ~~Annotated~~, title 45, section 228b(a)5; or

(2) a former employee of the United States Postal Service receiving disability pay under United States Code ~~Annotated~~, title 4, section 8337.

Sec. 32. Minnesota Statutes 1986, section 97A.451, subdivision 1, is amended to read:

Subdivision 1. [RESIDENTS OVER AGE 65; FISHING.] A resident age 65 or over may take fish by angling or spearing without a license if the resident has a valid driver's license, Minnesota identification card, or other document showing age and residency in possession while taking fish and while traveling to and from the location where fish are taken. The person must exhibit the proof of age at the request of a conservation officer or peace officer.

Sec. 33. Minnesota Statutes 1986, section 97A.451, subdivision 5, is amended to read:

Subd. 5. [NONRESIDENTS UNDER AGE 16; FISHING WITH PARENTS.] A nonresident under the age of 16 may take fish by angling without a license if a parent or guardian has a ~~nonresident~~ fishing license. Fish taken by a nonresident under the age of 16 without a license must be included in the limit of the parent or guardian. *A nonresident under age 16 may purchase a nonresident fishing license, take fish by angling, and possess a limit of fish.*

Sec. 34. Minnesota Statutes 1986, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, shall be

- (1) to take fish by angling, \$16;
- (2) to take fish by angling limited to seven consecutive days, \$13;
- (3) to take fish by angling for three *consecutive* days, \$10; and
- (4) to take fish by angling for a combined license for a family, \$27.50.

Sec. 35. Minnesota Statutes 1986, section 97A.481, is amended to read: 97A.481 [LICENSE APPLICATIONS UNDER OATH.]

All information required on a license application form must be furnished. The application must be made in writing and under oath. ~~A person authorized to issue licenses has the authority to administer oaths to applicants, and a license may not be issued without actually administering the oath.~~

Sec. 36. Minnesota Statutes 1986, section 97A.505, subdivision 4, is amended to read:

Subd. 4. [STORAGE OF PROTECTED WILD ANIMALS.] A person that stores protected wild animals *for others* must plainly mark the package, in ink, with the name and address of the owner, the license number of the person taking the animal, and the number and species in the package. A person may not use a commercial cold storage warehouse for protected wild animals, except lawfully taken fish and furs.

Sec. 37. Minnesota Statutes 1986, section 97A.505, subdivision 5, is amended to read:

Subd. 5. [LICENSE NOT REQUIRED FOR ANIMALS ACQUIRED BY GIFT.] *Lawfully taken* protected wild animals may be transferred by gift. A person is not required to have a license to possess and transport protected wild animals acquired by gift. ~~If wild animals are transported out of the county where the recipient resides, the recipient must:~~

(1) attach a tag marked in ink, with the name and address of the owner and the license number of the person taking the animals; or

(2) furnish an affidavit showing the name and address of the donor.

Sec. 38. Minnesota Statutes 1986, section 97A.535, subdivision 3, is amended to read:

Subd. 3. [TRANSPORTATION PERIOD RESTRICTED.] A person may transport ~~one~~ deer, ~~one~~ bear, or ~~one~~ moose during the open season and the two days following the season, and afterwards as prescribed by the commissioner.

Sec. 39. Minnesota Statutes 1986, section 97A.535, subdivision 4, is amended to read:

Subd. 4. [TRANSPORTATION BY PERSON OTHER THAN LICENSEE.] A person other than the licensee may transport deer, bear, or moose that the licensee has registered as prescribed by the commissioner. ~~The person must transport the animal by the most direct route.~~ A tag must be attached to the animal and marked in ink with the address, license number, signature of the licensee, and the locations from which and to which the animal is being transported.

Sec. 40. Minnesota Statutes 1986, section 97A.545, subdivision 4, is amended to read:

Subd. 4. [UNDRESSED GAME BIRDS TAKEN IN ADJACENT STATES OUTSIDE OF THIS STATE.] (a) A person may transport into the state ~~dressed~~ *undressed* game birds that are lawfully taken and possessed ~~in adjacent states outside of this state.~~

(b) A resident may ship the undressed game birds by common carrier within the state. A nonresident may ship the undressed game birds out of the state by common carrier. Each shipment must be tagged or sealed by a conservation officer as prescribed by the commissioner.

Sec. 41. Minnesota Statutes 1986, section 97A.551, subdivision 3, is amended to read:

Subd. 3. [SHIPPING ~~ONE~~ FISH TO ANY PERSON.] A person that has a license to take fish may ~~ship one~~ *make three shipments* of fish in a license year to any person within or out of the state after obtaining a permit for each shipment from the commissioner. *A shipment may not contain more than a possession limit of one species of fish.*

Sec. 42. Minnesota Statutes 1986, section 97B.001, subdivision 3, is amended to read:

Subd. 3. [ENTERING LAND PROHIBITED AFTER NOTICE.] Except as provided in ~~subdivisions 5 and~~ *subdivision 6*, a person may not enter any land to take a wild animal after being notified not to do so orally by the owner, occupant, or lessee.

Sec. 43. Minnesota Statutes 1986, section 97B.001, subdivision 5, is amended to read:

Subd. 5. [RETRIEVING WOUNDED GAME FROM AGRICULTURAL LAND.] *Except as provided in subdivision 3*, a hunter, on foot, may retrieve wounded game, during the open season for the game, from agricultural land that is not posted under subdivision 4, without permission of the landowner. The hunter must leave the land immediately after retrieving the wounded game.

Sec. 44. Minnesota Statutes 1986, section 97B.001, subdivision 7, is

amended to read:

Subd. 7. [TAKING WITH FIREARMS IN CERTAIN AREAS.] (a) A person may not take a wild animal with a firearm within 500 feet of a building occupied by a human or livestock without the written permission of the owner or occupant:

- (1) on another person's private agricultural land; or
- (2) on a public right-of-way.

(b) A person may not take a wild animal with a firearm without the ~~written~~ permission of the owner within 500 feet of a stockade or corral containing livestock.

(c) A person may not take a wild animal with a firearm:

(1) on land other than agricultural land within 200 feet of a building occupied by a human without the oral permission of the owner or occupant of the building; or

(2) ~~within 500 feet of a burning area.~~

Sec. 45. Minnesota Statutes 1986, section 97B.041, is amended to read:

97B.041 [POSSESSION OF FIREARMS AND AMMUNITION RESTRICTED IN DEER ZONES.]

A person may not possess a firearm or ammunition outdoors during the period beginning the tenth day before the open firearms season and ending the second day after the close of the season within an area where deer may be taken by a firearm, except:

(1) during the open season and in an area where big game may be taken, a firearm and ammunition authorized for taking big game in that area may be used to take big game in that area if the person has a valid big game license in possession;

(2) ~~a~~ *an unloaded* firearm that is ~~unloaded and~~ in a case or in a closed trunk of a motor vehicle;

(3) a shotgun and ~~only~~ shells containing *No. 4 buckshot or smaller diameter lead shot or steel shot*;

(4) a handgun or rifle and only short, long, and long rifle cartridges that are caliber of .22 inches;

(5) handguns possessed by a person authorized to carry a handgun under sections 624.714 and 624.715 for the purpose authorized; and

(6) on a target range operated under a permit from the commissioner.

Sec. 46. Minnesota Statutes 1986, section 97B.061, is amended to read:

97B.061 [REPORTS AND RECORDS.]

If requested by the commissioner, a person who has taken game must submit a report to the commissioner on a furnished form before ~~February 1~~ *March 15*, stating the number and kind of each game animal taken during the preceding ~~calendar~~ *license* year.

Sec. 47. Minnesota Statutes 1986, section 97B.065, is amended to read:

97B.065 [HUNTING WHILE INTOXICATED OR USING NARCOTICS PROHIBITED UNDER THE INFLUENCE OF ALCOHOL OR A CON-

TROLLED SUBSTANCE.]

A person may not take protected wild animals with a firearm or by archery while ~~visibly intoxicated or under the influence of narcotics alcohol~~ or a controlled substance.

Sec. 48. Minnesota Statutes 1986, section 97B.081, subdivision 1, is amended to read:

Subdivision 1. [WITH FIREARMS AND BOWS.] (a) A person may not cast the rays of a spotlight, headlight, or other artificial light on a highway, or in a field, woodland, or forest, to spot, locate, or take a wild animal, while having in possession, either individually or as one of a group of persons, a firearm, bow, or other implement that could be used to kill big game.

(b) This subdivision does not apply to a firearm that is:

(1) unloaded;

(2) in a gun case expressly made to contain a firearm that fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened without any portion of the firearm exposed; and

(3) in the closed trunk of a motor vehicle.

(c) This subdivision does not apply to a bow that is:

(1) completely encased or unstrung; and

(2) in the closed trunk of a motor vehicle.

(d) If the motor vehicle under paragraph (b) or (c) does not have a trunk, the firearm or bow must be placed in the rearmost location of the vehicle.

(e) *This subdivision does not apply to persons taking raccoons under section 97B.621, subdivision 3.*

Sec. 49. Minnesota Statutes 1986, section 97B.601, subdivision 4, is amended to read:

Subd. 4. [EXCEPTION TO LICENSE REQUIREMENTS.] (a) A resident under age 16 may take small game without a small game license, and a resident under age 13 may trap without a trapping license, as provided in section 97A.451, subdivision 3.

(b) A person may take small game without a small game license on land occupied by the person as a principal residence.

(c) An owner or occupant may take certain small game causing damage without a small game or trapping license as provided in section 97B.655.

(d) *A person may use dogs to pursue and tree raccoons under section 97B.621, subdivision 2, during the closed season without a license.*

Sec. 50. Minnesota Statutes 1986, section 97B.605, is amended to read:

97B.605 [COMMISSIONER MAY RESTRICT TAKING OF CERTAIN SMALL GAME ANIMALS.]

The commissioner may prescribe restrictions on and designate areas where gray and fox squirrels, cottontail and jack rabbits, snowshoe hare, raccoons, lynx, bobcat, red fox and gray fox, fishers, fisher, pine marten, opossum, and badger may be taken and possessed.

Sec. 51. Minnesota Statutes 1986, section 97B.635, is amended to read:

97B.635 [FISHER; BADGER; ~~OPPOSSUM~~ *OPOSSUM*; AND PINE MARTEN.]

Based upon population estimates, the commissioner may set the open season for fisher, badger, ~~oppossum~~ *opossum*, and pine marten.

Sec. 52. Minnesota Statutes 1986, section 97B.655, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PERMIT FOR TAKING PROTECTED WILD ANIMALS.] The commissioner may issue special permits under section 97A.401, subdivision 5, to take protected wild animals that are damaging property. ~~A person must have the required license and seals to take beaver under the permit.~~

Sec. 53. Minnesota Statutes 1986, section 97B.701, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED METHODS OF TAKING.] A person may not take protected birds:

- (1) with a trap, net, or snare;
- (2) using bird lime;
- (3) with a swivel or set gun; ~~or~~
- (4) by dragging a rope, wire, or other device across a field; *or*
- (5) *by using fire.*

Sec. 54. Minnesota Statutes 1986, section 97C.345, subdivision 2, is amended to read:

Subd. 2. [POSSESSION.] (a) Except as specifically authorized, a person may not possess a spear, fish trap, net, dip net, seine, or other device capable of taking fish on or near any waters. Possession includes personal possession and in a vehicle.

(b) A person may possess spears, dip nets, bows and arrows, and spear guns allowed under section 97C.381 on or near waters between sunrise and sunset ~~after April 30~~ *between May 1 and February 15.*

Sec. 55. Minnesota Statutes 1986, section 97C.345, subdivision 3, is amended to read:

Subd. 3. [DIP NETS.] A person may possess and use a dip net between one hour before sunrise and one hour after sunset ~~after April 30~~ *between May 1 and February 15.*

Sec. 56. [REPEALER.]

Minnesota Statutes 1986, sections 97A.065, subdivision 4; 97A.255, subdivision 3; 97A.461; 97A.505, subdivisions 1, 3, and 6; and 97A.551, subdivision 1, are repealed.

ARTICLE 2

CROSS REFERENCE AMENDMENTS

Section 1. Minnesota Statutes 1986, section 84.0894, is amended to read:

84.0894 [ENFORCEMENT OF AQUATIC PLANTS AND ENDAN-

GERED SPECIES.]

An enforcement officer shall enforce a violation of Laws 1986, chapter 386, article 4, sections 9 to 13 84.0895, 84.091, 84.092, 84.093, and 84.152 in the same manner as a violation of the game and fish laws.

Sec. 2. Minnesota Statutes 1986, section 84.928, subdivision 7, is amended to read:

Subd. 7. [LIABILITY TO ROAD OR TRAIL AUTHORITY.] When a road, trail, or highway right-of-way is used as provided by sections 84.92 to 84.928, 85.018, ~~100.273~~, subdivision 9, and 296.16, the authority having jurisdiction and the officers and employees of the authority are exempt from liability for any claim by any person arising from that use. This section shall have no effect on the liability of any party or organization having responsibility for the maintenance of a trail or roadway for all-terrain vehicles.

Sec. 3. Minnesota Statutes 1986, section 84.944, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION CONSIDERATIONS.] In determining what critical natural habitat shall be acquired or improved, the commissioner shall consider:

(1) the significance of the land or water as existing or potential habitat for fish and wildlife and providing fish and wildlife oriented recreation;

(2) the significance of the land, water, or habitat improvement to maintain or enhance native plant, fish, or wildlife species designated as endangered or threatened under section ~~97.488~~ 84.0895;

(3) the presence of native ecological communities that are now uncommon or diminishing; and

(4) the significance of the land, water or habitat improvement to protect or enhance natural features within or contiguous to natural areas including fish spawning areas, wildlife management areas, scientific and natural areas, riparian habitat and fish and wildlife management projects.

Sec. 4. Minnesota Statutes 1986, section 84.944, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION OF ACQUIRED SITES.] The critical natural habitat acquired by the commissioner under this section shall be designated by the commissioner as: (1) an outdoor recreation unit pursuant to section 86A.07, subdivision 3, or (2) as provided in ~~section 97.48, subdivision 11, 26, or 27, 101.42, subdivision 9, or 101.475~~ sections 97A.101, 97A.125, 97C.001, 97C.011, and 97C.021.

Sec. 5. Minnesota Statutes 1986, section 84.944, subdivision 3, is amended to read:

Subd. 3. [COUNTY ACQUISITION APPROVAL.] The commissioner must follow the procedures under section ~~97.481~~ 97A.145, subdivision 2, for critical natural habitat acquired under this section.

Sec. 6. Minnesota Statutes 1986, section 85.41, subdivision 2, is amended to read:

Subd. 2. [LICENSE AGENTS.] County auditors are appointed agents of the commissioner for the sale of annual cross country ski licenses and daily

permits. A county auditor may appoint subagents within the county or within adjacent counties to sell licenses and permits. Upon appointment the auditor shall notify the commissioner of the name and address of the subagent. The auditor may revoke the appointment of a subagent at any time. Upon demand of the commissioner, the auditor shall revoke a subagent's appointment. The auditor shall furnish license and permit blanks on consignment to any subagent who furnishes a surety bond in favor of the county in an amount at least equal to the value of the blanks to be consigned to that subagent. The county auditor shall be responsible for all blanks issued to, and user fees received by agents, except in St. Louis county or in a county where the county auditor does not retain fees paid for license purposes. In these counties, the responsibilities imposed upon the county auditor are imposed upon the county. The commissioner may promulgate additional rules pursuant to as provided in section 98.50, subdivision 2 97A.485, subdivision 11.

Any resident desiring to sell annual cross country ski licenses and daily permits may either purchase for cash or obtain on consignment license and permit blanks from a county auditor in groups of not less than ten individual blanks. In selling licenses, the resident shall be deemed a subagent of the county auditor and the commissioner, and shall observe all rules promulgated by the commissioner for the accounting and handling of licenses pursuant to section 98.50, subdivision 4 97A.485.

The county auditor shall promptly deposit all monies received from the sale of licenses and permits with the county treasurer, and shall promptly transmit any reports required by the commissioner, plus 96 percent of the price to each annual licensee, exclusive of the issuing fee, for each annual license sold or consigned by the auditor and subsequently sold to a licensee during the accounting period. The county auditor shall retain as a commission four percent of all annual license fees, excluding the issuing fee for licenses consigned to subagents.

Unsold blanks in the hands of any subagent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner. Any blanks not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the subagent possessing the same or to whom they are charged shall be accountable.

Sec. 7. Minnesota Statutes 1986, section 106A.085, subdivision 1, is amended to read:

Subdivision 1. [WARRANTS AND ARRESTS.] ~~The commissioner, director of the fish and game division, game refuge patrol officers, and conservation officers~~ An enforcement officer, as defined in section 97A.015, subdivision 18, may execute and serve warrants, and arrest persons detected in actual violation of sections 106A.005 to 106A.811 as provided in section 97.50, subdivision 4 sections 97A.205 and 97A.211.

Sec. 8. Minnesota Statutes 1986, section 106A.401, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER MUST RECOGNIZE DRAINAGE OUTLET PROCEEDINGS WHEN PURCHASING WETLANDS.] If the commissioner purchases wetlands under section 97.481 97A.145, the commissioner must recognize that when a majority of landowners or owners of a majority of the land in the watershed, petition for a drainage outlet,

the state should not interfere with or unnecessarily delay the drainage proceedings if the proceedings are conducted according to this chapter.

Sec. 9. Minnesota Statutes 1986, section 106A.615, subdivision 6, is amended to read:

Subd. 6. [ASSESSMENTS ON WILDLIFE LANDS TO BE PAID FROM WILDLIFE ACQUISITION FUND.] An assessment against state land acquired for wildlife habitat shall be paid from the wildlife acquisition fund as provided in section ~~97.484~~ 97A.071, subdivision 4.

Sec. 10. Minnesota Statutes 1986, section 144.95, subdivision 4, is amended to read:

Subd. 4. [RESEARCH TRIALS.] Research trials of mosquito management methods and materials are subject to the following laws and rules unless a specific written exemption, license, or waiver is granted; sections ~~97.48, 97.488, 98.48~~ 84.0895, 84.092, 97A.045, subdivision 1, 105.38, 105.41, and 105.463; and Minnesota Rules, chapters 1505, 6115, 6120, 6134, and 6140.

Sec. 11. Minnesota Statutes 1986, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to a peace officers training account in the special revenue fund. Money credited to the peace officers training account may be appropriated for but not limited to the following purposes, among others:

(a) Up to ten percent may be provided for reimbursement to board approved skills courses in proportion to the number of students successfully completing the board's skills licensing examination.

(b) Assessments related to violations described in section ~~97.49, subdivision 5~~ 97A.065, subdivision 2, are appropriated to provide peace officer training for persons employed by the commissioner of natural resources who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority for the purpose of enforcing game and fish laws.

(c) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214."

Amend the title as follows:

Page 1, line 41, after "sections" insert "84.0894; 84.928, subdivision 7; 84.944, subdivisions 1, 2, and 3; 85.41, subdivision 2;"

Page 1, line 42, after "subdivisions" insert "3,"

Page 1, line 43, delete "subdividion" and insert "subdivision"

Page 1, line 45, after "3;" insert "97A.121, subdivision 5;"

Page 2, line 1, after "1;" insert "97A.255, subdivision 2;"

Page 2, line 12, after the first semicolon, insert "97B.701, subdivision 2;"

Page 2, line 12, after "3;" insert "106A.085, subdivision 1; 106A.401, subdivision 1; 106A.615, subdivision 6; 144.95, subdivision 4; and 626.861, subdivision 4;"

Page 2, line 14, delete "97A.121, subdivision 5;"

Page 2, line 16, after the semicolon, insert "97A.551, subdivision 1;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 743: A bill for an act relating to financial institutions; permitting additional detached facilities; amending Minnesota Statutes 1986, sections 47.52; and 49.34, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 18, before "Notwithstanding" insert "(a)"

Page 2, line 29, before "Where" insert:

"(b) In addition to the authority granted in paragraphs (a) and (c), and notwithstanding the geographic limitations of subdivision 1 and the limitations on number of facilities and consent requirements contained in section 47.52, a state bank whose main banking office is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington may apply to the commissioner, pursuant to the procedures contained in sections 47.51 to 47.56 and 49.35 to 49.41, to acquire another state bank or national banking association and its detached facilities through merger, consolidation, or purchase of assets and assumption of liabilities and operate them as detached facilities of the successor bank if each resulting detached facility is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

(c)"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1053: A bill for an act relating to alcoholic beverages; providing for the licensing of low-volume brewers; allowing them to be granted an on-sale intoxicating liquor or nonintoxicating malt liquor license; amending Minnesota Statutes 1986, section 340A.301, subdivisions 6 and 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, before "solely" insert "*the entire production of which is*" and after "consumption" insert "*on tap*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 830: A bill for an act relating to commerce; franchises; regulating nonrenewals; requiring prior notice of nonrenewal; amending Minnesota Statutes 1986, section 80C.14.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 80C.14, is amended to read:

80C.14 [UNFAIR PRACTICES.]

Subdivision 1. [PROHIBITION.] No person, whether by means of a term or condition of a franchise or otherwise, shall engage in any unfair or inequitable practice in contravention of such rules as the commissioner may adopt defining as to franchises the words "unfair and inequitable." For the purpose of rules defining the words "unfair and inequitable", the commissioner may specifically recognize classifications of franchises including but not limited to the classifications of motor vehicle fuel franchises, motor vehicle franchises, hardware franchises, and franchises which require that the franchisee make an initial, unfinanced investment in excess of \$200,000. ~~Any~~ A violation of this section is enjoined by a court of competent jurisdiction.

A temporary injunction may be granted under this section without requiring the posting of any bond or security. A bond or security ~~shall be~~ is required if a temporary restraining order is granted.

Subd. 2. [ACTS CONSTITUTING.] All franchise contracts or agreements, other than those classifications of franchises specifically recognized by the commissioner pursuant to under subdivision 1, and any other device or practice of a franchisor shall must conform to the following provisions subdivisions 3 and 4. It shall be deemed is an unfair and inequitable practice for any a person to: commit an act specified in subdivisions 3 and 4.

Subd. 3. [TERMINATION OR CANCELLATION.] (a) No person may terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the franchisee at least 60 days in advance of termination or cancellation; except that the notice shall be is effective immediately upon receipt where the alleged grounds for termination or cancellation are:

- (1) voluntary abandonment of the franchise relationship by the franchisee;
- (2) the conviction of the franchisee of an offense directly related to the business conducted pursuant to the franchise; or
- (3) failure to cure a default under the franchise agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logotype or other commercial symbol after the franchisee has received written notice to cure of at least 24 hours in advance thereof.

(b) No person may terminate or cancel a franchise except for good cause. "Good cause" shall be means failure by the franchisee to substantially to comply with the material and reasonable franchise requirements imposed by the franchise franchisor including, but not limited to:

- (1) the bankruptcy or insolvency of the franchisee;
- (2) assignment for the benefit of creditors or similar disposition of the assets of the franchise business;
- (3) voluntary abandonment of the franchise business;
- (4) conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or
- (5) any act by or conduct of the franchisee which materially impairs the goodwill associated with the franchisor's trademark, trade name, service mark, logotype or other commercial symbol; or.

(e) *Subd. 4. [FAILURE TO RENEW.] No person may fail to renew a franchise unless the franchisee has been given written notice of the intention not to renew at least 90 180 days in advance thereof of the expiration of the franchise and has been given a sufficient opportunity to recover the franchisee's investment unless the failure to renew is for good cause as defined in clause (b) either:*

(1) the franchisor permits the franchisee to sell the franchise business to a purchaser meeting the franchisor's material and reasonable requirements for granting renewal of its franchises; or

(2) the franchisor purchases the franchisee's business at its fair market value as a going concern.

Subd. 5. [WITHHOLDING CONSENT TO TRANSFER.] No person may withhold consent to an assignment, transfer, or sale of the business of a franchisee, including all rights and obligations of the franchisee under the terms of the franchise contract or agreement, except upon a showing by the franchisor that the franchisee to be substituted fails to meet the franchisor's material and reasonable requirements for granting new franchises. In an action to enjoin a franchisor from withholding consent, the franchisor must prove by clear and convincing evidence that its action is consistent with the requirements of this subdivision.

Sec. 2. Minnesota Statutes 1986, section 80C.17, subdivision 1, is amended to read:

Subdivision 1. A person who violates any provision of sections 80C.01 to ~~80C.13 and 80C.15 to~~ 80C.22 or any rule or order thereunder shall be liable to the franchisee or subfranchisor who may sue for damages caused thereby, for rescission, or other relief as the court may deem appropriate.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment and applies to all franchise contracts or agreements in effect on that date."

Delete the title and insert:

"A bill for an act relating to commerce; regulating nonrenewals and transfers of franchises; providing civil liability for unfair practices in relation to franchises; amending Minnesota Statutes 1986, sections 80C.14; and 80C.17, subdivision 1."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 631: A bill for an act relating to manufactured homes; defining terms; prohibiting certain unilateral permanent physical improvements; clarifying the termination of a park lease for substantial annoyance to other residents; regulating park closings; requiring an impact report; providing for a public hearing; creating a right of first refusal; providing for a right to redeem possession for failing to comply with a rule; clarifying remedies; amending Minnesota Statutes 1986, sections 327C.01, by adding subdivisions; 327C.03, subdivision 3; 327C.05, subdivision 2; 327C.09, subdivisions 1 and 5, and by adding a subdivision; 327C.11, subdivision 2, and by adding a subdivision; and 327C.15; proposing coding for new law in Minnesota Statutes, chapter 327C; repealing Minnesota Statutes 1986, section 327C.09, subdivision 9.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 327C.01, is amended by adding a subdivision to read:

Subd. 1a. [CLOSURE STATEMENT.] “Closure statement” means a statement prepared by the park owner clearly stating that the park is closing, addressing the availability, location, and potential costs of adequate replacement housing within a 25 mile radius of the park that is closing and the probable relocation costs of the manufactured homes located in the park.

Sec. 2. Minnesota Statutes 1986, section 327C.01, is amended by adding a subdivision to read:

Subd. 1b. [DISPLACED RESIDENT.] “Displaced resident” means a resident of an owner-occupied manufactured home who rents a lot in a manufactured home park, including the members of the resident’s household, as of the date the park owner submits a closure statement to the local planning agency.

Sec. 3. Minnesota Statutes 1986, section 327C.01, is amended by adding a subdivision to read:

Subd. 7a. [PLANNING AGENCY.] “Planning agency” means the planning commission or the planning department of a municipality as defined in section 462.352, the planning and zoning commission of a town as defined in section 366.17, or the planning commission of a county, as defined in section 394.30, or if the municipality does not have a planning agency, the governing body of the municipality.

Sec. 4. Minnesota Statutes 1986, section 327C.02, is amended by adding a subdivision to read:

Subd. 2a. Notwithstanding section 566.09, in an action to recover possession of land for violation of a new or amended rule, if the court finds that the rule is reasonable or is not a substantial modification, the court shall issue an order in favor of the plaintiff for costs. The court shall order the defendant to comply with the rule within ten days. If the resident fails to comply with the rule at any time after the time period provided by the court, the park owner may, upon a showing to the court that three days’

written notice was given to the resident, move the court for writ of restitution to recover possession of the lot.

Sec. 5. Minnesota Statutes 1986, section 327C.02, subdivision 5, is amended to read:

Subd. 5. [WRITTEN NOTICE REQUIRED.] A prospective resident, before being asked to sign a rental agreement, must be given the following notice printed verbatim in boldface type of a minimum size of ten points. The notice and the safety feature disclosure form required under section 327C.07, subdivision 3a, must be posted in a conspicuous and public location in the park:

“IMPORTANT NOTICE

State law provides special rules for the owners and residents of manufactured home parks.

You may keep your home in the park as long as the park is in operation and you meet your financial obligations, obey state and local laws which apply to the park, obey reasonable park rules, do not substantially annoy or endanger the other residents or substantially endanger park personnel and do not substantially damage the park premises. You may not be evicted or have your rent increased or your services cut for complaining to the park owner or to a governmental official.

If you receive an eviction notice and do not leave the park, the park owner may take you to court. If you lose in court a sheriff may remove you and your home from the park within seven days. Or, the court may require you to leave the park within seven days but give you 60 days to sell the home within the park.

If you receive an eviction notice for a new or amended rule and the court finds the rule to be reasonable and not a substantial modification of your original agreement, the court will not order you to leave but will order you to comply with the rule within ten days. If you do not comply within the time given or if you violate the rule at a later time, you will be subject to eviction.

All park rules and policies must be reasonable. Your rent may not be increased more than twice a year. Changes made in park rules after you become a park resident will not apply to you if they substantially change your original agreement.

The park may not charge you an entrance fee.

The park may require a security deposit, but the deposit must not amount to more than two months rent.

You have a right to sell the home in the park. But the sale is not final until the park owner approves the buyer as a new resident, and you must advise in writing anyone who wants to buy your home that the sale is subject to final approval by the park owner. You must also disclose in writing certain safety information about your home to anyone who wants to buy it in the park. You must give this information to the buyer before the sale, in writing, on the form that is attached to this notice. You must completely and accurately fill out the form and you and the buyer should each keep a copy.

Your rental agreement and the park rules contain important information about your rights and duties. Read them carefully and keep a copy.

For further information concerning your rights, consult a private attorney. The state law governing the rental of lots in manufactured home parks may also be enforced by the Minnesota Attorney General."

In addition, the safety feature disclosure form required under section 327C.07, subdivision 3a, must be attached to the notice.

Sec. 6. Minnesota Statutes 1986, section 327C.09, subdivision 1, is amended to read:

Subdivision 1. [CAUSE REQUIRED.] A park owner may recover possession of land upon which a manufactured home is situated only for a reason specified in this section or section 10.

Sec. 7. Minnesota Statutes 1986, section 327C.09, subdivision 4, is amended to read:

Subd. 4. [RULE VIOLATIONS.] The resident fails to comply with a rule within 30 days after receiving written notice of the alleged noncompliance, except the 30 day notice requirement does not apply to nonpayment of rent. *Loud noise created by residents, guests, or their equipment is a rule violation. After written notice has been provided for two prior incidents, loud noise is a violation of subdivision 5.*

Sec. 8. Minnesota Statutes 1986, section 327C.09, subdivision 5, is amended to read:

Subd. 5. [ENDANGERMENT; SUBSTANTIAL ANNOYANCE.] The resident acts in the park in a manner which endangers other residents or park personnel, causes substantial damage to the park premises or substantially annoys other residents, and has received 30 days written notice to vacate, except the park owner may require the resident to vacate immediately if the resident violates this subdivision a second or subsequent time after receipt of the notice. *To be effective the notice must specify the time, date, and nature of the alleged annoyance, damage, or endangerment. A park owner seeking to evict pursuant to this subdivision need not produce evidence of a criminal conviction, even if the alleged misconduct constitutes a criminal offense.*

Sec. 9. Minnesota Statutes 1986, section 327C.11, subdivision 2, is amended to read:

Subd. 2. [WAIVER BY ACCEPTING RENT.] A park owner who gives a resident a notice as provided in section 327C.09, subdivisions 3, 4, 6, or 8 or 9, or section 10, does not waive the notice by afterwards accepting rent. Acceptance of rent for a period after the expiration of a final notice to quit waives that notice unless the parties agree in writing after service of the notice that the notice continues in effect.

Sec. 10. [327C.095] [PARK CLOSINGS.]

Subdivision 1. [CONVERSION OF USE; MINIMUM NOTICE.] *At least nine months before the conversion of all or a portion of a manufactured home park to another use, or before closure of a manufactured home park or cessation of use of the land as a manufactured home park, the park owner must prepare a closure statement and provide a copy to the local planning agency and a copy to a resident of each manufactured home. A resident may not be required to vacate until 60 days after the conclusion of the public hearing required under subdivision 4. If a lot is available in another section of the park that will continue to be operated as a park,*

the park owner must allow the resident to relocate the home to that lot unless the home, because of its size or local ordinance, is not compatible with that lot.

Subd. 2. [NOTICE OF HEARING; PROPOSED CHANGE IN LAND USE.] *If the planned conversion or cessation of operation requires a variance or zoning change, the municipality must mail a notice at least ten days before the hearing to a resident of each manufactured home in the park stating the time, place, and purpose of the public hearing. The park owner shall provide the municipality with a list of the names and addresses of at least one resident of each manufactured home in the park at the time application is made for a variance or zoning change.*

Subd. 3. [CLOSURE STATEMENT.] *Upon receipt of the closure statement from the park owner, the local planning agency shall submit the closure statement to the governing body of the municipality and request the governing body to schedule a public hearing. The municipality must mail a notice at least ten days before the hearing to a resident of each manufactured home in the park stating the time, place, and purpose of the public hearing. The park owner shall provide the municipality with a list of the names and addresses of at least one resident of each manufactured home in the park at the time the closure statement is submitted to the local planning agency.*

Subd. 4. [PUBLIC HEARING; RELOCATION COSTS.] *The governing body of the municipality shall hold a public hearing to review the closure statement and any impact that the park closing may have on the displaced residents and the park owner. Before any change in use or cessation of operation and as a condition of the change, the governing body may require a payment by the park owner to be made to the displaced resident for the reasonable relocation costs. If a resident cannot relocate the home to another manufactured home park within a 25 mile radius of the park that is being closed, the resident is entitled to relocation costs based upon an average of relocation costs awarded to other residents.*

The governing body of the municipality may also require that other parties, including the municipality, involved in the park closing provide additional compensation to residents to mitigate the adverse financial impact of the park closing upon the residents.

Subd. 5. [PARK CONVERSIONS.] *If the planned cessation of operation is for the purpose of converting the part of the park occupied by the resident to a condominium pursuant to chapter 515A, the provisions of section 515A.4-110, except paragraph (a), shall apply. The nine-month notice required by this section shall state that the cessation is for the purpose of conversion and shall set forth the rights conferred by this subdivision and section 515A.4-110, paragraph (b). Not less than 120 days before the end of the nine months, the park owner shall serve upon the resident a form of purchase agreement setting forth the terms of sale contemplated by section 515A.4-110, paragraph (b). Service of that form shall operate as the notice described by section 515A.4-110, paragraph (a).*

Sec. 11. [327C.096] [RIGHT OF FIRST REFUSAL.]

Subdivision 1. [NOTICE OF SALE.] *Before the sale or lease of a manufactured home park for any purpose that would result in the closure or cessation of use of the land as a manufactured home park, the park owner shall notify a resident of each manufactured home and the residents' as-*

sociation, if one has been formed, by certified mail within 14 days of any bona fide offer that the park owner intends to accept.

Subd. 2. [RIGHT OF PURCHASE.] Any group of residents or a residents' association entitled to notice under this section has the right to purchase or lease the park, provided that it meets the price and conditions of any offer by:

(1) executing a contract or purchase and sale or lease agreement with the park owner within 45 days of notice of the offer; and

(2) obtaining any necessary financing or guarantees within an additional 45 days.

Sec. 12. [STUDY REQUIRED.]

The metropolitan council shall conduct a study to determine the feasibility of establishing a metropolitan manufactured home park development fund. The purpose of this fund would be to provide low interest development loans to persons interested in constructing manufactured home parks within the seven county metropolitan area. The results of this study shall be forwarded to the legislature by January 1, 1988.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, section 327C.09, subdivision 9, is repealed."

Delete the title and insert:

"A bill for an act relating to manufactured homes; defining terms; clarifying the termination of a park lease for substantial annoyance to other residents; allowing certain new or amended rule violations to be cured; regulating park closings; requiring a closure statement; providing for a public hearing; creating a right of first refusal; clarifying remedies; requiring a feasibility study by the metropolitan council; amending Minnesota Statutes 1986, sections 327C.01, by adding subdivisions; 327C.02, subdivision 5, and by adding a subdivision; 327C.09, subdivisions 1, 4, and 5; and 327C.11, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 327C; repealing Minnesota Statutes 1986, section 327C.09, subdivision 9."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 948: A bill for an act relating to crimes; permitting evidence showing a tendency to fabricate allegations of sexual assault; requiring three days' notice of intent to introduce evidence of victim's prior sexual conduct; amending Minnesota Statutes 1986, section 609.347, subdivisions 3, 4, and 6.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 855: A bill for an act relating to retirement; various public employee pension plans; specifying that exemptions from legal process do not include marital property divisions; requiring the provision of certain public pension plan information in marriage dissolution actions; providing

for court appointed actuaries in marriage dissolution actions; amending Minnesota Statutes 1986, sections 69.51; 352.15, subdivision 1; 352B.071; 353.15; 354.10; 354A.11; 422A.24; 423.39; 423.61; 423.813; 424.27; 518.54, subdivision 5, and by adding subdivisions; and 518.58; proposing coding for new law in Minnesota Statutes, chapters 356 and 518.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 69.51, is amended to read:
69.51 [PAYMENTS EXEMPT FROM PROCESS.]

All payments made, or to be made, by any relief association under any of the provisions of sections 69.25 to 69.53 shall be totally exempt from garnishment, execution, or other legal process ~~and, except as provided in section 518.58, section 18, or 518.611.~~ No persons entitled to such payment shall have the right to assign the same, nor shall the association have authority to recognize any assignment or to pay any sum on account thereof; ~~and.~~ Any attempt to transfer any such right or claim, or any part thereof, shall be void.

Sec. 2. Minnesota Statutes 1986, section 352.15, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION; EXCEPTIONS.] None of the moneys, annuities, or other benefits mentioned herein shall be assignable either in law or in equity or be subject to any state estate tax, or to execution, levy, attachment, garnishment, or other legal process, except as provided in *subdivision 1a or section 518.58, section 18, or 518.611.* ~~Provided, however,~~

Subd. 1a. [AUTOMATIC DEPOSITS.] The executive director may pay an annuity, benefit or refund to a banking institution, qualified under chapter 48, that is trustee for a person eligible to receive such annuity, benefit or refund. Upon the request of a retired, disabled or former employee, the executive director may mail the annuity, benefit or refund check to a banking institution, savings association or credit union for deposit to such employee's account or joint account with a spouse. The board of directors may prescribe the conditions under which such payments will be made.

Sec. 3. Minnesota Statutes 1986, section 352.96, is amended by adding a subdivision to read:

Subd. 6. [EXEMPTION FROM PROCESS.] *As money to which legal title is vested in the state of Minnesota, no amount of deferred compensation is assignable or subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, section 18, or 518.611.*

Sec. 4. Minnesota Statutes 1986, section 352B.071, is amended to read:
352B.071 [EXEMPTION FROM PROCESS.]

None of the money, annuities, or other benefits provided for in this chapter shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided *in section 518.58, section 18, or 518.611.*

Sec. 5. Minnesota Statutes 1986, section 353.15, is amended to read:

353.15 [NONASSIGNABILITY AND EXEMPTION OF ANNUITIES AND BENEFITS FROM JUDICIAL PROCESS.]

Subdivision 1. [EXEMPTION; EXCEPTIONS.] No money, annuity, or benefit provided for in this chapter is assignable or subject to any state estate tax, or to execution, levy, attachment, garnishment, or legal process, except as provided in *subdivision 2* or section 518.58, section 18, or 518.611. ~~Provided, however,~~

Subd. 2. [AUTOMATIC DEPOSITS.] The association may pay an annuity, benefit or refund to a trust company, qualified under chapter 48, that is trustee for a person eligible to receive such annuity, benefit or refund. Upon the request of a retired, disabled or former member, the association may mail the annuity, benefit or refund check to a banking institution, savings association or credit union for deposit to such person's account or joint account with a spouse. The association may prescribe the conditions under which such payment will be made.

Subd. 3. [PAYMENT TO PUBLIC BODIES.] If in the judgment of the executive director conditions so warrant, payment may be made to a public body in behalf of an annuitant, disabiltant, or survivor upon such terms as the executive director may prescribe.

Sec. 6. Minnesota Statutes 1986, section 354.10, is amended to read:

354.10 [FUND NOT SUBJECT TO ASSIGNMENT OR PROCESS; BENEFICIARIES.]

Subdivision 1. [EXEMPTION; EXCEPTIONS.] The right of a teacher to take advantage of the benefits provided by this chapter, is a personal right only and shall not be assignable. All money to the credit of a teacher's account in the fund or any money payable to the teacher from the fund shall belong to the state of Minnesota until actually paid to the teacher or a beneficiary pursuant to the provisions of this chapter. Any power of attorney, assignment or attempted assignment of a teacher's interest in the fund, or of the beneficiary's interest therein, by a teacher or a beneficiary, shall be null and void and the same shall be exempt from taxation under chapter 291 and from garnishment or levy under attachment or execution, except as provided in *subdivision 2* or section 518.58, section 18, or 518.611. ~~Provided however,~~

Subd. 2. [AUTOMATIC DEPOSITS.] The board may pay an annuity or benefit to a banking institution, qualified under chapter 48, that is a trustee for a person eligible to receive such annuity or benefit. Upon completion of the proper forms as provided by the board, the annuity or benefit check may be mailed to a banking institution, savings association or credit union for deposit to the recipient's individual account or joint account with a spouse. The board shall prescribe the conditions which shall govern these procedures.

Subd. 3. [PAYMENT TO PUBLIC BODIES.] If in the judgment of the executive director conditions so warrant, payment may be made to a public body in behalf of an annuitant, disabiltant, or survivor upon such terms as the executive director may prescribe.

Subd. 4. [CHANGES IN BENEFICIARIES.] Any beneficiary designated by a teacher under the terms of this chapter, may be changed or revoked by the teacher at pleasure, in such manner as the board may prescribe. In case a designated beneficiary dies before the teacher designating the ben-

eficiary dies, and a new beneficiary is not designated, the teacher's estate shall be the beneficiary.

Sec. 7. Minnesota Statutes 1986, section 354A.11, is amended to read:

354A.11 [CERTAIN MONEYS AND CREDITS OF TEACHERS EXEMPT.]

All moneys deposited by a teacher or member or deposited by any other person or corporation, municipal or private, to the credit of a teacher or member of a teachers retirement fund association organized pursuant to this chapter, and all moneys, rights, and interests or annuities due or to become due to a teacher, member, or annuitant, or their beneficiaries, from any association shall not be assignable, shall be exempt from garnishment, attachment, and execution or sale on any final process issued from a court and other legal process, except as provided in section 518.58, section 18, or 518.611, and shall not be subject to the estate tax provisions of this state. ~~This section does not make the moneys nonmarital property.~~

Sec. 8. [356.80] [PROVISION OF INFORMATION IN THE EVENT OF MARRIAGE DISSOLUTION.]

Subdivision 1. [INFORMATION FOR A PENDING MARRIAGE DISSOLUTION.] (a) Upon request, a public or private pension plan must provide the court and the parties to a marriage dissolution action involving a plan member or former plan member with information regarding pension benefits or rights, including death benefits and insurance, of the plan member or former plan member. The pension plan shall provide this information upon request of the court or a party to the action without requiring a signed authorization from the plan member or former plan member.

(b) The information must include the pension benefits or rights of the plan member or former plan member as of the first day of the month following the date of the request, as of the first day of the seventh month following the date of the request if the action involves an active plan member, and as of the date of valuation of marital assets under section 518.58, if the person requesting the information specifies that date. The information must also include the accrued service credit of the person, the credited salary of the person for the most current five-year period, a summary of the benefit plan, and any other information relevant to the calculation of the present value of the benefits or rights.

Subd. 2. [INFORMATION FOR AN EXISTING DISSOLUTION DECREE.] If a marriage dissolution decree rendered by a court of competent jurisdiction prior to the effective date of this section provided a procedure for dividing pension benefits or rights in the form of future pension plan payments, upon request the applicable pension plan shall provide on a timely basis to the court and the parties to the action the required information to implement that procedure.

Subd. 3. [ACCESS TO DATA.] Notwithstanding any provision of chapter 13 to the contrary, a responsible authority may release private or confidential data on individuals to the court, the parties to a marriage dissolution, their attorneys, and an actuary appointed under section 19, to the extent necessary to comply with this section.

Sec. 9. Minnesota Statutes 1986, section 422A.24, is amended to read:

422A.24 [ALLOWANCES NOT ASSIGNABLE OR SUBJECT TO

PROCESS.]

No moneys payable pursuant to this chapter shall be assignable either in law or equity or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, section 18, or 518.611, nor shall any of the proceeds of payments due pursuant to this chapter be subject to the inheritance tax provisions of this state upon transfer to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 10. Minnesota Statutes 1986, section 423.39, is amended to read:
423.39 [FUNDS EXEMPT FROM EXECUTION.]

All payments made or to be made by any such police officers' relief association under any of the provisions of Laws 1947, Chapter 625, shall be totally exempt from garnishment, execution, or other legal process, except as provided in section 518.58, section 18, or 518.611; and. No persons entitled to such payment shall have the right to assign the same, nor shall the association have authority to recognize any assignment, or to pay any sum on account thereof; and. Any attempt to transfer any such right or claim, or any part thereof, shall be absolutely void.

Sec. 11. Minnesota Statutes 1986, section 423.61, is amended to read:
423.61 [PENSION EXEMPT FROM LEGAL PROCESS.]

All payments made or to be made by any such police officers' relief association under any of the provisions of sections 423.41 to 423.62 shall be totally exempt from garnishment, execution, or other legal process, except as provided in section 518.58, section 18, or 518.611; and. No persons entitled to such payment shall have the right to assign the same, nor shall the association have authority to recognize any assignment, or to pay any sum on account thereof; and. Any attempt to transfer any such right or claim, or any part thereof, shall be absolutely void.

Sec. 12. Minnesota Statutes 1986, section 423.813, is amended to read:
423.813 [PAYMENTS EXEMPT FROM PROCESS, ASSIGNMENT FORBIDDEN.]

Any payment made by the association under any provision of sections 423.801 to 423.814 is exempt from any legal process, except as provided in section 518.58, section 18, or 518.611. No person entitled to any such payment may assign the same. The association may not recognize any assignment or pay any sum on account thereof.

Sec. 13. Minnesota Statutes 1986, section 424.27, is amended to read:
424.27 [PAYMENTS EXEMPT FROM LEGAL PROCESS.]

All payments made or to be made by any relief associations under any of the provisions of sections 424.01 to 424.29 shall be totally exempt from garnishment, execution, or other legal process, except as provided in section 518.58, section 18, or 518.611; and. No persons entitled to such payment shall have the right to assign the same, nor shall the association have authority to recognize any assignment, or to pay any sum on account thereof; and. Any attempt to transfer any such right or claim or any part thereof shall be void.

Sec. 14. Minnesota Statutes 1986, section 518.54, subdivision 5, is amended to read:

Subd. 5. [MARITAL PROPERTY; EXCEPTIONS.] "Marital property" means property, real or personal, including vested *public or private* pension plan benefits or rights, acquired by the parties, or either of them, to a dissolution, legal separation, or annulment proceeding at any time during the existence of the marriage relation between them, or at any time during which the parties were living together as husband and wife under a purported marriage relationship which is annulled in an annulment proceeding. All property acquired by either spouse subsequent to the marriage and before a decree of legal separation is presumed to be marital property regardless of whether title is held individually or by the spouses in a form of coownership such as joint tenancy, tenancy in common, tenancy by the entirety, or community property. Each spouse shall be deemed to have a common ownership in marital property that vests not later than the time of the entry of the decree in a proceeding for dissolution or annulment. The extent of the vested interest shall be determined and made final by the court pursuant to section 518.58. The presumption of marital property is overcome by a showing that the property is nonmarital property.

"Nonmarital property" means property real or personal, acquired by either spouse before, during, or after the existence of their marriage, which

(a) is acquired as a gift, bequest, devise or inheritance made by a third party to one but not to the other spouse;

(b) is acquired before the marriage;

(c) is acquired in exchange for or is the increase in value of property which is described in clauses (a), (b), (d), and (e);

(d) is acquired by a spouse after a decree of legal separation; or

(e) is excluded by a valid antenuptial contract.

Sec. 15. Minnesota Statutes 1986, section 518.54, is amended by adding a subdivision to read:

Subd. 10. [PUBLIC PENSION PLAN BENEFITS OR RIGHTS.] "Public pension plan benefits or rights" means a benefit or right from a public pension plan accrued to the end of the month in which marital assets are valued, as determined under the terms of the laws or other plan document provisions governing the plan, including section 356.30.

Sec. 16. Minnesota Statutes 1986, section 518.54, is amended by adding a subdivision to read:

Subd. 11. [PUBLIC PENSION PLAN.] "Public pension plan" means a pension plan or fund specified in section 356.20, subdivision 2, or 356.30, subdivision 3, the deferred compensation plan specified in section 352.96, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained, or supported by a governmental subdivision or public body whose revenues are derived from taxation, fees, assessments, or from other public sources.

Sec. 17. Minnesota Statutes 1986, section 518.58, is amended to read:

518.58 [DIVISION OF MARITAL PROPERTY.]

Subdivision 1. [GENERAL.] Upon a dissolution of a marriage, an annulment, or in a proceeding for disposition of property following a dissolution of marriage by a court which lacked personal jurisdiction over the absent spouse or lacked jurisdiction to dispose of the property and which

has since acquired jurisdiction, the court shall make a just and equitable division of the marital property of the parties without regard to marital misconduct, after making findings regarding the division of the property. The court shall base its findings on all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, opportunity for future acquisition of capital assets, and income of each party. The court shall also consider the contribution of each in the acquisition, preservation, depreciation or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker. It shall be conclusively presumed that each spouse made a substantial contribution to the acquisition of income and property while they were living together as husband and wife. The court may also award to either spouse the household goods and furniture of the parties, whether or not acquired during the marriage.

If the court finds that either spouse's resources or property, including the spouse's portion of the marital property as defined in section 518.54, subdivision 5 are so inadequate as to work an unfair hardship, considering all relevant circumstances, the court may, in addition to the marital property, apportion up to one-half of the property otherwise excluded under section 518.54, subdivision 5, clauses (a) to (d) to prevent the unfair hardship. If the court apportions property other than marital property, it shall make findings in support of the apportionment. The findings shall be based on all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, and opportunity for future acquisition of capital assets and income of each party.

If the court finds that it is necessary to preserve the marital assets of the parties, the court may order the sale of the homestead of the parties or the sale of other marital assets, as the individual circumstances may require, during the pendency of a proceeding for a dissolution of marriage or an annulment. If the court orders a sale, it may further provide for the disposition of the funds received from the sale during the pendency of the proceeding.

Subd. 2. [PENSION PLANS.] The division of marital property that represents vested public pension benefits or rights in the form of future public pension plan payments:

(1) may not commence until the public plan member submits a valid application for a public pension plan benefit and the benefit becomes payable;

(2) is payable only to the extent of the amount of the public pension plan benefit payable under the terms of the plan;

(3) is not payable for a period that exceeds the time that public pension plan benefits are payable to the public pension plan benefit recipient;

(4) is not payable in a lump sum amount from public pension plan assets attributable in any fashion to a spouse with the status of an active member, deferred retiree, or benefit recipient of a public pension plan; and

(5) if the former spouse to whom the payments are to be made dies prior to the end of the specified payment period with the right to any remaining payments accruing to an estate or to more than one survivor, is payable only to a trustee on behalf of the estate or the group of survivors for

subsequent apportionment by the trustee.

Sec. 18. [518.581] [SURVIVING SPOUSE BENEFIT.]

Subdivision 1. [AWARD OF BENEFIT.] If a current or former employee's marriage is dissolved, the court may order the employee, the employee's pension plan, or both, to pay amounts as part of the division of pension rights that the court may make under section 518.58, or as an award of maintenance in the form of a percentage of periodic or other payments or in the form of a fixed dollar amount. The court may, as part of the order, award a former spouse all or part of a survivor benefit.

Subd. 2. [PAYMENT OF FUNDS BY RETIREMENT PLAN.] (a) If the court has ordered that a spouse has an interest in a pension plan, the court may order the pension plan to withhold payment of a refund upon termination of employment or lump sum distribution to the extent of the spouse's interest in the plan, or to provide survivor benefits ordered by the court.

(b) The court may not order the pension plan to:

(1) pay more than the equivalent of one surviving spouse benefit, regardless of the number of spouses or former spouses who may be sharing in a portion of the total benefit;

(2) pay surviving spouse benefits under circumstances where the plan member does not have a right to elect surviving spouse benefits; or

(3) pay surviving spouse benefits if the former spouse would not be eligible for benefits under the terms of the plan;

(4) order survivor benefits which, when combined with the benefit payable to the pension plan member, exceed the actuarial equivalent value of the normal retirement annuity form.

(c) If more than one spouse or former spouse is entitled to a surviving spouse benefit, the pension plan shall pay each spouse a portion of the benefit based on the ratio of the number of years the spouse was married to the plan member to the total number of years the plan member was married to spouses who are entitled to the benefit.

Subd. 3. [NOTICE TO FORMER SPOUSE.] A pension plan shall notify a former spouse of an application by the employee for a refund of pension benefits if the former spouse has filed with the pension plan:

(1) a copy of the court order, including a withholding order, determining the former spouse's rights;

(2) the name and last known address of the employee; and

(3) the name and address of the former spouse.

A pension plan shall comply with an order, including a withholding order, issued by a court having jurisdiction over dissolution of marriage that is served on the pension plan, if the order states the name, last known address of the payees, and name and address of the former spouse, or if the names and addresses are provided to the pension plan with service of the order.

Subd. 4. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given in this subdivision.

(a) "Current or former public employee" or "employee" means an individual who has an interest in a pension plan.

(b) "Surviving spouse benefit" means (1) a benefit a surviving spouse may be eligible for under the laws and bylaws of the pension plan if the employee dies before retirement, or (2) a benefit selected for or available to a surviving spouse under the laws and bylaws of the pension plan upon the death of the employee after retirement.

Sec. 19. [518.582] [PROCEDURE FOR VALUING PENSION BENEFITS OR RIGHTS.]

Subdivision 1. [APPOINTMENT OF ACTUARY.] (a) Each court of this state that has jurisdiction to decide marriage dissolution matters may appoint an approved actuary to function as an expert witness in valuing pension benefits or rights.

(b) An approved actuary is a person who is enrolled as a member of the American Academy of Actuaries, or is enrolled as an actuary pursuant to the Federal Employee Retirement Income Security Act of 1974, as amended.

Subd. 2. [STANDARDS.] A court appointed actuary shall determine the present value of pension benefits or rights that are marital property of the parties to the action based on the applicable plan documents of the pension plan and the applicable actuarial assumptions specified for use in calculating optional annuity forms by the pension plan or for funding the pension plan, if reasonable, or as specified by the court. The court appointed actuary shall report to the court and to the parties the present value of the pension benefits or rights that are marital property.

Subd. 3. [COMPENSATION.] The court appointed actuary may be compensated at a rate established by the court. The compensation of the court appointed actuary shall be allocated between the parties as the court directs.

Subd. 4. [STIPULATION.] In lieu of valuing pension benefits or rights through use of the court appointed actuary, the parties may stipulate the present value of pension benefits or rights that are marital property.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 7 and 9 to 13 are effective on the day following final enactment. Sections 14 to 18 are effective August 1, 1987, and apply to marriage dissolution decrees issued on or after that date."

Amend the title as follows:

Page 1, lines 2 and 5, delete "public"

Page 1, line 9, after the second semicolon, insert "352.96, by adding a subdivision;"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1155: A bill for an act relating to Scott county; authorizing the issuance of county bonds for capital improvements.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was re-referred

S.F. No. 259: A bill for an act relating to public safety; establishing state reimbursement program for purchases of soft body armor by and for peace officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 775: A bill for an act relating to education; providing for model programs in adult vocational occupational literacy training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136C.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 10 to 17

Page 1, line 18, delete "MODEL"

Page 1, line 19, delete "model"

Page 2, lines 1, 13, and 29, delete "model"

Page 2, line 3, after "education," insert "and"

Page 2, delete line 16

Reletter the paragraphs in sequence

Renumber the subdivisions in sequence

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 929: A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; authorizing certain state board of vocational technical education powers; changing certain state director duties; clarifying school days; amending Minnesota Statutes 1986, sections 121.901, subdivision 1; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 136C.04, subdivision 12, and by adding a subdivision; 136C.13, by adding a subdivision; 136C.15; 136C.29, subdivision 5; and 136C.35; repealing Minnesota Statutes 1986, section 136C.32.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 15.014, subdivision 3, is amended to read:

Subd. 3. [TASK FORCE FOR CURRICULUM DEVELOPMENT PURPOSES.] In addition to the task forces for which compensation of members is authorized in subdivision 2, the state board of education *and the state*

board of vocational technical education may each create not to exceed ten task forces, to be compensated as provided in section 15.059, subdivision 6. A task force created pursuant to this subdivision shall be for curriculum development purposes only and shall expire within one year after its creation. The task force shall report to the state board before its expiration or upon the completion of its task, whichever occurs first.

Sec. 2. Minnesota Statutes 1986, section 120.05, is amended to read:

120.05 [PUBLIC SCHOOLS.]

Subdivision 1. [CLASSIFICATION.] For the purpose of administration all public schools are classified under the following heads, provided the requirements in subdivision 2 are met:

- (1) Elementary,
- (2) Middle school,
- (3) Secondary,
- (4) Vocational center school,
- (5) ~~Area vocational~~ Technical school institute.

Subd. 2. [DEFINITIONS.] (1) Elementary school means any school with building, equipment, courses of study, class schedules, enrollment of pupils ordinarily in grades one through six or any portion thereof and staff meeting the standards established by the state board of education.

(a) The state board of education shall not close a school or deny any state aids to a district for its elementary schools because of enrollment limitations classified in accordance with the provisions of subdivision 2, clause (1).

(2) Middle school means any school other than a secondary school giving an approved course of study in a minimum of three consecutive grades above fourth but below tenth with building, equipment, courses of study, class schedules, enrollment and staff meeting the standards established by the state board of education.

(3) Secondary school means any school with building, equipment, courses of study, class schedules, enrollment of pupils ordinarily in grades seven through twelve or any portion thereof and staff meeting the standards established by the state board of education.

(4) A vocational center school is one serving a group of secondary schools with approved areas of secondary vocational training and offering vocational secondary and adult programs necessary to meet local needs and meeting standards established by the state board of education.

(5) ~~An area vocational~~ A technical school institute is a school operated according to the standards established by the state board of vocational technical education.

Sec. 3. Minnesota Statutes 1986, section 121.901, subdivision 1, is amended to read:

Subdivision 1. There is created an advisory council on uniform financial accounting and reporting standards, composed of 13 members appointed as follows:

- (1) Two employees of the state department of education appointed by

the commissioner of education;

(2) An employee of the office of state auditor appointed by the state auditor;

(3) One licensed certified public accountant appointed by the state board of education;

(4) *Nine Eight* persons who are representative of the various size school districts in the state and who are public school employees whose positions involve activities related to school financing and accounting, appointed by the state board; *and*

(5) *One person representing post-secondary vocational technical education appointed by the state director of vocational technical education.*

Professional associations composed of persons eligible to be appointed under clauses (3) and (4) may recommend nominees from their associations to the state board.

Sec. 4. Minnesota Statutes 1986, section 121.933, is amended to read:

121.933 [STATEWIDE MANAGEMENT INFORMATION SYSTEM; DELEGATION OF POWERS AND DUTIES.]

Subdivision 1. [PERMITTED DELEGATIONS.] The state board of *vocational technical education, the state board of education, and the department* may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of ESV-IS and SDE-IS, including the development of applications software pursuant to section 121.931, subdivision 5, by the Minnesota educational computing consortium, by a regional management information center or by any other appropriate provider.

Subd. 2. [PROHIBITED DELEGATIONS.] The state board of *vocational technical education, the state board of education, and the department* may not delegate to the Minnesota educational computing consortium any of their powers and duties to develop policy and to plan for ESV-IS and SDE-IS, to monitor and enforce compliance with rules and data standards, or to approve the actions of districts and regions. Powers and duties which may not be delegated include the powers and duties in sections 121.931, subdivisions 3, 4, 6, 7, and 8 and 121.932, subdivisions 1 and 2.

Sec. 5. Minnesota Statutes 1986, section 121.934, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] An advisory council to the state board consisting of ~~11~~ 12 members appointed by the governor is hereby established. Membership terms, compensation of members, removal of members, and the filling of membership vacancies shall be as provided in section 15.059. The governor is encouraged to solicit the suggestions of the state board, the governing boards of regional management information centers, and school boards in selecting members of the council.

Sec. 6. Minnesota Statutes 1986, section 121.934, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The council shall be composed of:

(a) four representatives of school districts, including one school district administrator from a rural school district, one school district administrator from an urban school district, one school board member from a rural school district, and one school board member from an urban school district;

(b) three persons employed in management positions in the private sector, at least two of whom are data processing managers or hold an equivalent position in the private sector;

(c) three persons employed in management positions in the public sector other than elementary, secondary, or vocational education, at least two of whom are data processing managers or hold an equivalent position in the public sector; ~~and~~

(d) one person from the general public; *and*

(e) *one person representing post-secondary vocational technical education.*

Members selected pursuant to clauses (b) and (c) shall not be employees or board members of local school districts or the department of education. The council shall include at least one resident of each congressional district.

Sec. 7. Minnesota Statutes 1986, section 123.37, subdivision 1a, is amended to read:

Subd. 1a. The board may authorize its superintendent or business manager, *or AVTI director in those districts operating an area vocational technical institute*, to lease, purchase, and contract for goods and services within the budget as approved by the board, provided that any transaction in an amount exceeding the minimum amount for which bids are required must first be specifically authorized by the board and must fulfill all other applicable requirements in subdivision 1.

Sec. 8. Minnesota Statutes 1986, section 125.05, is amended to read:

125.05 [BOARD TO ISSUE LICENSES.]

Subdivision 1. [QUALIFICATIONS.] The authority to license teachers as defined in section 125.03, subdivision 1, is vested in the board of teaching except that the authority to license supervisory and support personnel as defined in section 125.03, subdivision 4, is vested in the state board of education *and the authority to license post-secondary and adult vocational teachers, supervisory, and support personnel is vested in the state board of vocational technical education.* Licenses shall be issued to such persons as the board of teaching ~~or~~, the state board of education, *or the state board of vocational technical education* finds to be competent for their respective positions. For teachers, as defined in section 125.03, subdivision 5, competency includes successful completion of an examination of academic knowledge in each field of licensure and, for persons applying for initial licenses, an examination of skills in reading, writing, and mathematics. Qualifications of *elementary and secondary* teachers and other *elementary and secondary* professional employees except supervisory and support personnel shall be determined by the board of teaching under the rules which it promulgates. Licenses under the jurisdiction of the board of teaching shall be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education shall be issued through the licensing section of the department of education. *Licenses under the jurisdiction of the state board of vocational technical education shall be issued by the state board of vocational technical education.*

Subd. 2. [EXPIRATION AND RENEWAL.] Each license issued through the licensing section of the department of education *or the state board of vocational technical education* shall bear the date of issue. Licenses shall expire and be renewed in accordance with the respective rules promulgated by the board of teaching ~~or~~, the state board of education, *or the state board*

of vocational technical education. Renewal requirements for the renewal of a license shall include the production of satisfactory evidence of successful teaching experience for at least one school year during the period covered by the license in grades or subjects for which the license is valid or the completion of such additional preparation as the board of teaching or the state board of vocational technical education shall prescribe. Requirements for the renewal of the licenses of supervisory and support personnel shall be established by the state board of education or the state board of vocational technical education.

Subd. 3. [EFFECTIVE DATE.] Nothing contained herein shall be construed as affecting the validity of a permanent certificate or license issued prior to July 1, 1969.

Subd. 4. [HUMAN RELATIONS.] The board of teaching ~~and~~, the state board of education, *and the state board of vocational technical education* shall accept training programs completed through Peace Corps, VISTA, or Teacher Corps in lieu of completion of the human relations component of the training program for purposes of issuing or renewing a license in education.

Subd. 6. [LIMITED PROVISIONAL LICENSES.] The board of teaching and the state board of vocational technical education may grant provisional licenses, which shall be valid for two years, in fields in which licenses were not issued previously or in fields in which a shortage of licensed teachers exists. A shortage shall be defined as a lack of or an inadequate supply of licensed personnel within a given licensure area in a school district that has notified the board of teaching of the shortage and has applied to the board of teaching for provisional licenses for that district's licensed staff.

Sec. 9. Minnesota Statutes 1986, section 125.06, is amended to read:

125.06 [APPLICANTS TRAINED IN OTHER STATES.]

When a license to teach is authorized to be issued to any holder of a diploma or a degree of a Minnesota state university, or of the University of Minnesota, or of a liberal arts university, or a technical training institution, such license may also, in the discretion of the board of teaching or, the state board of education, or the state board of vocational technical education, whichever has jurisdiction, be issued to any holder of a diploma or a degree of a teacher training institution of equivalent rank and standing of any other state, granted by virtue of the completion of a course in teacher preparation essentially equivalent in content to that required by such Minnesota state university or the University of Minnesota or a liberal arts university in Minnesota or a technical training institution as preliminary to the granting of a diploma or a degree of the same rank and class.

Sec. 10. Minnesota Statutes 1986, section 125.08, is amended to read:

125.08 [TEACHERS' AND ADMINISTRATORS' LICENSES, FEES.]

Each application for the issuance, renewal, or extension of a license to teach *at the elementary or secondary level* shall be accompanied by a processing fee in an amount set by the board of teaching by rule. Each application for the issuance, renewal or extension of a license as supervisory or support personnel *at the elementary or secondary level* shall be accompanied by a processing fee in an amount set by the state board of education by rule. *Each application for the issuance, renewal, or extension of a license for post-secondary vocational or adult vocational teachers, supervisors,*

or support personnel shall be accompanied by a processing fee in an amount set by the state board of vocational technical education by rule. The processing fee for an elementary or secondary teacher's license shall be paid to the executive secretary of the board of teaching. The processing fee for the licenses of elementary and secondary supervisory and support personnel shall be paid to the commissioner. The processing fee for licenses of post-secondary and adult vocational teachers, supervisors, and support personnel shall be paid to the state director of vocational technical education. The executive secretary of the board of teaching and the commissioner, and the state director shall deposit the fees with the state treasurer, as provided by law, and report each month to the commissioner of finance the amount of fees collected. The fees as set by the boards shall be nonrefundable for applicants not qualifying for a license, provided however, that a fee shall be refunded by the state treasurer in any case in which the applicant already holds a valid unexpired license. The boards may waive or reduce fees for applicants who apply at the same time for more than one license, even if the licenses are under the jurisdiction of different boards.

Sec. 11. Minnesota Statutes 1986, section 125.12, subdivision 1, is amended to read:

Subdivision 1. [TEACHER DEFINED.] A superintendent, principal, supervisor, and classroom teacher and any other professional employee required to hold a license from the state department or the state board of vocational technical education shall be deemed to be a "teacher" within the meaning of this section.

Sec. 12. Minnesota Statutes 1986, section 125.18, subdivision 1, is amended to read:

Subdivision 1. A teacher who holds a license from the department or the state board of vocational technical education and a contract for employment in a public school may be granted a sabbatical leave by the board employing such person under rules promulgated by such board.

Sec. 13. Minnesota Statutes 1986, section 125.182, subdivision 2, is amended to read:

Subd. 2. "Teacher" means a classroom teacher or other similar professional employee required to hold a license from the board of teaching or the state board of vocational technical education.

Sec. 14. Minnesota Statutes 1986, section 126.12, subdivision 2, is amended to read:

Subd. 2. *For public elementary and secondary schools, every Saturday shall be a school holiday, except that school may be held on a Saturday if necessary to meet the requirement in section 124.19 of making a good faith attempt to make up time lost on account of circumstances which were beyond the control of the school board. The school board shall determine the number of school days of each school year on or before April 1 of the calendar year in which such school year commences.*

Sec. 15. Minnesota Statutes 1986, section 136C.04, subdivision 12, is amended to read:

Subd. 12. [PROGRAMS AND COURSES.] The state board shall approve, disapprove, and coordinate programs and courses. The state board shall adopt policies that include at least minimum class sizes and placement ratios. After consultation with affected school boards, the state board may

add, eliminate, transfer, or change programs *and courses* as it determines advisable. The state board shall consider the integrated services of secondary, post-secondary, and adult vocational education when it reviews intermediate district programs *and courses*.

In the case of intermediate districts, the state board may apply the following criteria when adding, eliminating, transferring, or changing programs *and courses*:

(a) the school board may be allowed to continue offering integrated secondary, post-secondary, and adult programs; and

(b) the school board may determine the use of facilities and equipment for secondary, post-secondary, adult, and special education programs and educational services for low incidence populations.

Sec. 16. Minnesota Statutes 1986, section 136C.04, is amended by adding a subdivision to read:

Subd. 19. [GIFTS; BEQUESTS.] The state board may receive and accept on behalf of the state and for the benefit of any area vocational technical institute, any gift, bequest, devise, or endowment that any person, firm, corporation, or association makes to the board by will, deed, gift, or otherwise for the purpose of vocational technical education. The state board may use any money given it or any of the area vocational technical institutes under its jurisdiction by any person, firm, corporation, or association, by will, deed, gift, devise, or endowment for the purpose of providing money for any aspect of vocational technical education. Use of the money may not be inconsistent with the terms and conditions under which the money was received by the board or an AVTI under its jurisdiction. Gifts, bequests, devises, or endowments are appropriated to the board for the purposes stated. All taxes and special assessments constituting a lien on real property received and accepted by the board under this subdivision must be paid in full before title is transferred to the state.

Sec. 17. Minnesota Statutes 1986, section 136C.15, is amended to read:

136C.15 [STUDENT ASSOCIATIONS.]

Every school board governing an area vocational technical institute shall give recognition as an authorized extracurricular activity to an area vocational technical institute student association affiliated with the Minnesota vocational technical student association. *The state director may provide staff assistance and leadership to the student association.* The student association is authorized to collect a reasonable fee from students to finance the activities of the association in an amount determined by the governing board of the area vocational technical institute which has recognized it.

Every governing body which recognizes a student association shall deposit the fees in a student association fund. The moneys in this fund shall be available for expenditure for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings.

Sec. 18. Minnesota Statutes 1986, section 136C.29, subdivision 5, is amended to read:

Subd. 5. [REPAIR AND BETTERMENT AID.] The final allocation of repair and betterment aid by the state board does not constitute approval of a project for the purposes of section 136C.07, subdivision 5. The aid shall be placed in the repair and betterment fund and used solely for the

purposes of reconstructing, improving, remodeling, and repairing existing AVTI buildings and grounds. The school board shall authorize and approve actual expenditures of the aid allocated; ~~except that expenditures which exceed \$5,000 shall receive prior approval by the state director. The process in section 136C.28 shall not constitute approval for this purpose.~~ Use of the aid shall be governed by the provisions of section 136C.07, subdivision 5.

Sec. 19. [REPEALER.]

Minnesota Statutes 1986, sections 136C.32 and 136C.35, are repealed.

Sec. 20. [INSTRUCTION TO REVISOR.]

The revisor of statutes is instructed to change the words "AVTI," "area vocational technical institute," "vocational technical institute," "area vocational technical school," "vocational technical school," "vocational school," "vocational institute," "technical school," and "school," and the plurals of each to "technical institute" or "technical institutes" when they refer to a school operated according to standards established by the state board of vocational technical education. The change shall be made in Minnesota Statutes 1988 and subsequent editions of the statutes."

Delete the title and insert:

"A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; clarifying certain duties of the state board of vocational technical education and the state director of vocational technical education; applying a consistent name to schools operating under standards of the state board of vocational technical education; amending Minnesota Statutes 1986, sections 15.014, subdivision 3; 120.05; 121.901, subdivision 1; 121.933; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 125.05; 125.06; 125.08; 125.12, subdivision 1; 125.18, subdivision 1; 125.182, subdivision 2; 126.12, subdivision 2; 136C.04, subdivision 12, and by adding a subdivision: 136C.15; and 136C.29, subdivision 5; repealing Minnesota Statutes 1986, sections 136C.32 and 136C.35."

And when so amended the bill do pass. Ms. Olson questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1084: A bill for an act relating to local government; authorizing cities to impose a street access charge and providing for its collection; proposing coding for new law in Minnesota Statutes, chapter 471.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, after the period, insert "*The ordinance shall provide for the use of the funds generated by the street access charges to be used for city street and highway capital improvement projects.*"

Page 1, line 15, after "to" insert "*and expended for*"

Page 1, line 17, delete "*shall*" and insert "*may*"

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 923: A bill for an act relating to metropolitan government; providing for the composition of the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.604, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 8, delete "*may be removed*" and insert "*serves*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1275: A bill for an act relating to Hennepin county; providing bonding authority for library construction and betterment; amending Minnesota Statutes 1986, section 383B.245.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 12, strike "The authority"

Page 2, line 13, strike "granted the board by this paragraph is the same authority"

Page 2, line 14, strike "granted by Laws 1969, chapter 967,"

Page 2, line 15, strike "section 1, as amended."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1235: A bill for an act relating to crimes; sexual conduct; prohibiting sexual penetration in a public place; abolishing the crimes of consensual sodomy, fornication, and adultery; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, sections 609.293; 609.34; and 609.36.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 979: A bill for an act relating to human rights; defining "employee" to include commission salespersons for certain purposes; clarifying certain provisions; amending Minnesota Statutes 1986, sections 181.81, subdivision 1; and 363.01, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 16, delete "*that term*"

Page 3, line 17, delete "is"

Page 3, line 18, delete everything after "state" and insert a period

Page 3, delete lines 19 to 21

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 462: A bill for an act relating to marriage dissolution; providing a date for valuing marital assets; providing for partial distribution of marital assets; amending Minnesota Statutes 1986, section 518.58.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 518.54, subdivision 5, is amended to read:

Subd. 5. [MARITAL PROPERTY; EXCEPTIONS.] "Marital property" means property, real or personal, including vested pension benefits or rights, acquired by the parties, or either of them, to a dissolution, legal separation, or annulment proceeding at any time during the existence of the marriage relation between them, or at any time during which the parties were living together as husband and wife under a purported marriage relationship which is annulled in an annulment proceeding, *but prior to the date of valuation under section 518.58, subdivision 1*. All property acquired by either spouse subsequent to the marriage and before a ~~decree of legal separation~~ *the valuation date* is presumed to be marital property regardless of whether title is held individually or by the spouses in a form of coownership such as joint tenancy, tenancy in common, tenancy by the entirety, or community property. Each spouse shall be deemed to have a common ownership in marital property that vests not later than the time of the entry of the decree in a proceeding for dissolution or annulment. The extent of the vested interest shall be determined and made final by the court pursuant to section 518.58. The presumption of marital property is overcome by a showing that the property is nonmarital property.

"Nonmarital property" means property real or personal, acquired by either spouse before, during, or after the existence of their marriage, which

(a) is acquired as a gift, bequest, devise or inheritance made by a third party to one but not to the other spouse;

(b) is acquired before the marriage;

(c) is acquired in exchange for or is the increase in value of property which is described in clauses (a), (b), (d), and (e);

(d) is acquired by a spouse after a ~~decree of legal separation~~ *the valuation date*; or

(e) is excluded by a valid antenuptial contract."

Page 1, line 11, before "Upon" insert "*Subdivision 1. [GENERAL.]*"

Page 2, line 7, after the period, insert "*The court shall value marital assets for purposes of division between the parties as of the day the pro-*

ceeding for dissolution or annulment is commenced, unless a different date is agreed upon by the parties, or unless the court finds that the parties subsequently made a good faith reconciliation, in which case the court may establish the valuation date as of the date the reconciliation ended. Within 60 days after a proceeding for dissolution or annulment is commenced, unless the time is extended either by agreement of the parties or by order of the court for good cause shown, each party shall serve and file a verified statement identifying all assets, marital and nonmarital, the values of the assets and the basis for the values, and disclosing all liabilities of the parties. If there is a substantial change in value of an asset between the date of valuation and the final distribution, the court may adjust the valuation of that asset as necessary to effect an equitable distribution. During the pendency of a marriage dissolution or annulment proceeding, each party owes a fiduciary duty to the other for any profit or loss derived by the party, without consent of the other, from a transaction or from any use by the party of the marital assets."

Page 2, line 8, before "If" insert "*Subd. 2. [AWARD OF NONMARITAL PROPERTY.]*"

Page 2, line 23, before "If" insert "*Subd. 3. [SALE OR DISTRIBUTION WHILE PROCEEDING PENDING.] (a)*"

Page 2, delete line 31

Page 2, line 32, delete everything before the second "the" and insert: "(b)"

Page 2, line 32, delete "allow for" and insert "order"

Page 2, line 35, delete "emergency or compelling reasons" and insert "good cause shown"

Page 2, line 36, before the period, insert "*, provided that the court shall fully protect the interests of the other party*"

Page 3, delete lines 1 to 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring parties to file a statement of assets and liabilities; providing that parties owe each other a fiduciary duty with respect to marital assets;"

Page 1, line 5, delete "section" and insert "sections 518.54, subdivision 5; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1018: A bill for an act relating to crimes; criminal sexual conduct; creating a crime of fifth degree criminal sexual conduct; amending Minnesota Statutes 1986, section 609.341, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1986, section 388.051, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISIONS.] (a) In Anoka, Carver, Dakota, Hennepin, Scott, and Washington counties, only the county attorney shall prosecute gross misdemeanor violations of sections 290.53, subdivisions 4 and 11; 290.92, subdivision 15; 290A.11, subdivision 2; 297A.08; 297A.39, subdivisions 4 and 8; 297B.10; 609.255, subdivision 3; 609.377; 609.378; 609.41; and 617.247.

(b) The county attorney shall prosecute failure to report physical or sexual child abuse or neglect as provided under section 626.556, subdivision 6, *and shall prosecute violations of fifth-degree criminal sexual conduct under section 2.*"

Page 2, line 20, before the period, insert "*as defined in section 609.341, subdivision 11, paragraph (a), clauses (i) and (iv)*"

Page 2, line 22, delete "*two years*" and insert "*one year*"

Page 2, line 23, delete "*\$5,000*" and insert "*\$3,000*"

Amend the title as follows:

Page 1, line 4, delete "*609.341*" and insert "*388.051*"

Page 1, line 5, delete "*11*" and insert "*2*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1019: A bill for an act relating to crimes; criminal sexual conduct; clarifying the definition of "mentally incapacitated"; providing that criminal sexual contact requires sexual or aggressive intent; amending Minnesota Statutes 1986, section 609.341, subdivisions 7 and 11.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 27, insert:

"Sec. 3. Minnesota Statutes 1986, section 609.341, subdivision 14, is amended to read:

Subd. 14. "*Coercion*" means words or circumstances that cause the complainant reasonably to fear that the actor will inflict bodily harm upon, or hold in confinement, the complainant or another, *or force the complainant to submit to sexual penetration or contact, but proof of coercion does not require proof of a specific act or threat.*"

Page 2, line 28, delete "*3*" and insert "*4*"

Page 2, line 29, delete "*and 2*" and insert "*to 3*"

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "*expanding the definition of coercion;*"

Page 1, line 6, delete "*and*" and insert a comma and after "*11*" insert

“, and 14”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 764: A bill for an act relating to witnesses; expanding the exception to the husband-wife privilege applicable to crimes committed against children; amending Minnesota Statutes 1986, section 595.02, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, delete everything after “*spouse*”

Page 1, line 25, delete the new language

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert “allowing spousal testimony with respect”

Page 1, line 3, delete everything before “to”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 947: A bill for an act relating to crimes; dictating circumstances in which the court may stay execution of sentence following conviction for a second or subsequent offense relating to criminal sexual conduct; providing that information regarding a sexual assault victim is private; amending Minnesota Statutes 1986, sections 609.346, subdivisions 2 and 3; and 611A.06.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, delete everything after “*at*” and insert “*a*”

Page 1, delete line 25

Page 2, lines 4 and 5, delete “*as directed by the court*”

Page 2, delete section 3

Page 3, line 2, delete “*to 3*” and insert “*and 2*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete everything before “amending”

Page 1, line 7, delete “sections” and insert “section”

Page 1, line 8, delete “; and 611A.06”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 611: A bill for an act relating to public safety; allowing bureau of criminal apprehension to permit amateur radio operators to use radio equipment capable of receiving police emergency radio frequency; amending Minnesota Statutes 1986, section 299C.37, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 299C.37, subdivision 1, is amended to read:

Subdivision 1. No person other than peace officers within the state ~~and~~, the members of the state patrol, ~~and persons who hold an amateur radio license issued by the Federal Communications Commission,~~ shall equip any motor vehicle with any radio equipment or combination of equipment, capable of receiving any radio signal, message, or information from any police emergency frequency, or install, use or possess the ~~same equipment~~ in ~~such a~~ motor vehicle without ~~first obtaining~~ permission to do so from the superintendent of the bureau upon ~~such a form of application as prescribed by the superintendent~~ ~~may prescribe~~. Any person who is convicted of a violation of this subdivision shall, upon conviction for the first offense, be guilty of a misdemeanor, and for the second and subsequent offenses shall be guilty of a gross misdemeanor.”

Amend the title as follows:

Page 1, line 6, delete “3” and insert “1”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 538: A bill for an act relating to trusts; regulating investment of trust assets; prescribing the standard of care for trustees; allowing trustees to delegate duties and employ agents; amending Minnesota Statutes 1986, sections 501.125, subdivision 1; and 501.66, subdivision 28; repealing Minnesota Statutes 1986, sections 501.125, subdivision 1a; and 501.66, subdivision 6a.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 501.125, subdivision 1, is amended to read:

Subdivision 1. [GENERAL PROPERTIES AND INVESTMENTS.] (a) ~~In acquiring, investing, reinvesting, exchanging and managing property,~~ A trustee is authorized to ~~acquire~~ invest in every kind of ~~real or personal~~ property, ~~real, personal or mixed,~~ and every kind of investment, specifically including, but not by way of limitation, bonds, debentures and other individual or corporate obligations, mutual funds, and corporate stocks. ~~A trustee, in determining the prudence of a particular investment, shall consider the role that the proposed investment or investment course of action plays within the overall portfolio of assets. In applying the total asset~~

~~management approach, that a prudent person would invest in having in mind the preservation of the trust estate and the amount and regularity of the income derived. In considering an investment, a trustee shall exercise the care, skill, and judgment and care under the circumstances then prevailing, which persons that a person of ordinary prudence, discretion, and intelligence would exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds the person's own property; and shall consider the role that the investment plays within the trust's overall portfolio of assets. If the trustee has special greater skills or expertise than a person of ordinary prudence or if the trustee holds itself out as having special skills or expertise is named trustee by representing that the trustee has greater skills than a person of ordinary prudence, the trustee is under a duty to use those skills or expertise.~~

(b) ~~Except as may be provided to the contrary in the instrument, the following are~~ Among the factors that should to be considered by a trustee in applying the total asset management approach determining the prudence of a particular investment are the following:

(1) the probable income of the trust as well as the probable safety of the capital of the trust;

(2) ~~marketability of investments~~ the composition of the portfolio of the trust with regard to diversification;

(3) the length of the term of investments of the trust;

(4) the duration of the trust;

(5) the liquidity needs and current return of the trust's portfolio relative to the anticipated cash requirements of the trust;

(6) requirements of the beneficiary or beneficiaries;

(7) other assets of the beneficiary or beneficiaries, known to the trustees, including earning capacity; and

(8) effect of investments in increasing or diminishing liability for taxes

(7) the relative interests of income and remainder beneficiaries;

(8) the tax consequences; and

(9) the reasonableness of administrative costs, fees and commissions that will be paid from the trust, in view of the complexity of the investment, the skills of the trustee and other persons who will be paid for investment services, and the anticipated return from the investment.

(c) An investment that is otherwise prudent must not be considered imprudent solely because it is in new, unproven, untried, or other enterprises with a potential for significant growth or in a limited partnership or commingled fund investing in these enterprises.

Sec. 2. [501.155] [EMPLOYEES AND AGENTS OF TRUSTEE.]

Unless otherwise provided in the instrument, a trustee may employ attorneys, accountants, investment advisors, agents, or other persons, even if they are associated with the trustee, to advise or assist the trustee in the performance of duties. The trustee may act without independent investigation upon their recommendations or, instead of acting personally, employ one or more agents to perform any act of administration, whether

or not discretionary, except that:

- (1) the trustee may not delegate all of the trustee's duties;
- (2) the employment does not relieve the trustee of liability for the acts of a person that, if done by the trustee, would result in liability to the trustee; and
- (3) the employment does not relieve the trustee of the duty to select and retain a person with reasonable care.

Sec. 3. Minnesota Statutes 1986, section 501.66, subdivision 28, is amended to read:

Subd. 28. The trustee may employ attorneys, accountants, investment advisors, agents or other persons, even if they are associated with the trustee, to advise or assist the trustee in the performance of duties; to act without independent investigation upon their recommendations; and instead of acting personally, to employ one or more agents to perform any act of administration, whether or not discretionary; ~~except that:~~

- (1) the trustee may not delegate all of the trustee's duties; and
- (2) the employment does not relieve the trustee of liability for the discretionary acts of a person, which if done by the trustee, would result in liability to the trustee, or of the duty to select and retain a person with reasonable care.

Sec. 4. Minnesota Statutes 1986, section 524.2-202, is amended to read:

524.2-202 [AUGMENTED ESTATE.]

The augmented estate means the estate reduced by funeral and administration expenses, the homestead, family allowances and exemptions, liens, mortgages, and enforceable claims, to which is added the sum of the following amounts:

(1) The value of property, other than the homestead, transferred by the decedent at any time during the marriage, to or for the benefit of any person other than the surviving spouse, to the extent that the decedent did not receive adequate and full consideration in money or money's worth for the transfer, if the transfer is of any of the following types:

(i) any transfer under which the decedent retained at the time of death the possession or enjoyment of, or right to income from, the property;

(ii) any transfer to the extent that the decedent retained at the time of death a power, either alone or in conjunction with any other person, to revoke or to consume, invade or dispose of the principal for personal benefit;

(iii) any transfer whereby property is held at the time of decedent's death by decedent and another with right of survivorship;

(iv) any transfer made within one year of death of the decedent to the extent that the aggregate transfers to any one donee in the year exceeds \$30,000.

Any transfer is excluded if made with the written consent or joinder of the surviving spouse. Property is valued as of the decedent's death except that property given irrevocably to a donee during lifetime of the decedent is valued as of the date the donee came into possession or enjoyment if that occurs first.

Notwithstanding the provisions of items (i) to (iv), the augmented estate includes the proceeds of property described in clause (3) only to the extent provided in clause (3).

(2) The value of property, other than the homestead, owned by the surviving spouse at the decedent's death, plus the value of property transferred by the spouse at any time during marriage to any person other than the decedent which would have been includable in the spouse's augmented estate if the surviving spouse had predeceased the decedent, to the extent the owned or transferred property is derived from the decedent by any means other than testate or intestate succession or as an obligation of support without a full consideration in money or money's worth. For purposes of this clause:

(i) Property derived from the decedent includes, but is not limited to, any beneficial interest of the surviving spouse in a trust created by the decedent during the decedent's lifetime; any property appointed to the spouse by the decedent's exercise of a general or special power of appointment also exercisable in favor of others than the spouse; any proceeds of insurance, including accidental death benefits, on the life of the decedent attributable to premiums paid by the decedent; any lump sum immediately payable and the commuted value of the proceeds of annuity contracts under which the decedent was the primary annuitant attributable to premiums paid by the decedent; the commuted value of amounts payable after the decedent's death under any public or private pension, disability compensation, benefit, or retirement plan or account, excluding the federal social security system and tier 1 railroad retirement benefits, by reason of service performed, disabilities incurred, or deposits made by the decedent; any property held at the time of decedent's death by decedent and the surviving spouse with right of survivorship; any property held by decedent and transferred by contract to the surviving spouse by reason of the decedent's death; and the value of the share of the surviving spouse resulting from rights in community property in this or any other state formerly owned with the decedent.

(ii) Property owned by the spouse at the decedent's death is valued as of the date of death. Property transferred by the spouse is valued at the time the transfer became irrevocable, or at the decedent's death, whichever occurred first. Income earned by included property prior to the decedent's death is not treated as property derived from the decedent.

(iii) Property owned by the surviving spouse as of the decedent's death of the kind described in clause (2)(i) is presumed to have been derived from the decedent except to the extent that the surviving spouse establishes that it was derived from another source. All other property owned by the surviving spouse as of the decedent's death, or previously transferred by the surviving spouse, is presumed not to have been derived from the decedent except to the extent that an interested party establishes that it was derived from the decedent.

(3) The value of property paid to, or for the benefit of, a person other than the surviving spouse as a result of the decedent's death if the property is any of the following types:

(i) proceeds of insurance, including accidental death benefits, but excluding (1) insurance required by a judgment and decree or court order; (2) credit life insurance; (3) insurance required by the terms of a contract; (4) insurance obtained for the purpose of discharging any other liability;

contingent or fixed; to the extent the proceeds are used to discharge the liability; or (5) insurance obtained for a bona fide business purpose attributable to premiums paid by the decedent during the marriage except that: (a) if an enforceable claim satisfied with proceeds of insurance on the decedent's life is not deducted in computing the augmented estate, the proceeds must not be included separately; (b) if the value of a business interest is included in the augmented estate, the proceeds of insurance on the decedent's life that are paid to the business or are applied in performance of a purchase agreement relating to the business interest must not be included separately; (c) if the decedent was required by a decree or order dissolving a prior marriage to pay premiums on insurance on the decedent's life for the benefit of specified persons, the proceeds of that insurance must not be included separately; and (d) in other similar cases the proceeds of insurance must not be included separately;

(ii) a lump sum immediately payable, or the commuted value of the proceeds of annuity contracts under which the decedent was the primary annuitant attributable to premiums paid by the decedent during the marriage; or

(iii) the commuted value of amounts payable after the decedent's death under any public or private pension, disability compensation, benefit, or retirement plan or account, excluding the federal social security system and tier 1 railroad retirement benefits, by reason of service performed, disabilities incurred, or deposits made by the decedent, attributable to premiums or contributions paid by the decedent during the marriage.

For purposes of this clause, premiums or contributions paid by the decedent's employer, the decedent's partner, a partnership of which the decedent was a member, or the decedent's creditors, are deemed to have been paid by the decedent, and any amounts otherwise includable in the augmented estate are excluded if made with the written consent or joinder of the surviving spouse.

Unless the payer of the property has received written notice of intention to file a petition for the elective share, the property may be paid, upon request and satisfactory proof of the decedent's death, to the designated beneficiary of the property. Payment made discharges the payer from all claims for the amounts paid. This does not extend to payments made after the payer has received written notice of intention to file a petition for the elective share. Unless the notice is withdrawn by the surviving spouse, the surviving spouse must concur in any demand for withdrawal.

For an insurer, the written notice of intention to file a petition for the elective share must be mailed to its home office by registered mail, return receipt requested, or served upon the insurer in the same manner as a summons in a civil action. Upon receipt of written notice of intention to file a petition for the elective share, an insurer may pay any amounts owed by it specified in clause (3) to the court in which the probate proceedings relating to the estate of the decedent are venued, or if no proceedings have been commenced, to the court having jurisdiction of decedents' estates located in the county of the insured's residence. The court shall hold the funds and, upon its determination under section 524.2-205, subsection (d), shall order its disbursement in accordance with the determination. If no petition is filed in the court within the specified time under section 524.2-205, subsection (a), or if filed, the demand for an elective share is withdrawn under section 524.2-205, subsection (c), the court shall order disbursement

to the designated beneficiary. Payment made to the court discharges the insurer from all claims for the amounts paid.

Upon petition to the probate court by the designated beneficiary, the court may order that all or part of the property be paid to the designated beneficiary in an amount and subject to conditions consistent with this section.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, sections 501.125, subdivision 1a; and 501.66, subdivision 6a, are repealed.

Sec. 6. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to probate; changing and clarifying certain powers of trustees; redefining "augmented estate" for certain purposes; amending Minnesota Statutes 1986, sections 501.125, subdivision 1; 501.66, subdivision 28; and 524.2-202; proposing coding for new law in Minnesota Statutes, chapter 501; repealing Minnesota Statutes 1986, sections 501.125, subdivision 1a; and 501.66, subdivision 6a."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 243: A bill for an act relating to motor vehicle safety; providing for enforcement of sanctions for operation of snowmobiles while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, sections 84.87, subdivisions 1 and 2, and by adding a subdivision; 169.02, subdivision 1; 169.121, subdivision 1; 169.123, subdivision 2; and 169.129.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 3, line 14, delete "and" and insert a comma and after "169.123" insert ", and 169.129"

Page 3, line 15, delete "upon streets, highways" and insert "within this state"

Page 4, after line 7, insert:

"Sec. 4. Minnesota Statutes 1986, section 84.928, subdivision 1, is amended to read:

Subdivision 1. [OPERATION ON STREETS AND HIGHWAYS.] (a) A person shall not operate an all-terrain vehicle upon the roadway, shoulder, or inside bank or slope of a trunk, county state-aid, or county highway in this state and, in the case of a divided trunk or county highway, on the right-of-way between the opposing lanes of traffic, except as provided in sections 84.92 to 84.929. A person shall not operate an all-terrain vehicle within the right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being

used exclusively as transportation to and from work on agricultural lands. A person shall not operate an all-terrain vehicle within the right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway. A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state.

(b) An all-terrain vehicle may make a direct crossing of a street or highway provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing;

(2) the vehicle is brought to a complete stop before crossing the shoulder or main traveled way of the highway;

(3) the driver yields the right-of-way to all oncoming traffic that constitutes an immediate hazard;

(4) in crossing a divided highway, the crossing is made only at an intersection of the highway with another public street or highway; and

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on.

(c) An all-terrain vehicle may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the all-terrain vehicle is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge, and the crossing is made without undue delay.

(d) A person shall not operate an all-terrain vehicle upon a public street or highway unless the vehicle is equipped with at least one headlight and one taillight, each of minimum candlepower as prescribed by rules of the commissioner, with reflector material of a minimum area of 16 square inches mounted on each side forward of the handlebars, and with brakes conforming to standards prescribed by rule of the commissioner, and all of which are subject to the approval of the commissioner of public safety.

(e) An all-terrain vehicle may be operated upon a public street or highway other than as provided by paragraph (b) in an emergency during the period of time when and at locations where the condition of the roadway renders travel by automobile impractical.

(f) Chapter 169 applies to the operation of all-terrain vehicles upon streets and highways, except for those provisions relating to required equipment and except those provisions which by their nature have no application.

(g) A sled, trailer, or other device being towed by an all-terrain vehicle must be equipped with reflective materials as required by rule of the commissioner.

(h) Sections 169.121, 169.123, and 169.129 apply to the operation of all-terrain vehicles within the state or upon the ice of any boundary water of this state.

Sec. 5. Minnesota Statutes 1986, section 84.928, subdivision 3, is amended to read:

Subd. 3. [OPERATING UNDER INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCE.] A person may not operate or be in control of an all-terrain vehicle *within this state or on the ice of any boundary water of this state* while under the influence of alcohol or a controlled substance, as provided in section 169.121, ~~subdivision 1, or a controlled substance defined in section 152.01, subdivision 4. A person violating this subdivision is guilty of a crime and is punishable in accordance with the provisions of section 169.121, subdivisions 3 and 4.~~ A person who operates or is in control of an all-terrain vehicle *within this state or on the ice of any boundary water of this state consents to a chemical test to determine the presence of alcohol or a controlled substance and is subject to section 169.123.*

Page 7, line 1, delete "8" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "snowmobiles" insert "and all-terrain vehicles"

Page 1, line 7, after the first semicolon, insert "84.928, subdivisions 1 and 3;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 605: A bill for an act relating to crimes; defining the crime of using police radios while committing a criminal act; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 609.035, is amended to read:

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Except as provided in sections 609.251, 609.585, 609.21, subdivisions 3 and 4, and 609.2691, and section 2, if a person's conduct constitutes more than one offense under the laws of this state, the person may be punished for only one of the offenses and a conviction or acquittal of any one of them is a bar to prosecution for any other of them. All the offenses, if prosecuted, shall be included in one prosecution which shall be stated in separate counts."

Page 1, line 14, delete "criminal act" and insert "felony or violation of section 609.487" and delete the second "criminal" and insert "felony or violation of section 609.487"

Page 1, line 15, delete "act" and delete "imprisonment" and insert "imprisonment"

Page 1, line 17, after the period, insert "A prosecution for or conviction of the crime of use or possession of a police radio is not a bar to conviction for any other crime committed while possessing or using the police radio."

Page 1, lines 19 and 20, delete "criminal act" and insert "felony or violation of section 609.487"

Page 1, line 23, delete "Section" and insert "Sections" and delete "is" and insert "and 2 are" and delete "applies" and insert "apply"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1986, section 609.035;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 433: A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; proposing coding for new law as Minnesota Statutes, chapter 468.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 3.981, is amended to read:
3.981 [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 3.981 to 3.983 and 14.131 have the meanings given them in this section.

Subd. 2. [MANDATE.] A "mandate" is a requirement imposed upon a local political subdivision by an external governmental or judicial authority which, if not complied with, results in (a) civil liability, (b) criminal penalty, or (c) administrative sanctions such as reduction or loss of funding.

Subd. 3. [LOCAL POLITICAL SUBDIVISION.] A "local political subdivision" is a county, city, or town or other taxing district or municipal corporation.

Subd. 24. [COSTS MANDATED BY THE STATE.] (a) "Costs mandated by the state" means increased costs that a local agency or a school district political subdivision is required to incur as a result of:

(a) (1) a law enacted after June 30, 1985, which mandates a new program or an increased level of service of an existing program;

(b) (2) an executive order issued after June 30, 1985, which mandates a new program;

(c) (3) an executive order issued after June 30, 1985, which implements or interprets a state statute and, by this implementation or interpretation, increases program levels above the levels required before July 1, 1985;

(d) (4) a statute enacted after June 30, 1985, or executive order issued

after June 30, 1985, which implements or interprets a federal statute or regulation and, by this implementation or interpretation, increases program or service levels above the levels required by this federal statute or regulation;

(e) (5) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which implements or interprets a statute or amendment adopted or enacted pursuant to the approval of a statewide ballot measure by the voters and, by this implementation or interpretation, increases program or service levels above the levels required by the ballot measure;

(f) (6) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which removes an option previously available to local agencies and thus increases program or service levels or prohibits a specific activity and so forces local agencies to use a more costly alternative to provide a mandated program or service;

(g) (7) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which requires that an existing program or service be provided in a shorter time period and thus increases the cost of the program or service;

(h) (8) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which adds new requirements to an existing optional program or service and thus increases the cost of the program or service as the local agencies have no reasonable alternatives other than to continue the optional program;

(i) (9) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which creates new revenue losses stemming from new property or sales and use tax exemptions;

(j) (10) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which requires costs previously incurred at local option that have subsequently been mandated by the state; or

(k) (11) a statute enacted or an executive order issued after March 26, 1986 which requires payment of a new fee or increases the amount of an existing fee;

(12) when state statutory or executive actions are intended to achieve compliance with federal statutes or regulations or court orders, state mandates shall be determined as follows:

(i) if the federal statute or regulation or court order is discretionary, the state statutory or executive action is a state mandate;

(ii) if the state statutory or executive action exceeds what is required by the federal statute or regulation or court order, only the provisions of the state action which exceed the federal requirements are a state mandate; and

(iii) if the state statutory or executive action does not exceed what is required by the federal statute or regulation or court order, the state action is not a state mandate.

(b) State mandated costs include the costs of:

(1) a rule issued after December 31, 1988, which mandates a new responsibility; and

(2) a rule issued after December 31, 1988, which implements or interprets a state statute enacted after December 31, 1986, and by doing so

increases program levels above the levels required before January 1, 1988.

Sec. 2. Minnesota Statutes 1986, section 3.982, is amended to read:

3.982 [FISCAL NOTES FOR STATE-MANDATED ACTIONS.]

Subdivision 1. [DIVISION OF STATE AND LOCAL MANDATES.] When the state proposes to mandate that a local agency or school district take an action, and when reasonable compliance with that action would force the local agency or school district to incur costs mandated by the state, a fiscal note shall be prepared as provided in section 3.98, subdivision 2 and shall be made available to the public upon request. If the action is among the exceptions listed in section 3.983, a fiscal note need not be prepared.

~~When a bill proposing a mandate is introduced and referred to a standing committee, the chair of the standing committee to which the bill is referred shall request the appropriate state agency or department to prepare a fiscal note before the bill is heard in the committee. Before a proposed mandate is issued in an executive order, the governor or appropriate agency head assigned by the governor shall prepare the fiscal note and make it available to the public.~~

A division of state and local mandates in the office of state auditor is created. The division shall make a reasonable determination in a timely manner of the estimated and actual financial effects on each local political subdivision of each program mandated by the legislature and each rule proposed by an administrative agency. The division may require the commissioner of the appropriate administrative agency of the state to supply in a timely manner any information determined by the division to be necessary to determine local financial effects. The commissioner shall convey the requested information to the division with a signed statement to the effect that the information is accurate and complete to the best of the commissioner's ability.

The division when requested shall update its determination of financial effects based on either actual cost figures or improved estimates or both.

Subd. 2. [MANDATE EXPLANATIONS.] Any bill introduced in the legislature after December 31, 1988, which seeks to impose program or financial mandates on local political subdivisions shall include as an attachment bill appropriate responses to the following guidelines. It shall state and list:

(1) the policy goals which are sought to be attained, the performance standards that are to be imposed, and an explanation why the goals and standards will best be served by requiring compliance on the part of local political subdivisions;

(2) performance standards which will allow local political subdivisions flexibility and innovation of method in achieving these goals;

(3) the rationale for each prescribed standard and the process by which each standard shall govern inputs such as staffing and other administrative aspects of the program;

(4) the sources of additional revenue, in addition to existing funding for similar programs, that are directly linked to imposition of the mandates that will provide adequate and stable funding for their requirements;

(5) what input has been obtained to ensure that the implementing agencies have the capacity to carry out the delegated responsibilities; and

(6) *the reasons why less intrusive measures such as financial incentives or voluntary compliance would not yield the equity, efficiency, or desired level of statewide uniformity in the proposed program.*

Subd. 3. [LOCAL INVOLVEMENT; LAWS.] Any bill introduced in the legislature after December 31, 1988, which seeks to impose a program or financial mandate on local political subdivisions shall include as an attachment a description of the efforts put forth, if any, to involve local political subdivisions in the creation or development of the proposed mandate.

Subd. 4. [NO MANDATE RESTRICTION.] Except as specifically provided by this act, nothing in this act shall be construed to restrict or eliminate the authority of the state to create or impose programs by legislative mandate upon local political subdivisions.

Sec. 3. Minnesota Statutes 1986, section 3.983, subdivision 3, is amended to read:

Subd. 3. [MISCELLANEOUS EXCEPTIONS.] A fiscal note need not be prepared for the cost of a mandated action if the law containing the mandate:

- (a) accommodates a specific local request;
- (b) results in no new local government duties;
- (c) leads to revenue losses from exemptions to taxes other than sales, use, or property taxes;
- (d) provides only clarifying or conforming, nonsubstantive changes on local government;
- (e) imposes additional net local costs which are minor (less than \$200 for any single local government if the mandate does not apply statewide or less than one-tenth of a mill times the entire value of taxable property in the state if the mandate is statewide) and do not cause a financial burden on local government;
- (f) is a legislative mandate or executive order enacted before July 1, 1985, or a rule initially implementing legislation enacted before July 1, 1985;
- (g) implements something other than a state statute or executive order, such as a federal, court, or voter-approved mandate;
- (h) appears in rules that are permissive or discretionary in nature;
- (i) defines a new crime or redefines an existing crime or infraction;
- (j) provides, or falls within the purview of existing, revenue sources or other financing mechanisms; or
- (k) (i) results in savings that equal or exceed costs;
- (j) provides for the holding of elections;
- (k) clarifies the assurance of due process and equal protection;
- (l) provides for the notification and conduct of public meetings;
- (m) specifies the procedures for administrative and judicial review of actions taken by local political subdivisions;
- (n) provides for the protection of the public from malfeasance, misfeasance, or nonfeasance by officials of local political subdivisions;

(o) relates to financial administration, including the levy, assessment, and collection of taxes; or

(p) requires the preparation and submission of financial audits necessary to the administration of state laws.

Sec. 4. [3.984] [REIMBURSEMENT TO LOCAL POLITICAL SUBDIVISIONS FOR COSTS OF STATE MANDATES.]

Subdivision 1. [DEFINITIONS.] Definitions of class A and class B state mandates have the meanings given them.

(a) For purposes of this section, "class A state mandates" are defined as those laws under which the state mandates to local political subdivisions, their participation, the organizational structure of the program, and the procedural regulations under which the law must be administered.

(b) For purposes of this section, "class B state mandates" are those mandates that allow the political subdivisions to opt for administration of a law with program elements mandated beforehand and with an assured revenue level from the state of 90 percent of full program and administrative costs.

Subd. 2. [REPORT.] The division of state and local mandates shall submit to the department of finance by September 1, 1990, and by September 1 of each year thereafter, a report by local political subdivisions of the costs of class A state mandates established after December 31, 1988, to be reimbursed for the next preceding fiscal year.

The department of finance shall annually include the statewide total of the statement of costs of class A mandates to be reimbursed as a line item appropriation in the state budget for the next fiscal year.

The state treasurer shall, in July 1991 and in July of each year thereafter, distribute to local political subdivisions the reimbursements for class A state mandated costs in accordance with the report submitted to the department of finance.

Subd. 3. [CERTAIN POLITICAL SUBDIVISIONS; REPORT.] The local political subdivisions that have opted to administer class B state mandates shall report to the division of state and local mandates on or before September 1, 1990, and on or before September 1 of each year thereafter, regarding the fact that revenue for a class B state mandate has fallen below 85 percent of the total cost of the program and that the local political subdivision intends to cease administration of the program.

The division shall forward a copy of the report to the department of finance and the respective chairs of the senate finance committee and the house appropriations committee for inclusion of the shortfall as a line item appropriation in the state budget for the next fiscal year.

The local political subdivision may exercise its option to cease administration only if the legislature has failed to include the shortfall as an appropriation in the state budget for the next fiscal year.

Subd. 4. [EXEMPTIONS.] Statutes and executive orders enumerated in Minnesota Statutes, section 3.983, are exempted from this section.

Sec. 5. Minnesota Statutes 1986, section 14.11, subdivision 1, is amended to read:

Subdivision 1. [FISCAL NOTE ON RULE IN NOTICE.] If the adoption of a rule by an agency will require the expenditure of public ~~money monies~~ by local public bodies, the appropriate notice of the agency's intent to adopt a rule shall be accompanied by a written statement giving the agency's reasonable estimate of the total cost to all local public bodies in the state to implement the rule for the two years immediately following adoption of the rule if the estimated total cost exceeds \$100,000 in either of the two years after December 31, 1988, shall be accompanied by a written report of the division of state and local mandates. The report shall state the division's opinion of the total cost to local public bodies to implement the rule for the two years immediately following adoption of the rule. The report shall further contain the opinion of the division as to the consistency of the proposed rule with the original legislative intent. The division shall have 60 days from the date of the agency's request to issue the report. For purposes of this subdivision, local public bodies shall mean officers and governing bodies of the political subdivisions of the state and other officers and bodies of less than statewide jurisdiction which have the authority to levy taxes.

Sec. 6. [14.401] [PERIODIC REVIEW OF ADMINISTRATIVE RULES.]

The division of state and local mandates shall review every five years the rules adopted after December 31, 1988, that have significant financial impact upon local political subdivisions. For purposes of this section, "significant financial impact" means requiring local political subdivisions to expand existing services, employ additional personnel, or increase local expenditures. The division shall determine the costs and benefits of each rule and submit a report to the commission with its opinion, if any, for the continuation, modification, or elimination of each rule.

Delete the title and insert:

"A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; amending Minnesota Statutes 1986, sections 3.981; 3.982; 3.983, subdivision 3; and 14.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3 and 14."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1295: A bill for an act relating to the city of Minneapolis; giving the city certain powers pertaining to conventions and tourism activities.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 27, insert:

"Sec. 4. Laws 1986, chapter 396, section 4, subdivision 3, is amended to read:

Subd. 3. [USE OF PROPERTY.] Revenues received from the tax may only be used:

(1) to pay costs of collection;

(2) to pay or secure the payment of any principal of, premium or interest on bonds issued in accordance with this act;

(3) to pay costs to acquire, design, equip, construct, improve, maintain, operate, administer, or promote the convention center or related facilities, including financing costs related to them;

(4) to pay reasonable and appropriate costs determined by the city to replace housing *and the ice arena* removed from the site; and

(5) to maintain reserves for the foregoing purposes deemed reasonable and appropriate by the city.

In the event of any amendment to chapter 297A enacted subsequent to the effective date of this act which exempts sales or uses which were taxable under chapter 297A on the effective date of this act, the city may by ordinance extend the tax authorized hereby to any such sales or uses provided that the city council shall have determined that such extension is necessary to provide revenues for the uses to which taxes may be applied under this section and further provided that, in the estimation of the city council, the aggregate annual collections following such extension will not exceed the aggregate annual collections which would have been generated if chapter 297A, as in effect on the effective date of this act, were then in effect. Any revenue bonds issued in accordance with this act may, with the consent of the city council, contain a covenant that the tax will be so extended to the extent necessary to pay principal and interest on the bonds when due.

Money for replacement housing shall be made available by the city only for new construction, conversion of nonresidential buildings, and for rehabilitation of vacant residential structures, only if all of the units in the newly constructed building, converted nonresidential building, or rehabilitated residential structure are to be used for replacement housing."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert " ; providing for the use of certain tax revenues; amending Laws 1986, chapter 396, section 4, subdivision 3"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 11: A bill for an act relating to local government; permitting the establishment of a fire protection district for the city of Moose Lake and surrounding territory.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 32, insert:

"Sec. 2. Laws 1974, chapter 400, section 5, subdivision 4, is amended to read:

Subd. 4. [EXECUTIVE DIRECTOR.] The board shall may appoint an executive director who shall be selected solely upon the basis of his training, experience and other qualifications and who shall serve at the pleasure of the board and at a compensation to be determined by the board. The executive director need not be a resident of the district. He may also be selected by the board to serve as either secretary or treasurer, or both, of the board. As executive director, he shall attend all meetings of the board, but shall not vote, and shall have the following powers and duties:

(a) He shall see that all resolutions, rules, regulations, or orders of the board are enforced.

(b) He shall appoint and remove, upon the basis of merit and fitness, all subordinate officers and regular employees of the board except the secretary and the treasurer and their deputies.

(c) He shall present to the board plans, studies and other reports prepared for board purposes and recommend to the board for adoption such measures as he deems necessary to enforce or carry out the powers and duties of the board, or the efficient administration of the affairs of the board.

(d) He shall keep the board fully advised as to its financial condition, and he shall prepare and submit to the board, and to the governing bodies of the local government units, the board's annual budget and other financial information as the board may request.

(e) He shall recommend to the board for adoption such rules and regulations as he deems necessary for the efficient operation of the district disposal system.

(f) He shall perform such other duties as may be prescribed by the board."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert "; providing for the optional appointment of the executive director of the Moose Lake-Windemere sanitary sewer district board; amending Laws 1974, chapter 400, section 5, subdivision 4"

And when so amended the bill do pass. Mr. Pogemiller, for Mr. Johnson, D.J., questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 313: A bill for an act relating to veterans; providing for special motor vehicle license plates for former prisoners of war free of charge; amending Minnesota Statutes 1986, section 168.125.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 833: A bill for an act relating to insurance; regulating trade practices; authorizing the payment of differing amounts of reimbursement to insured under individual policies; amending Minnesota Statutes 1986, section 72A.20, subdivision 15.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1043: A bill for an act relating to insurance; regulating the formation and operation of risk retention groups; prescribing the powers and duties of the commissioner; defining terms; prescribing penalties; proposing coding for new law as Minnesota Statutes, chapter 60E.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 990: A bill for an act relating to liquor; authorizing the city of Little Falls to issue a temporary on-sale intoxicating liquor license.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, delete "1978" and insert "1987"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 361: A bill for an act relating to state employees; permitting certain employees to donate vacation time to a union representative; amending Minnesota Statutes 1986, section 43A.04, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, reinstate the stricken "up to"

Page 1, lines 12 and 13, delete the new language and insert "eight"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 79: A bill for an act relating to occupations and professions; generally revising and updating the laws relating to licensure of podiatrists; providing for definitions, licensing, practice without a license, disciplinary action, and investigations; providing penalties; amending Minnesota Statutes 1986, sections 153.01, subdivisions 2 and 3; 153.02; 153.03; 214.01; and 319A.02; proposing coding for new law in Minnesota Statutes, chapter 153; repealing Minnesota Statutes 1986, sections 153.01, subdivision 4; 153.04 to 153.09; 153.13; 153.14; and 153.15.

Reports the same back with the recommendation that the bill be amended as follows:

Page 11, line 14, delete "shall take"

Page 11, line 15, delete "effect" and insert "is effective"

Page 11, line 16, delete "*shall remain*" and insert "*remains*"

Page 11, lines 21 and 22, delete "*shall*" and insert "*must*"

Page 11, line 27, delete "*shall be*" and insert "*is*"

Page 11, line 28, delete "*shall*"

Page 11, line 29, delete "*order*" and insert "*orders*"

Page 12, line 15, delete "*shall*"

Page 12, line 16, delete "*have*" and insert "*has*"

Page 13, line 2, delete "*shall be*" and insert "*is*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 564 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
564	526				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 564 be amended as follows:

Delete all the language after the title of H.F. No. 564 and insert the language after the title of S.F. No. 526, the first engrossment; further, delete the title of H.F. No. 564 and insert the title of S.F. No. 526, the first engrossment.

And when so amended H.F. No. 564 will be identical to S.F. No. 526, and further recommends that H.F. No. 564 be given its second reading and substituted for S.F. No. 526, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was re-referred

S.F. No. 776: A bill for an act relating to natural resources; creating the state board of water and soil resources and providing for its administration and powers and duties; abolishing the state soil and water conservation board and the water resources board; amending the duties of the environmental quality board; amending Minnesota Statutes 1986, sections 40.01, subdivision 4; 40.03, subdivision 4; 40.035, subdivision 2; 40.21, subdivisions 1 and 3; 40.43, subdivision 1; 105.73; 110B.02, subdivision 2; 112.35, subdivision 4; 116C.03, subdivision 2; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; and 473.878, subdivisions 7 and 8; proposing coding for new law in Minnesota Statutes, chapter 110B; repealing Minnesota Statutes 1986, sections 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; and 116C.41, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 27, delete "*who must be conversant*"

Page 5, line 28, delete "*with*" and insert "*knowledgeable of*" and delete the third "*and*"

Page 5, delete line 29

Page 5, line 30, delete "*government*"

Page 5, line 31, delete everything after the period

Page 5, delete line 32

Page 5, line 33, delete "*subdivision 1a.*"

Page 6, line 5, after "*chair*" insert "*chosen from among the board members*"

Page 6, line 17, after "*members*" insert "*but not more than six members*"

Page 6, line 18, after the semicolon, insert "*and*"

Page 6, line 20, delete "*; and*" and insert a period

Page 6, delete line 21

Page 6, line 32, delete "*with the advice and consent of the senate*"

Page 6, line 36, after "*districts*" delete the comma and insert a period

Page 7, line 1, delete "*respectively.*"

Page 7, line 10, delete everything after "*temporary*"

Page 7, line 11, delete "*shall*" and insert "*must*"

Page 7, line 14, delete "*delegate to*" and insert "*authorize*" and delete "*or*" and insert "*and*"

Page 7, line 15, delete "*any*" and delete "*board's powers and duties*" and insert "*board to act on behalf of the board*"

Page 7, line 19, delete everything after "*quorum*"

Page 7, delete lines 20 and 21

Page 7, line 22, delete "*record of its official actions*"

Page 7, line 34, after the comma, insert "*watershed management organizations,*"

Page 8, line 9, delete "*Public Law Number*" and insert "*United States Code, title 16, section 1009;*"

Page 8, delete line 10

Page 13, line 4, delete everything after "18." and insert "[TRANSFER OF EMPLOYEES.]"

Page 13, line 5, delete everything before "All"

Page 13, line 12, after "*policy*" insert "*board*" and after "*other*" delete "*board,*"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 682: A bill for an act relating to human services; changing standards of assistance and eligibility for general assistance recipients and work readiness participants; amending Minnesota Statutes 1986, sections 256D.01, subdivision 1a; 256D.02, subdivisions 5 and 8; 256D.05, subdivision 1, and by adding a subdivision; 256D.051, subdivisions 4 and 5; 256D.06, subdivisions 1 and 2; 256D.08, subdivision 1; 256D.101; and 256D.15.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1986, section 144.219, is amended to read:

144.219 [AMENDMENT OF VITAL RECORDS.]

Upon the order of a court of this state, upon the request of a court of another state, or upon the filing of an ~~acknowledgment of paternity a declaration of parentage under section 257.34~~ with the state registrar or the appropriate court ~~which is not disputed by the mother named on the original birth certificate within a reasonable time after being informed of the filing,~~ a new birth certificate shall be registered consistent with the findings of the court or with the ~~acknowledgment of paternity declaration of parentage.~~

Sec. 2. Minnesota Statutes 1986, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as are vested by law in the department.

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed ~~two~~ four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the com-

missioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$400,000. When the balance in the account exceeds \$400,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

Sec. 3. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 1a. [DEFINITIONS.] As used in this section and section 19, the following words have the meanings given them:

(a) "AFDC" means aid to families with dependent children.

(b) "AFDC-UP" means that group of AFDC clients who are eligible for assistance by reason of unemployment as defined by the commissioner under section 256.12, subdivision 14.

(c) "Caretaker" means a parent or eligible adult who is part of the assistance unit that has applied for or is receiving AFDC.

(d) "Employment and training services" means programs, activities, and services related to job training and job placement, including job service programs, job training partnership act programs, wage subsidies, remedial and secondary education programs, post-secondary education programs excluding education leading to an advanced degree, vocational education programs, work incentive programs, work readiness programs,

employment search, community work experience programs, displaced homemaker programs, self-employment programs, grant diversion, employment experience programs, youth employment programs, community investment programs, supported work programs, and counseling and support activities necessary to stabilize the caretaker or the family.

(e) "Employment and training service provider" means an administrative entity certified by the commissioner of jobs and training to deliver employment and training services under section 268.0122, subdivision 3.

(f) "Priority groups" or "priority caretakers" means recipients of AFDC or AFDC-UP designated as priorities for employment and training services under section 5.

(g) "Support services" means programs, activities, and services intended to stabilize families and individuals or provide assistance for family needs related to employment or participation in employment and training services, including child care, transportation, housing assistance, personal and family counseling, crisis intervention services, peer support groups, chemical dependency counseling and treatment, money management assistance, and parenting skill courses.

Sec. 4. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 1b. [WORK INCENTIVE SUBSIDIZED HOUSING PROGRAM.] Within the limit of available appropriations, employed recipients of aid to families with dependent children who meet eligibility requirements established by the commissioner of human services are eligible for a state housing subsidy as an incentive to seek and retain employment. The commissioner of human services shall adopt rules for the work incentive subsidized housing program using eligibility criteria, subsidy amounts, and an administrative system developed jointly by the commissioner of human services and the commissioner of jobs and training. The rules must:

(1) target recipients who are or are likely to become long-term recipients or who experience substantial barriers to employment;

(2) establish a fixed or sliding scale subsidy amount that will create a significant work incentive yet enable the program to serve the greatest possible number of recipients;

(3) limit the subsidy to persons who become employed while receiving assistance; and

(4) provide for continued subsidy payments for up to one year after termination of assistance to ease the transition from assistance to self-sufficiency.

The program must be coordinated with existing work and training programs and must be designed to maximize savings in the aid to families with dependent children program. The subsidy must be provided as in-kind assistance, and it is not available if it would be considered countable income under state and federal requirements.

Sec. 5. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 2a. [PRIORITY GROUPS.] (a) Priority for participation in employment and training services under this section must be given to caretakers who:

(1) are under the age of 22;

(2) have not received a high school diploma or general equivalency diploma; or

(3) have received 24 months or more of AFDC over the last 36 months.

(b) Highest priority for participation in employment and training services under this section must be given to caretakers with two or more of the characteristics listed in paragraph (a).

Sec. 6. Minnesota Statutes 1986, section 256.736, subdivision 3, is amended to read:

Subd. 3. [OPERATION OF PROGRAMS REGISTRATION.] To determine who shall be designated as an appropriate individual for certification for employment and training services, the commissioner of jobs and training shall provide, by rule, standards for county boards consistent with the standards promulgated by the secretary of health and human services. County boards shall certify appropriate individuals for employment and training services, shall notify the commissioner of human services, and shall require that every individual certified, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is: (a) To the extent permissible under federal law, every caretaker is required to register for employment and training services, as a condition of receiving AFDC, unless the caretaker is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;

(2) a person caretaker who is ill, incapacitated or of advanced age;

(3) a person so remote from caretaker for whom participation in an employment and training service and where transportation is not reasonably available that effective participation is precluded would require a round trip commuting time by available transportation of more than two hours;

(4) a person caretaker whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a parent caretaker or other caretaker relative of a child under the age of six who personally provides full-time care for the child;

(6) a parent or other caretaker if another adult relative in the assistance unit is registered and has not, without good cause, failed or refused to participate or accept employment;

(7) a pregnant woman in the last trimester of pregnancy; or

(8) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (7).

Any individual referred to in clauses (3) and (5) to (8) must be advised of the option to register for any available employment services, and training services, and employment if the individual so desires, and must be informed of the any available child care and other support services available if the individual decides to register.

(b) If, after planning with a recipient a decision is made that the recipient must register for employment services, training, and employment, the county board shall notify the recipient in writing of the need to register for participation in an employment and training service and that the recipient to the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on the effective date of this section shall register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 7. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 3a. [PARTICIPATION.] Caretakers in priority groups must participate in employment and training services under this section to the extent permissible under federal law. However, no assistance unit may be sanctioned for a caretaker's failure to participate in employment and training services under this section if failure results from inadequate funding for employment and training services.

Sec. 8. Minnesota Statutes 1986, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any ~~relative or child~~ caretaker required to register for participate in employment and training services pursuant to this section with child-care services, transportation, and other necessary family services;

(2) Pay ten percent of the cost of the work incentive program and any other costs that are required of that agency by federal regulation for employment and training services for recipients of aid to families with dependent children;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of jobs and training is disregarded and the additional expenses attributable to participation in a program are taken into account in grant determination to the extent permitted by federal regulations; and

(4) Provide that when it has been certified by the ~~commissioner of jobs and training, certification to be binding upon the commissioner of human services county board,~~ that a ~~relative or child certified under~~ caretaker required to participate in an employment and training program to the ~~commissioner of jobs and training~~ has been found by the ~~commissioner,~~ after a hearing conducted in the manner prescribed by ~~section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8,~~ employment and training service provider to have refused without good cause to participate in appropriate employment and training services or to have refused without good cause to accept a bona fide offer of public or other employment, the county board shall provide that:

(a) If the ~~relative caretaker~~ makes the refusal, the ~~relative's caretaker's~~

needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of protective or vendor payments, except that when protective payments are made, the local agency may continue payments to the ~~relative~~ caretaker if a protective payee cannot reasonably be found.

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied and the child's needs will not be taken into account in making the grant determination.

(d) If the assistance unit's eligibility is based on the nonexempt principal earner's unemployment and this principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87; ~~if the family is subject to requirements of the work incentive program.~~

Sec. 9. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 4a. [NOTICE AND RIGHT OF APPEAL.] The employment and training service provider shall notify the county board of a caretaker's failure without good cause to cooperate or accept employment. Any determination, action, or inaction on the part of the county board relating to a caretaker's participation under section 256.736 is subject to the notice and hearing procedures in section 256.045, and Code of Federal Regulations, title 45, section 205.10.

Sec. 10. Minnesota Statutes 1986, section 256.736, subdivision 6, is amended to read:

Subd. 6. [PROTECTION FROM GARNISHMENT.] Earnings of a recipient caretaker while participating in full or part-time employment or training shall be protected from garnishment. This protection shall extend for a period of six months from the date of termination of a recipient's caretaker's grant of assistance.

Sec. 11. Minnesota Statutes 1986, section 256.736, subdivision 8, is amended to read:

Subd. 8. [SPECIAL NEEDS.] The commissioner of human services shall amend the state plan for aid to families with dependent children to provide, as special needs payments, money for the costs of child care, transportation, tuition, and items associated with education or seeking employment to the extent allowed under federal regulations and state appropriations. The commissioner of human services, with the assistance of the commissioner of education, shall establish a procedure whereby a governmental entity that pays for child care may contract with a county agency authorized to administer AFDC under sections 393.01, subdivision 7, and 393.07, subdivision 2, to make the child care payments on their behalf to AFDC recipients who are eligible for employment special needs funds. The governmental entity shall reimburse the county agency for the nonfederal share of the payments and administrative costs necessary to carry out the contract. The commissioners of human services and education shall provide information and technical assistance to governmental entities about the availability of special needs payments for child care. Governmental entities that receive state aid for child care through the community social services

act, the sliding fee child care program, or other programs, shall request special needs payments for child care provided to AFDC recipients who are potentially eligible for special needs assistance under criteria established by the commissioner of human services.

Sec. 12. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 10. [COUNTY DUTIES.] County boards shall:

(1) refer all caretakers required to register under subdivision 3 who are in the priority groups to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider caretakers who fall into the priority groups;

(3) provide all caretakers with information on available employment and training services and support services;

(4) provide all caretakers with information on available social services and support services that will be available after they leave the AFDC program, such as child support enforcement, extended medical coverage and other health care programs, child care assistance, housing assistance, transportation, and counseling and social services;

(5) encourage clients to view AFDC as a temporary program providing grants and services to clients who set goals and develop strategies for supporting their families without AFDC assistance;

(6) work with the employment and training service provider to encourage voluntary participation by caretakers in the priority groups;

(7) work with the employment and training service provider to collect data as required by the commissioner;

(8) encourage nonpriority caretakers to attend an orientation meeting and to develop a plan to obtain self-sufficiency; and

(9) notify the commissioner of the caretakers required to participate in employment and training services.

Sec. 13. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 11. [EMPLOYMENT AND TRAINING SERVICES.] (a) County boards shall ensure that the following core services are made available to appropriate caretakers under this section:

(1) orientation meetings;

(2) employment search; and

(3) case management services as defined in subdivision 12 for caretakers in the priority groups.

(b) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

Sec. 14. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 12. [CASE MANAGEMENT SERVICES.] For the purposes of subdivision 11, clause (3), case management services include the following

activities:

(1) assessment of the caretaker's employment, training, and educational needs;

(2) development of an employability plan and development of a written contract establishing goals and a timetable for completing education and obtaining suitable employment;

(3) ongoing assistance to help the caretaker execute the employability plan and the contract;

(4) assistance in securing necessary support services such as child care, transportation, and counseling; and

(5) appropriate in-school and on-the-job follow-up.

Sec. 15. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 13. [EMPLOYMENT SEARCH.] (a) The commissioner of human services shall establish an employment search program under United States Code, title 42, section 602(a)(35). The principal wage earner in an AFDC-UP assistance unit must participate in the employment search program within four months of being determined eligible for AFDC-UP unless:

(1) the caretaker is already participating in another approved employment and training service;

(2) the caretaker's employability plan specifies other activities; or

(3) the caretaker is unable to secure employment due to inability to communicate in the English language.

The employment and training service provider shall refer caretakers unable to communicate in the English language to English as a second language courses.

(b) The employment search program must provide the following services:

(1) an initial period of up to four weeks of job search activities for not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county board if the caretaker fails to cooperate with the employment search requirement; and

(2) an additional period of job search following the first period at the discretion of the employment and training service provider. The total of these two periods of job search may not exceed eight weeks.

(c) The employment search program may provide services to non-AFDC-UP caretakers.

Sec. 16. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 14. [REPORTING.] The commissioner of human services, in cooperation with the commissioner of jobs and training and the coordinator of full productivity and opportunity, shall develop reporting requirements for local agencies and employment and training service providers. The requirements must include information necessary to track recipients as they move between activities and information necessary to evaluate the

effectiveness of the services.

Sec. 17. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 15. [ALLOCATION OF MONEY.] State money appropriated for use under this section must be allocated to counties as follows:

(a) Forty percent of the state money must be allocated for case management services and orientation for caretakers in the priority groups. The allocation must be based on the average monthly number of caretakers receiving AFDC in the county who are under age 22 and the average monthly number of AFDC cases open in the county for 24 or more consecutive months and residing in the service delivery region for the 12-month period ending March 31 of the previous fiscal year.

(b) Twenty percent of the state money must be allocated for orientation for nonpriority caretakers based on the average monthly number of nonpriority caretakers receiving AFDC in the county for the period ending March 31 of the previous fiscal year. Funds may be used to develop employability plans for nonpriority caretakers if resources allow.

(c) Twenty-five percent of the state money must be allocated for employment search activities based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending March 31 of the previous fiscal year.

(d) Fifteen percent of the state money must be allocated at the discretion of the commissioner, after consultation with the coordinator, based on participation levels for priority group members in each county.

(e) No more than 15 percent of the money appropriated for use under this section may be used for administrative activities.

(f) Counties and the department of jobs and training shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of jobs and training that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services for the reimbursement and appropriate the reimbursed money to the county or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

Sec. 18. Minnesota Statutes 1986, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after

application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the first month of eligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) all of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) all educational grants and loans awarded pursuant to a federal law ~~when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;~~

(3) the first \$75 of each individual's earned income. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) an amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded;

(5) thirty dollars plus one-third of the remainder of each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has:

(a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) refused without good cause to accept an offer of suitable employment; or

(c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregard; or

(d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services.

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income

provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment.

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clauses (5)(a) to (5)(d) shall be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards under clause (d), the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for medical assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(6) the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit; and

(7) insurance settlements to pay medical bills, to compensate a member of an assistance unit for partial or permanent loss of function or a body part, or to repair or replace insured property.

The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit shall be paid to the assistance unit within 15 days ~~of~~ *after the end of the month in which* the collection of such periodic support payments *occurred* and shall be disregarded in determining the amount of assistance.

Sec. 19. [256.765] [PROJECTS FOR LONG-TERM RECIPIENTS.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] The commissioner of human services shall establish a grant program for projects to serve long-term caretakers who have received AFDC for at least 36 months. The program must pay for innovative projects that provide comprehensive services to long-term caretakers who cannot be helped effectively by other job training and education programs with the goal of achieving permanent employment.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(a) "Participant" means a recipient of AFDC who is receiving services under the program.

(b) "Substantial barriers to employment" means disabilities, chemical dependency, having children with disabilities, lack of a high school degree, lack of a marketable occupational skill, three or more children, or the lack of regular work experience in the previous five years.

(c) "Case management" means case management as defined in section 14.

Subd. 3. [APPLICATION.] Counties, employment and training service

providers, cities, local and state agencies, tribes, educational institutions, job training agencies, community-based organizations, displaced home-maker programs, supported work programs, and other nonprofit agencies may apply for grants under this section.

Subd. 4. [SELECTION.] A committee consisting of the commissioner of human services, the commissioner of jobs and training, the coordinator of full productivity and opportunity, and the director of the state board of vocational technical education shall review the project proposals and select projects to receive grants under this section. The first set of projects must be selected by March 1, 1988. At least two projects must be selected that are operated by or in cooperation with tribes or organizations representing ethnic minorities, except that the committee may reject any project proposal that does not meet the design requirements established in subdivision 5.

Subd. 5. [PROJECT DESIGN.] (a) Projects selected under this section must:

(1) provide participants with a full range of personal, family, and career development services;

(2) use existing resources whenever feasible;

(3) agree that at least 75 percent of the participants served will be long-term recipients and up to 25 percent of the participants will have substantial barriers to employment;

(4) provide for payment of participants' medical expenses through employer-paid health insurance, medical assistance, or other means for at least 12 months following the beginning of employment;

(5) provide services, including child care, to participants for at least 12 months following the beginning of employment;

(6) provide necessary on-the-job monitoring and support;

(7) meet financial and administrative standards established by the commissioner;

(8) participate in reporting and evaluation systems including a 12-month and a 24-month post-program follow-up on the employment, earnings, and public assistance status of participants; and

(9) provide matching fundings from sources other than income maintenance grants, medical assistance, food stamps, or state job training funds.

(b) Priority for grants under this section must be given to projects that meet the requirements in paragraph (a) and can demonstrate that the project will include the following:

(1) agreements with employers to train or place participants in specific jobs;

(2) access to jobs with higher wage levels relative to the local labor market or that include plans for specific career ladders or wage increase schedules; and

(3) substantial multi-agency participation or coordination.

Subd. 6. [ALLOWABLE EXPENDITURES.] (a) Projects may use money received under this section for education, employment, social services, support services, rehabilitation services, relocation assistance, job development, work experience, and on-the-job training, case management, med-

ical services, and other appropriate services.

(b) Projects may use up to 15 percent of the money received under this section for administrative expenses. Administrative expenses do not include expenses for activities in paragraph (a).

(c) The commissioner may establish limits on the use of money for particular purposes or services.

Subd. 7. [DEMONSTRATION AND EVALUATION.] For the biennium ending June 30, 1989, projects are demonstration projects to test the effectiveness of a comprehensive approach to serving populations with high needs. The coordinator of full productivity and opportunity shall submit to the governor and the legislature a progress report by February 1, 1989, and shall submit subsequent program evaluation reports as part of the biennial plan.

Subd. 8. [CONTINUED FUNDING.] Projects that received grants for the biennium ending June 30, 1989, and achieve effective results must be given priority for grants in succeeding grant cycles.

Subd. 9. [CARRYOVER AUTHORITY.] Money appropriated in one fiscal year may be carried forward into the next year to support long-term training and follow-up services.

Sec. 20. [256.936] [FAMILY HEALTH INSURANCE PROGRAM.]

Subdivision 1. [PURPOSE.] It is the purpose of this section to assist families to achieve self-sufficiency by making available health insurance on a sliding fee basis. The commissioner of human services shall manage the program and seek to maximize use of available federal and state funds to establish the broadest program possible within the appropriation available.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms shall have the meanings given them:

(a) "Families" means a child or children under age 18 and their biological or adoptive parents or stepparents who reside with them.

(b) "Eligible persons" means the following persons who reside in families with gross incomes less than 200 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not otherwise insured:

(1) pregnant women;

(2) families who have become ineligible for medical assistance within the last six months following the extensions allowed under section 256B.062; and

(3) children under 18 in families that have at least one child under six.

(c) "Covered services" means comprehensive health maintenance services as specified in section 62D.02, subdivision 7, except mental health services and chemical dependency services.

(d) "Commissioner" means the commissioner of human services.

Subd. 3. [COMMISSIONER'S DUTIES.] The commissioner, with the advice and assistance of the commissioners of health and commerce, shall select a health plan corporation or corporations through a process of

competitive bidding and negotiation. The health plan corporations shall provide or arrange to provide covered services to eligible persons. The commissioner shall select health plan corporations regulated under chapter 62A, 62C or 62D who can promote health care provider efficiencies while preserving access and quality care. In addition, the commissioner is required to:

- (1) ensure that all plans of coverage provide at least the covered services;
- (2) assure access to existing public and nonprofit community health clinics if they are available in the service area and they agree to accept rates and conditions comparable to those agreed to by other participating providers for similar services;
- (3) provide eligible persons with the opportunity to choose among all health plans under contract to the commissioner in the designated service area, to change plans without penalty within the initial 30 days, and to participate in an annual open enrollment period of 30 days;
- (4) arrange to subsidize the contribution required of eligible persons who can purchase comparable coverage through an employer sponsored plan, if this would be less expensive;
- (5) assure continuity of care for eligible persons who may experience a change in income and become eligible for medical assistance;
- (6) establish premiums for enrollees covered under this program; and
- (7) guarantee payment for the first prenatal care visit for program applicants, even if the applicant is later determined to be ineligible.

Subd. 4. [HEALTH PLAN CORPORATION DUTIES.] Health plan corporations that contract with the commissioner under this section must agree to:

- (1) provide or arrange to provide, at a minimum, the covered services to all persons enrolled in the plan;
- (2) ensure that medical and social risk assessments are completed for all enrolled pregnant women and that they receive risk appropriate care; and
- (3) comply with other contractual terms and conditions established by the commissioner.

Subd. 5. [SLIDING FEE SCHEDULE.] Eligible persons shall contribute a specified percentage of the health plan premium not to exceed ten percent of their gross family income. For the first year of implementation, the sliding fee schedule must be as follows:

Gross Income as a Percentage of the Federal Poverty Guideline	Enrollee Contribution
Below 125 percent	5 percent
126 to 150 percent	10 percent
151 to 170 percent	30 percent
171 to 185 percent	50 percent
186 to 199 percent	70 percent

The commissioner may review this fee schedule and modify it in rule for future years. Enrollees may not be required to pay any deductibles or coinsurance outside the sliding fee schedule, except for copayments allowed

by the commissioner to control inappropriate utilization.

Subd. 6. [FUNDING; ALLOCATION.] (a) The commissioner must make a quarterly assessment of the expected expenditures for the program and the appropriation available.

To the extent possible, the commissioner shall allocate funds so that there is a reasonable relationship between enrollees in each county and the number of eligible persons in each county. Based on this assessment the commissioner may limit enrollments in certain counties or all counties if the appropriations are not sufficient.

(b) If sufficient funds are not available to cover all costs incurred in one quarter, the commissioner may seek an additional authorization for funding from the legislative advisory committee.

Subd. 7. [ADMINISTRATION AND MARKETING.] The commissioner shall establish an office for the administration of this program. A toll-free telephone number must be used to provide information and to provide access to the program. The commissioner shall establish a process for efficient orderly enrollment. The commissioner shall make an annual re-determination of continued eligibility and identify people who may become eligible for medical assistance. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program. Applications and other information must be available in county social services offices. The commissioner shall make applications and other information available to organizations serving potentially eligible persons.

Subd. 8. [SUBROGATION.] Enrollees shall contract for and receive coverage for a period of no less than one year unless they become insured through some other plan of coverage. Notwithstanding any other law to the contrary, benefits under the family health insurance program are secondary to any other plan of insurance or benefit program under which an eligible person may have coverage. The commissioner shall establish procedures for identifying eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance and for notifying the health plan corporation with whom the persons are enrolled.

Subd. 9. [RULEMAKING AUTHORITY.] The commissioner shall adopt rules, including emergency rules, necessary to implement this section.

Sec. 21. [256.979] [CHILD SUPPORT INCENTIVES.]

Subdivision 1. [RATIO DETERMINATION.] Using information reported to the commissioner of human services under Title IV-D of the Social Security Act by county agencies responsible for child support enforcement, the commissioner shall determine the cost-benefit ratio for each county on a quarterly basis. The commissioner shall determine the ratio by dividing each county's nonpublic assistance collections by the county child support agency costs. For purposes of this section, collections made on behalf of another county agency in Minnesota shall be identified and counted only by the county agency making the collection.

Subd. 2. [PERCENTAGE DETERMINATION.] The commissioner shall use the following table to determine the percentage for each county that corresponds to the ratio determined in subdivision 1. The commissioner shall multiply each county agency's quarterly nonpublic assistance col-

lections by the applicable percentage to determine the county agency's nonpublic assistance dollar amount for purposes of subdivision 3.

Ratio*	Percent
.1 or less	3.0
.2	3.5
.4	4.0
.6	4.5
.8	5.0
1.0	5.5
1.2	6.0
1.4	6.5
1.6	7.0
1.8	7.5
2.0	8.0
2.2	8.5
2.4	9.0
2.6	9.5
2.8 or more	10.0

*A county ratio that falls between two listed ratios must be rounded up to the next listed ratio.

Subd. 3. [DISTRIBUTION FORMULA.] (a) The commissioner shall determine each county child support enforcement agency's share of the state's quarterly incentive award for nonpublic assistance collections according to the formula in paragraph (b). County agencies that do not submit the required report to the commissioner within 30 days after the end of the quarter shall not receive an incentive award under this section and are excluded for purposes of the formula in this subdivision. Within 45 days after the end of the quarter, the commissioner shall inform each county agency of the determinations and pay the determined amount to the county agency.

(b) To determine the county agency's quarterly incentive award, the commissioner shall:

(1) add all county agency quarterly nonpublic assistance dollar amounts as determined in subdivision 2;

(2) divide the state's quarterly nonpublic assistance incentive award by the total obtained in clause (1); and

(3) multiply the quotient obtained in clause (2) by each county agency's quarterly nonpublic assistance dollar amount as determined under subdivision 2.

Sec. 22. Minnesota Statutes 1986, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 under Minnesota Statutes, section 259.40 or 259.431; or

(2) who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

- (3) who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program; or
- (4) who is a pregnant woman, as certified in writing by a physician or nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or
- (5) who is a pregnant woman, as certified in writing by a physician or nurse midwife, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under clause (9) if born and living with the woman; or
- (6) who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or
- (7) who, except for the amount of income or resources, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section; or
- (8) who is under 21 years of age and in need of medical care that neither the person nor the person's relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or
- (9) who is an infant less than one year of age born on or after October 1, 1984, whose mother was eligible at the time of birth and who remains in the mother's household. Eligibility under this clause is concurrent with the mother's and does not depend on the father's income except as the income affects the mother's eligibility; or
- (10) who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and
- (11) who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the rules of the state agency; and
- (12) who alone, or together with the person's spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless the commissioner determines that sale of the real estate would cause undue hardship or unless the equity in the real estate when combined with the equity in the homestead totals \$15,000 or less; and
- (13) who individually does not own more than \$3,000 in cash or liquid

assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(14) who has or anticipates receiving an annual income not in excess of the income standards by family size used in the aid to families with dependent children program, *except that families and children may have an income up to 133-1/3 percent of the AFDC payment standard*, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the rules of the state agency. Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Number 94-566, section 503. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(15) who has continuing monthly expenses for medical care that are more than the amount of the person's excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of human services, is to be applied to the cost of institutional care. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

(16) who has applied or agrees to apply all proceeds received or receivable by the person or the person's spouse from automobile accident coverage and private health care coverage to the costs of medical care for the person, the spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 23. Minnesota Statutes 1986, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] (a) A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

For a recipient who is a member of a one-person assistance unit, the standard shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative. The standards of assistance for recipients who are members of an assistance unit composed of more than one person must be equal to the aid to families with dependent children standard of assistance for a family of similar size and composition.

The standards shall be lowered for recipients who share a residence with a person who is a responsible relative of one or more members of the assistance unit if the responsible relative also receives general assistance or aid to families with dependent children. The standards must also be lowered for recipients who share a residence with a responsible relative if the relative is not receiving general assistance or aid to families with dependent children because the relative has been sanctioned or disqualified. If the responsible relative is receiving general assistance or aid to families with dependent children, or would be receiving them but for sanction or disqualification, then the standard applicable to the general assistance recipient's assistance unit must equal the amount that would be attributable to the members of the assistance unit if the members were included as additional recipients in the responsible relative's general assistance or aid to families with dependent children grant. When determining the amount attributable to members of an assistance unit that must receive a reduced standard, the amount attributed to adults must be the amount attributed to another child added to the responsible relative's assistance unit. When an assistance unit is subject to a reduced standard, the reduced standard must not exceed the standard that applies to an assistance unit that does not share a residence with a responsible relative.

For recipients, except recipients who are eligible under section 256D.05, subdivision 1, paragraph (a), clauses (1), (7), (8), (9), and (14), who share a residence with a responsible relative who is not receiving general assistance or aid to families with dependent children but who receives other income, the standards shall be lowered, subject to these limitations:

(a) The general assistance grant to the one-person assistance unit shall be in an amount such that total household income is equal to the aid to families with dependent children standard for a household of like size and composition, except that the grant shall not exceed that paid to a general assistance recipient living independently.

(b) Benefits received by a responsible relative under the supplemental security income program, the social security retirement program if the relative was receiving benefits under the social security disability program at the time of becoming eligible for the social security retirement program or if the relative is a person described in section 256D.05, subdivision 1, paragraph (a), clause (1), (7), or (9), the social security disability program,

~~a workers' compensation program, the Minnesota supplemental aid program, or on the basis of the relative's disability, must not be included in the household income calculation.~~

(b) For an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from his or her children and spouse, and who does not live with his or her parent or parents or a legal custodian, the standard of assistance shall be \$203. When the other standards specified in this subdivision increase, this standard shall also be increased by the same percentage.

(c) For an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from his or her children and spouse, but who lives with his or her parent or parents, the general assistance standard of assistance shall be equal to the amount that the aid to families with dependent children standard of assistance would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, provided that the standard shall not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the supplemental security income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the social security retirement program, shall not be counted in the determination of eligibility or benefit level for the assistance unit. An adult child shall be ineligible for general assistance if the available resources or the countable income of the adult child and the parent or parents with whom he or she lives are such that a family consisting of the adult child's parent or parents, the parent or parents' other family members and the adult child as the only or additional minor child would be financially ineligible for general assistance.

(d) For an assistance unit consisting of a married couple who are childless or who live apart from any child or children of whom either of the married couple is a parent or legal custodian, the standards of assistance shall be equal to the first and second adult standards of the aid to families with dependent children program. If one member of the couple is not included in the general assistance grant, then the standard of assistance for the other shall be equal to the second adult standard of the aid to families with dependent children program, except that, when one member of the couple is not included in the general assistance grant because he or she is not categorically eligible for general assistance under section 256D.05, subdivision 1, and has exhausted work readiness eligibility under section 256D.051, subdivision 4 or 5, for the period of time covered by the general assistance grant, then the standard of assistance for the remaining member of the couple shall be equal to the first adult standard of the aid to families with dependent children program.

(e) For an assistance unit consisting of all members of a family, the standards of assistance shall be the same as the standards of assistance applicable to a family under the aid to families with dependent children program if that family had the same number of parents and children as the assistance unit under general assistance and if all members of that family were eligible for the aid to families with dependent children program. If one or more members of the family are not included in the assistance unit for general assistance, the standards of assistance for the remaining mem-

bers shall be equal to the standards of assistance applicable to an assistance unit composed of the entire family, less the standards of assistance applicable to a family of the same number of parents and children as those members of the family who are not in the assistance unit for general assistance. Notwithstanding the foregoing, if an assistance unit consists solely of the minor children because their parent or parents have been sanctioned from receiving benefits from the aid to families with dependent children program, the standard for the assistance unit shall be equal to the special child standard of the aid to families with dependent children program.

Sec. 24. Minnesota Statutes 1986, section 256D.02, subdivision 5, is amended to read:

Subd. 5. "Family" means ~~two or more individuals who are related by blood, marriage or adoption, who are living in a place or residence maintained by one or more of them as a home, and at least one of whom is a child who is not married to another of such individuals and is in the care of or dependent upon another of such individuals~~ the following persons who live together: a minor child or a group of minor children related to each other as siblings, half siblings, or stepsiblings, together with their natural or adoptive parents, their stepparents, or their legal custodians, and any other minor children of whom an adult member of the family is a legal custodian.

Sec. 25. Minnesota Statutes 1986, section 256D.02, subdivision 8, is amended to read:

Subd. 8. "Income" means any form of income, including remuneration for services performed as an employee and net earnings from self-employment, reduced by the amount attributable to employment expenses as defined by the commissioner. The amount attributable to employment expenses shall include amounts paid or withheld for federal and state personal income taxes and federal social security taxes.

"Income" includes any payments received as an annuity, retirement, or disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or other assistance program; rents, dividends, interest and royalties; and support and maintenance payments. Such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is ~~under a legal duty to support another an~~ adult family member or a spouse and the income is not excluded under section 256D.01, subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded from the definition of income, except that payments made for room, board, tuition or fees by a parent, on behalf of a child enrolled as a full-time student in a post-secondary institution, must be included as income.

Sec. 26. Minnesota Statutes 1986, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid to local agencies for 75 percent of all general assistance grants up to the standards of section 256D.01, subdivision 1a, and according to procedures established by the commissioner, *except that, after December 31, 1987, state aid is reduced to 65 percent of all general assistance grants if the local agency does not*

refer recipients who are eligible for assistance under section 256D.05, subdivision 1, paragraph (a), clause (15), to occupational or vocational literacy training if the training is available without additional county expenditures and accessible to the recipient.

After December 31, 1986, state aid must be paid to local agencies for 65 percent of work readiness assistance paid under section 256D.051 if the county does not have an approved and operating community investment program.

Any local agency may, from its own resources, make payments of general assistance: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or, (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 1, but for whom the aid would further the purposes established in the general assistance program in accordance with rules promulgated by the commissioner pursuant to the administrative procedure act.

Sec. 27. Minnesota Statutes 1986, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner shall be eligible for and entitled to general assistance if the person or family is:

- (1) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;
- (2) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;
- (3) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;
- (4) a person who resides in a shelter facility described in subdivision 3;
- (5) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;
- (6) a person who is unable to secure suitable employment due to inability to communicate in the English language, provided that the person is not an illegal alien, and who, if assigned to a language skills program by the local agency, is participating in that program;
- (7) a person not described in clause (1) or (3) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;
- (8) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind, and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(9) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

(10) a person completing a secondary education program;

(11) a family with one or more minor children; provided that, if all the children are six years of age or older, all the adult members of the family register for and cooperate in the work readiness program under section 256D.051; and provided further that, if one or more of the children are under the age of six and if the family contains more than one adult member, all the adult members except one adult member register for and cooperate in the work readiness program under section 256D.051. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination. The time limits of section 256D.051, subdivisions 4 and 5, do not apply to people eligible under this clause.

(12) a person who has substantial barriers to employment, including but not limited to factors relating to work or training history, as determined by the local agency in accordance with permanent or emergency rules adopted by the commissioner after consultation with the commissioner of jobs and training;

(13) a person who is certified by the commissioner of jobs and training before August 1, 1985, as lacking work skills or training or as being unable to obtain work skills or training necessary to secure employment, as defined in a permanent or emergency rule adopted by the commissioner of jobs and training in consultation with the commissioner; ~~or~~

(14) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be ~~functionally illiterate~~ ~~or~~ learning disabled;

(15) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be functionally illiterate, provided that the person complies with literacy training requirements set by the local agency under section 28. A person who is terminated for failure to comply with literacy training requirements may not reapply for assistance under this clause for 60 days. The local agency must provide an oral explanation to the person of the person's responsibilities under this clause and of the penalties for failure to comply (1) at the time an application is approved based on this clause, and (2) at the time the person is referred to literacy training; or

(16) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the local agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the local agency.

(b) The following persons or families with income and resources that are

less than the standard of assistance established by the commissioner are eligible for and entitled to a maximum of six months of general assistance during any consecutive 12-month period, after registering with and completing six months in a work readiness program under section 256D.051:

- (1) a person who has borderline mental retardation; and
- (2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under paragraph (a), because the mental illness interferes with the medical certification process; provided that the person cooperates with social services, treatment, or other plans developed by the local agency to address the illness.

In order to retain eligibility under this paragraph, a recipient must continue to cooperate with work and training requirements as determined by the local agency.

Sec. 28. [256D.0505] [LITERACY TRAINING FOR RECIPIENTS.]

Subdivision 1. [OCCUPATIONAL AND VOCATIONAL PROGRAMS.] The local agency must work with local educational institutions and job training programs to identify and develop occupational and vocational literacy programs. Occupational and vocational literacy programs are programs which provide literacy training to adults who lack formal education or job skills. The programs emphasize particular language and reading skills needed for successful job performance.

Subd. 2. [ASSESSMENT AND ASSIGNMENT.] The local agency must:

- (1) assess the reading potential and vocational or occupational interests of people eligible under section 256D.05, subdivision 1, paragraph (a), clause (15);*
- (2) assign suitable recipients to openings in occupational and vocational literacy programs;*
- (3) if no openings are available in accessible occupational or vocational literacy programs, assign suitable recipients to openings in other accessible literacy training programs; and*
- (4) reassign to another literacy program any recipient who does not complete an assigned program and who wishes to try another program.*

Subd. 3. [SERVICES PROVIDED.] The local agency must provide child care and transportation to enable people to participate in literacy training under this section.

Subd. 4. [PAYMENT OF GENERAL ASSISTANCE.] The local agency must provide assistance under section 256D.05, subdivision 1, paragraph (a), clause (15), to people who:

- (1) participate in a literacy program assigned under subdivision 2. To "participate" means to attend regular classes, complete assignments and make progress toward literacy goals;*
- (2) despite participation for a period of six months or more, fail to progress in assigned literacy programs;*
- (3) are not assigned to literacy training because there is no program available or accessible to them; or*

(4) have failed for good cause to complete an assigned literacy program.

Subd. 5. [REASSESSMENT AND LITERACY REFERRAL.] (a) When a person is no longer functionally illiterate under rules adopted by the commissioner or is terminated for failure to comply with literacy training requirements, the local agency must assess the person's eligibility for general assistance under the remaining provisions of section 256D.05, subdivision 1. The local agency must refer to the work readiness program under section 256D.051 all people not eligible for general assistance.

(b) The local agency may also refer for voluntary work readiness services all recipients who reach a level of literacy that may allow successful participation in job training, provided that the job training does not interfere with a recipient's participation in literacy training. However, referral under this clause does not affect general assistance eligibility.

Subd. 6. [RIGHT TO NOTICE AND HEARING.] The local agency shall provide notice and opportunity for hearings for adverse actions under this section according to sections 256D.10 and 256D.101.

Subd. 7. [COSTS.] The state shall reimburse local agencies for the costs of providing child care and transportation under this section.

Sec. 29. Minnesota Statutes 1986, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] A person or family whose income and resources are less than the standard of assistance established by the commissioner, but who are not eligible to receive general assistance under section 256D.05, subdivision 1, are eligible for a work readiness program. Upon registration, a registrant is eligible to receive assistance in an amount equal to general assistance under section 256D.05, subdivision 1, for a maximum of six months during any consecutive 12-month period, subject to ~~subdivisions~~ subdivision 3, 4, and 5. The local agency shall pay work readiness assistance in monthly payments beginning at the time of registration.

Sec. 30. Minnesota Statutes 1986, section 256D.051, subdivision 2, is amended to read:

Subd. 2. [LOCAL AGENCY DUTIES.] (a) The local agency shall provide to registrants under subdivision 1 a work readiness program. The work readiness program must include:

- (1) an employability assessment and development plan in which the local agency estimates the length of time it will take the registrant to obtain employment;
- (2) referral to available employment assistance programs including the Minnesota employment and economic development program;
- (3) a job search program; and
- (4) other activities designed by the local agency to prepare the registrant for permanent employment.

In order to allow time for job search, the local agency shall not require an individual to participate in the work readiness program for more than 32 hours a week. The local agency shall require an individual to spend at least eight hours a week in job search or other work readiness program activities.

(b) The local agency may provide a work readiness program to recipients

under section 256D.05, subdivision 1, paragraph (b), and shall provide a work readiness program to recipients referred under section 28, subdivision 5, paragraph (b).

Sec. 31. Minnesota Statutes 1986, section 256D.051, subdivision 4, is amended to read:

Subd. 4. [TWO-MONTH ASSISTANCE.] The local agency shall terminate a registrant after two months in the work readiness program if *unless* the local agency determines that registrant is not eligible for assistance under subdivision 5. During the second month of work readiness assistance, the local agency must assess the registrant's eligibility under subdivision 5 and inform the registrant of the outcome of the assessment. A registrant who is not eligible under subdivision 5 is eligible for a maximum of two months of work readiness assistance in any consecutive 24-month period.

Sec. 32. Minnesota Statutes 1986, section 256D.051, subdivision 5, is amended to read:

Subd. 5. [SIX-MONTH ASSISTANCE.] *Except as provided in subdivision 4*, the following registrants are eligible for work readiness assistance for a maximum of six months in any consecutive 12-month period:

(1) a person who has borderline mental retardation;

(2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under section 256D.05, subdivision 1 because the mental illness interferes with the medical certification process; and

(3) a person who is certified by the commissioner of jobs and training as being unable to secure suitable employment because the person lives in a distressed county or who is unable to secure suitable employment because the local agency has determined that no jobs are available that a person with the registrant's work history, skills, and ability has the physical and mental ability to perform. For purposes of this paragraph, a county is distressed if it has an average unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made. The commissioner shall designate a contiguous portion of a county containing a city of the first class located outside of the metropolitan area as a distressed county if:

(a) that portion of the county has an unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made; and

(b) that portion of the county has a population of at least 50,000 as determined by the 1980 federal census.

Sec. 33. Minnesota Statutes 1986, section 256D.051, subdivision 6, is amended to read:

Subd. 6. [LOCAL AGENCY OPTIONS.] The local agency may, at its option, provide up to ~~\$100~~ \$200 per registrant for direct expenses incurred by the registrant for transportation, clothes, and tools necessary for employment. ~~The local agency may provide an additional \$100 for direct expenses of registrants remaining in the work readiness program for more than two months.~~ After paying direct expenses as needed by individual registrants, the local agency may use any remaining money to provide additional services as needed by any registrant including education, ori-

entation, placement, other work experience, on-the-job training, and other appropriate activities.

Sec. 34. Minnesota Statutes 1986, section 256D.051, subdivision 8, is amended to read:

Subd. 8. ~~[INELIGIBILITY VOLUNTARY QUIT.] A person who is otherwise eligible to receive work readiness assistance under subdivision 4 must be terminated from work readiness assistance on quitting work without good cause, being fired for misconduct, or refusing to accept an offer of suitable employment. A person is not eligible for work readiness payments or services if, without good cause, the person voluntarily quits suitable employment or refuses a legitimate offer of suitable employment within 60 days before the date of application. A person who, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving work readiness payments or services shall be disqualified for two months according to rules adopted by the commissioner.~~

Sec. 35. Minnesota Statutes 1986, section 256D.06, subdivision 1, is amended to read:

Subdivision 1. General assistance shall be granted in such an amount that when added to the nonexempt income actually available to the individual, *married couple*, or family, the total amount equals the applicable standard of assistance established by the commissioner for general assistance. In determining eligibility for and the amount of assistance the local agency shall disregard the first \$50 of earned income per month.

Sec. 36. Minnesota Statutes 1986, section 256D.06, subdivision 1b, is amended to read:

Subd. 1b. [EARNED INCOME SAVINGS ACCOUNT.] In addition to the \$50 disregard required under subdivision 1, the local agency shall disregard an additional earned income up to a maximum of \$150 per month for persons residing in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 or 9530.2500 to 9530.4000, and for whom discharge and work are part of a treatment plan. The additional amount disregarded must be placed in a separate savings account by the eligible individual, to be used upon discharge from the residential facility into the community. A maximum of \$1,000, including interest, of the money in the savings account must be excluded from the resource limits established by section 256D.08, subdivision 1, clause (1). Amounts in that account in excess of \$1,000 must be applied to the resident's cost of care. If excluded money is removed from the savings account by the eligible individual at any time before the individual is discharged from the facility into the community, the money is income to the individual in the month of receipt and a resource in subsequent months. If an eligible individual moves from a community facility to an inpatient hospital setting, the separate savings account is an excluded asset for up to 18 months. During that time, amounts that accumulate in excess of the \$1,000 savings limit must be applied to the patient's cost of care. If the patient continues to be hospitalized at the conclusion of the 18-month period, the entire account must be applied to the patient's cost of care.

Sec. 37. Minnesota Statutes 1986, section 256D.06, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, a grant of general assistance shall be made to an eligible individual, *married couple*, or family

for an emergency need, as defined in rules promulgated by the commissioner, where the recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist and the individual is ineligible for the program of emergency assistance under aid to families with dependent children and is not a recipient of aid to families with dependent children at the time of application hereunder. If a recipient relates facts to the local agency which may be sufficient to constitute an emergency situation, the local agency shall advise the recipient of the procedure for applying for assistance pursuant to this subdivision.

Sec. 38. Minnesota Statutes 1986, section 256D.08, subdivision 1, is amended to read:

Subdivision 1. In determining eligibility of a family, *married couple*, or individual there shall be excluded the following resources:

- (1) Real or personal property or liquid assets which do not exceed those permitted under the federally aided assistance program known as aid to families with dependent children; and
- (2) Other property which has been determined, in accordance with and subject to limitations contained in rules promulgated by the commissioner, to be essential to the family or individual as a means of self-support or self-care or which is producing income that is being used for the support of the individual or family. The commissioner shall further provide by rule the conditions for those situations in which property not excluded under this subdivision may be retained by the family or individual where there is a reasonable probability that in the foreseeable future the property will be used for the self-support of the individual or family; and
- (3) Payments, made pursuant to litigation and subsequent appropriation by the United States Congress, of funds to compensate members of Indian tribes for the taking of tribal land by the federal government.

Sec. 39. [DEMONSTRATION PROJECT; PERSONS WITHOUT A VERIFIED RESIDENCE ADDRESS.]

(a) The commissioner shall establish a one-county demonstration project to determine the effectiveness of establishing special procedures for providing assistance to applicants or recipients of general assistance, work readiness, or emergency general assistance, who do not have a verified residence address. For purposes of the demonstration project, the requirements in this section supersede section 256D.09, subdivision 4, and other conflicting laws and rules.

(b) For applicants or recipients of general assistance, emergency general assistance, and work readiness assistance who do not have a verified residence address, the local agency may provide assistance using one or more of the following methods:

- (1) The local agency may provide assistance in the form of vouchers or vendor payments and provide separate vouchers or vendor payments for food, shelter, and other needs.*
- (2) The local agency may divide the monthly assistance standard into weekly payments, whether in cash or by voucher or vendor payment; or issue assistance on the basis of actual need without regard to the standards of assistance established pursuant to section 256D.01, subdivision 1a.*

(3) *The local agency may determine eligibility and provide assistance on a weekly basis. Weekly assistance can be issued in cash or by voucher or vendor payment and can be determined either on the basis of actual need or by prorating the monthly assistance standard.*

(c) *An individual may verify a residence address by providing a driver's license; a state identification card; postmarked mail addressed to and received by the individual at the address; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other written documentation approved by the commissioner.*

(d) *If the local agency elects to provide assistance on a weekly basis, the agency shall not provide assistance for a period during which no need is claimed by the individual. The individual must be notified, each time weekly assistance is provided, that subsequent weekly assistance will not be issued unless the individual claims need. The ten-day advance notice required under sections 256D.051, subdivision 13, and 256D.10 does not apply to weekly assistance issued under this paragraph.*

Sec. 40. Minnesota Statutes 1986, section 256D.101, is amended to read:

256D.101 [FAILURE TO COMPLY WITH WORK REQUIREMENTS; NOTICE.]

Subdivision 1. [DISQUALIFICATION.] If the local agency determines that a registrant has failed to comply with the requirements of section 256D.051, the local agency shall notify the registrant of the determination. The notification shall be in writing; shall state the facts that support the local agency's determination; shall specify the particular actions that must be taken by the registrant to achieve compliance; shall state that the recipient must take the specified actions by a date certain, which must be at least ~~15~~ *ten* days following the date the notification is mailed or delivered to the registrant; shall explain the ramifications of the registrant's failure to take the required actions by the specified date; and shall advise the registrant that the registrant may request and have a conference with the local agency to discuss the notification.

Subd. 2. [NOTICE OF GRANT REDUCTION, SUSPENSION, OR TERMINATION.] ~~No~~ *The* notice of grant reduction, suspension, or termination on the ground that a registrant has failed to comply with section 256D.051 shall be ~~given mailed or hand delivered~~ *mailed or hand delivered* by the local agency ~~until the notification required by subdivision 1 has been given; the time for compliance stated in the notification has lapsed; and the local agency has, subsequent concurrently with the notification required by subdivision 1. Prior to giving the notification, assessed the local agency must assess the registrant's eligibility for general assistance under section 256D.05 to the extent possible using information contained in the case file, and determined determine that the registrant is not eligible under that section. The determination that the registrant is not eligible shall be stated in the notice of grant reduction, suspension, or termination.~~

Subd. 3. [BENEFITS AFTER NOTIFICATION.] *Assistance payments otherwise due to the registrant under section 256D.051 shall not be paid after the notification required in subdivision 1 has been provided to the registrant unless, before the date stated in the notification, the registrant takes the specified action necessary to achieve compliance or, within five days after the effective date stated in the notice, files an appeal of the grant reduction, suspension, or termination. If, by the required date, the*

registrant does take the specified action necessary to achieve compliance, both the notification required by subdivision 1 and the notice required by subdivision 2 shall be canceled and all benefits due to the registrant shall be paid promptly. If by the required date, the registrant files an appeal of the grant reduction, suspension, or termination, benefits otherwise due to the registrant shall be continued pending the outcome of the appeal.

Sec. 41. Minnesota Statutes 1986, section 256D.15, is amended to read:
256D.15 [RELATIVE'S RESPONSIBILITY.]

The financial responsibility of a relative for an applicant for or recipient of general assistance or work readiness shall not extend beyond the relationship of a spouse or a parent of an adult child who resides with the parent, or the parent of a minor child regardless of where the minor child resides, or an adult family member who resides with the applicant or recipient.

Sec. 42. Minnesota Statutes 1986, section 257.33, is amended to read:
257.33 [DUTIES OF COMMISSIONER OF HUMAN SERVICES.]

Subdivision 1. [SERVICES TO PREGNANT WOMEN.] It shall be the duty of the commissioner of human services to offer appropriate social services to any pregnant woman who is in need of social services under criteria prescribed by rule of the commissioner. The commissioner shall also offer appropriate social services to the woman and her child after the birth of the child.

Subd. 2. [MINOR PARENTS AND THEIR CHILDREN.] (a) Every birth to a minor shall be reported by the hospital where the birth occurs, within three working days after the birth. The hospital shall make the report to the commissioner on a form provided by the department of human services county social services agency in the county in which the minor mother resides and shall notify the minor that the report has been made. The county social services agency shall contact any minor mother who resides in the county and determine whether she has a plan for herself and her child. The plan must consider:

- (1) the age of the minor parent;*
- (2) the involvement of the minor's parents or of other adults who provide active, ongoing guidance, support, and supervision;*
- (3) the involvement of the minor's child's father;*
- (4) a decision of the minor to keep and raise her child or place the child for adoption;*
- (5) completion of high school or GED;*
- (6) current economic support of the minor parent and child and plans for economic self-sufficiency;*
- (7) parenting skills of the minor parent;*
- (8) living arrangement of the minor parent and child;*
- (9) child care and transportation needed for education, training, or employment;*
- (10) ongoing health care; and*
- (11) other services as needed to address personal or family problems or*

to facilitate the personal growth and development and economic self-sufficiency of the minor parent and child.

(b) If the minor parent does not have a plan for herself and child, the county social services agency shall work with her to develop a plan and shall provide case management services as needed to assure the resources and services are available to meet the plan requirements.

(c) If the minor parent refuses to plan for herself and her child or fails to follow through on an agreed upon plan, the county social services agency shall seek an order for protective supervision or other appropriate disposition under section 50.

Sec. 43. Minnesota Statutes 1986, section 257.34, subdivision 1, is amended to read:

Subdivision 1. [ACKNOWLEDGMENT BY PARENTS.] The mother and father of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born may, in a writing signed by both of them before a notary public, declare and acknowledge under oath that they are the biological parents of the child. The declaration may provide that any such child born to the mother at any time before or up to ten months after the date of execution of the declaration is the biological child of the signatories. Execution of the declaration shall:

(a) have the same consequences as an acknowledgment by the signatories of parentage of the child for the purposes of sections 62A.041 and 62C.14, subdivision 5a;

(b) be conclusive evidence that the signatories are parents of the child for the purposes of sections 176.111 and ~~197.09 to 197.11~~ 197.75 and 197.752;

(c) ~~have create a presumption that the same consequences as an acknowledgment by signatory is the biological father of paternity of the child for the purposes of sections 257.57 and 257.66~~ 257.51 to 257.74;

(d) when timely filed with the division of vital statistics of the Minnesota department of health as provided in section 259.261, qualify as an affidavit stating the intention of the signatories to retain parental rights as provided in section 259.261 if it contains the information required by section 259.261 or rules promulgated thereunder;

(e) have the same consequences as a writing declaring paternity of the child for the purposes of section 524.2-109; and

(f) be conclusive evidence that the signatories are parents of the child for the purposes of chapter 573.

Sec. 44. Minnesota Statutes 1986, section 257.57, subdivision 2, is amended to read:

Subd. 2. ~~An action to determine the existence or nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (d) or (e) may be brought at any time by~~ The child, the mother or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor ~~may bring an action.~~

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, clause (d) or (e), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision; or

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (e), only if the action is brought within three years after the date of the execution of the declaration.

Sec. 45. Minnesota Statutes 1986, section 257.60, is amended to read:
257.60 [PARTIES.]

The child may be made a party to the action. If the child is a minor and is made a party, a general guardian or a guardian ad litem shall be appointed by the court to represent the child. The child's mother or father may not represent the child as guardian or otherwise. ~~If the child is a minor and the case involves a compromise under section 257.64, subdivision 1 or a lump sum payment under section 257.66, subdivision 4, the child and the commissioner of human services shall each be made a party before the court approves a compromise or orders a lump sum payment.~~ The natural biological mother, each man presumed to be the father under section 257.55, and each man alleged to be the natural biological father, shall be made parties or, if not subject to the jurisdiction of the court, shall be given notice of the action in a manner prescribed by the court and shall be given an opportunity to be heard. *The public agency responsible for support enforcement is joined as a party in each case in which rights are assigned under section 256.74, subdivision 5.* A person who may bring an action under section 257.57 may be made a party to the action. The court may align the parties. *The child shall be made a party whenever:*

(1) *the child is a minor and the case involves a compromise under section 257.64, subdivision 1, or a lump sum payment under section 257.66, subdivision 4, in which case the commissioner of human services shall also be made a party; or*

(2) *the child is a minor and the action is to declare the nonexistence of the father and child relationship; or*

(3) *an action to declare the existence of the father and child relationship is brought by a man presumed to be the father under section 257.55, or a man who alleges to be the father, and the mother of the child denies the existence of the father and child relationship.*

Sec. 46. Minnesota Statutes 1986, section 257.62, is amended by adding a subdivision to read:

Subd. 6. [TESTS, EVIDENCE ADMISSIBLE.] In any hearing brought under subdivision 5, a certified report of the facts and results of a laboratory analysis or examination of blood or genetic tests that is performed in a laboratory accredited to meet the Standards for Parentage Testing of the American Association of Blood Banks and is prepared and attested by a qualified expert appointed by the court shall be admissible in evidence without proof of the seal, signature, or official character of the person whose name is signed to it unless a demand is made by a party in a motion or responsive motion made within the time limit for making and filing a responsive motion that the matter be heard on oral testimony before the court.

Sec. 47. Minnesota Statutes 1986, section 257.63, subdivision 2, is amended to read:

Subd. 2. Upon refusal of a witness, including a party, to testify under oath or produce evidence, the court may order the party to testify under oath and produce evidence concerning all relevant facts. ~~If the refusal is upon the grounds that the No testimony or evidence might tend to incriminate the party, the court may grant the party immunity from all criminal liability on account of the testimony or evidence the party is required to produce. An other information compelled under the order granting immunity bars prosecution of, or any information directly or indirectly derived from such testimony or other information, may be used against the witness for any offense shown, in whole or in part, by testimony or evidence which the party is required to produce any criminal case, except for perjury committed in the testimony.~~ The refusal of a witness, who has been granted immunity, to obey an order to testify or produce evidence is subject to the sanctions within the jurisdiction of the court.

Sec. 48. Minnesota Statutes 1986, section 260.015, subdivision 6, is amended to read:

Subd. 6. "Dependent child" means a child:

- (a) Who is without a parent, guardian, or other custodian; or
- (b) Who is in need of special care and treatment required by a physical or mental condition and whose parent, guardian, or other custodian is unable to provide it; or
- (c) Whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody; or
- (d) Who is without proper parental care because of the emotional, mental, or physical disability, or *minority* or state of immaturity, of the child's parent, guardian, or other custodian.

Sec. 49. Minnesota Statutes 1986, section 260.155, is amended by adding a subdivision to read:

Subd. 9. [FACTORS IN DETERMINING DEPENDENCY DUE TO THE MINORITY OF A PARENT.] (a) In determining whether a child is dependent due to the minority of a parent, the court shall consider, among other factors, the following:

- (1) the age of the minor parent;*
 - (2) the emotional maturity of the minor parent;*
 - (3) the parenting skills of the minor parent;*
 - (4) whether the minor parent is married to and living with an adult and the emotional maturity and parenting skills of the adult;*
 - (5) the ability of the parent to provide for the short-term and long-term financial support of the child; and*
 - (6) whether the minor parent is receiving active, ongoing guidance, support, and supervision from a parent or other relative.*
- (b) If a minor parent is neither living with a parent nor married to and living with an adult, the minor parent's child is presumed to be dependent in the absence of reasonable evidence that the minor parent has the maturity and resources to provide for the financial and emotional well-being of the*

child.

Sec. 50. Minnesota Statutes 1986, section 260.191, is amended by adding a subdivision to read:

Subd. 5. [DEPENDENCY DUE TO THE MINORITY OF A PARENT.] (a) If the court finds that a child is dependent due to the minority of a parent but that the child is not abused or neglected, the court shall enter an order placing the child under the protective supervision of the county welfare board in the child's own home under conditions prescribed by the court, unless the court determines that, due to unique circumstances, a different disposition is in the best interest of the child. If the court orders a disposition other than protective supervision in the home, the court shall include in its findings and order the unique circumstances justifying the alternative disposition.

(b) If the court orders protective supervision, the court may, among other things, require the minor parent to attend high school or other education or training programs, participate in parenting skills programs, or cooperate with other programs arranged by the county welfare board to improve the minor parent's ability to provide for the emotional and financial support of the child. The court order must state that the conditions may be enforced only if appropriate child care and transportation are available.

Sec. 51. Minnesota Statutes 1986, section 267.02, is amended by adding a subdivision to read:

Subd. 7a. [EMPLOYMENT AND TRAINING SERVICE PROVIDER.] "Employment and training service provider" means an administrative entity certified by the commissioner to deliver employment and training services under section 268.0122, subdivision 3.

Sec. 52. Minnesota Statutes 1986, section 267.03, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The coordinator of full productivity and opportunity may:

(1) appoint a deputy, a confidential secretary, and up to two additional employees, in the unclassified service;

(2) appoint other employees under chapter 43A;

(3) make rules under chapter 14;

(4) enter into contracts;

(5) further the objectives of the biennial plan by recommending to the governor interdepartmental transfer of employment and training services or income maintenance and support services, which the commissioner of administration, if so ordered by the governor, shall carry out as provided in section 16B.37, subdivisions 1, 2, and 3, and implement so as not to lead to a reduction of federal money to the state or its political subdivisions;

(6) further the objectives of the biennial plan by recommending to the governor transfer of one or more employment and training services or income maintenance and support services to a certified service provider other than a state agency;

(7) initiate emergency wage subsidies, consider the recommendations of the commissioner of jobs and training for the use of the discretionary portion of wage subsidy appropriations, and allocate the discretionary por-

tion of wage subsidy appropriations;

(8) require the commissioners of jobs and training, human services, energy and economic development, and administration, and the state planning director, to furnish technical, administrative, and financial services to the coordinator upon request;

(9) require agencies to submit to the coordinator for approval or disapproval within 20 days any rule that relates to employment and training services or income maintenance and support services before the publication of the notice of intent required by section 14.22 or 14.30, and, if it is disapproved, require that the rule be amended and resubmitted to the coordinator;

(10) *by October 1, 1987, establish by permanent or emergency rule under chapter 14 the standards by which the commissioner of jobs and training shall certify employment and training service providers, including a requirement that certified providers have the ability to access or coordinate with available federal, state, and local employment and training services, educational services, and appropriate support services;*

(11) decertify service providers after consultation with the commissioner;

(12) contract with another local service unit or certified service provider for employment and training services in that local service unit if the coordinator, after consultation with the commissioner of jobs and training, finds that a local service unit consistently fails to provide service of sufficient quantity and quality to satisfy criteria established for the receipt of state money; ~~and~~

(13) ratify or disapprove the commissioner of jobs and training's decisions regarding the approval or disapproval of local service unit plans and community investment program plans; *and*

(14) require state agencies, local agencies, and employment and training service providers to collect and provide any information necessary to evaluate the effectiveness of employment, training, education, and support services.

Sec. 53. Minnesota Statutes 1986, section 268.0122, subdivision 3, is amended to read:

Subd. 3. [DUTIES AS A STATE AGENCY.] The commissioner shall:

(1) administer the unemployment insurance laws and related programs;

(2) administer the aspects of aid to families with dependent children, general assistance, work readiness, and food stamps that relate to employment and training services, subject to the ~~limitations of federal regulations~~ *contract under section 268.86, subdivision 2;*

(3) administer wage subsidies and *the discretionary employment and training fund, and recommend to the coordinator the use of the discretionary portion of wage subsidy appropriations;*

(4) administer a national system of public employment offices as prescribed by United States Code, title 29, chapter 4B, the Wagner-Peyser Act, and other federal employment and training programs;

(5) cooperate with the federal government and its employment and training agencies in any reasonable manner as necessary to qualify for federal aid for employment and training services and money;

(6) enter into agreements with other departments of the state and local units of government as necessary;

(7) certify ~~competent~~ *employment and training* service providers and, with the concurrence of the coordinator, decertify service providers that fail to comply with performance criteria according to standards established by the coordinator;

(8) provide consistent, integrated employment and training services across the state;

(9) establish the standards for all employment and training services administered under this chapter;

(10) develop standards for the contents and structure of the ~~county~~ *local service unit* plans;

(11) provide current state and substate labor market information and forecasts, in cooperation with other agencies;

(12) prepare a plan and submit it to the coordinator in each even-numbered year, according to standards established by the coordinator, for use in developing a statewide employment and training plan;

(13) identify underserved populations, unmet service needs, and funding requirements;

(14) consult with the council for the blind on matters pertaining to programs and services for the blind and visually impaired; and

(15) submit to the governor, the coordinator, the commissioners of human services and finance, and the chairs of the senate finance and house appropriations committees a semiannual report that:

(a) reports, by client classification, an unduplicated count of the kinds and number of services furnished through each program administered or supervised by the department or coordinated with it;

(b) reports on the number of job openings listed, developed, available, and obtained by clients;

(c) identifies the number of cooperative agreements in place, the number of individuals being served, and the kinds of service provided them;

(d) evaluates the performance of services, such as wage subsidies, community investments, work readiness, and grant diversions; and

(e) explains the effects of current employment levels, unemployment rates, and program performance on the unemployment insurance fund and general assistance, work readiness, and aid to families with dependent children caseloads and program expenditures.

Sec. 54. Minnesota Statutes 1986, section 268.86, subdivision 1, is amended to read:

Subdivision 1. [~~DEVELOPMENT DISCRETIONARY PROGRAMS.~~] The commissioner shall develop and administer *discretionary* employment and training *services programs* to assist ~~appropriate recipients of public assistance and unemployed and underemployed persons eligible to receive wage subsidies~~ to become economically independent. ~~The services must have as their objective the improvement of clients' opportunities for economic independence through permanent employment. The services must provide sufficient employment and training options to allow local service~~

units to effectively meet the support services, educational, and training needs of their public assistance and wage subsidy clients programs may include on-the-job training, wage subsidies, classroom training, relocation expenses, temporary cash assistance for persons in training, and support services.

Sec. 55. Minnesota Statutes 1986, section 268.86, subdivision 2, is amended to read:

Subd. 2. ~~[ADMINISTRATION INTERAGENCY AGREEMENTS.] Under agreements necessary to comply with federal regulations, By October 1, 1987, the commissioner, on behalf of and the commissioner of human services, shall administer enter into a written contract for the design, delivery, and administration of employment and training services for applicants for or recipients of food stamps or aid to families with dependent children and food stamps. The commissioner shall administer employment and training services for general assistance and work readiness recipients in consultation with the commissioner of human services, including AFDC employment and training programs, grant diversion, and supported work. The contract must be approved by the coordinator and must address:~~

- ~~(1) specific roles and responsibilities of each department;~~
- ~~(2) assignment and supervision of staff for interagency activities including any necessary interagency employee mobility agreements under the administrative procedures of the department of employee relations;~~
- ~~(3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;~~
- ~~(4) procedures for providing technical assistance to local service units and employment and training service providers;~~
- ~~(5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;~~
- ~~(6) procedures for reimbursing appropriate agencies for administrative expenses; and~~
- ~~(7) procedures for accessing available federal funds.~~

Sec. 56. Minnesota Statutes 1986, section 268.871, subdivision 1, is amended to read:

Subdivision 1. ~~[RESPONSIBILITY AND CERTIFICATION.] Unless prohibited by federal law or otherwise determined by state law or the coordinator, a local service unit is responsible for the delivery of employment and training services. After February 1, 1986 1988, employment and training services must be delivered by public, nonprofit, or private service providers that are certified to provide the services employment and training service providers.~~

Sec. 57. Minnesota Statutes 1986, section 268.871, subdivision 2, is amended to read:

Subd. 2. ~~[CONTRACTING PREFERENCE.] In contracting, a local service unit must give preference, whenever possible, to existing certified employment and training service providers including the job service, opportunities industrialization centers, displaced homemaker providers, work incentive providers, Minnesota employment and economic development~~

act providers, post-secondary educational institutions, and job training partnership act programs that can effectively coordinate federal, state, and local employment and training services; that can maximize use of available federal and other nonstate funds; and that have demonstrated the ability to serve public assistance clients as well as other unemployed people.

Sec. 58. Minnesota Statutes 1986, section 268.871, is amended by adding a subdivision to read:

Subd. 5. [REPORTS.] Each employment and training service provider under contract with a local service unit to deliver employment and training services must submit an annual report by March 1 to the local service unit. The report must specify:

- (1) the types of services provided;*
- (2) the number of priority and nonpriority AFDC recipients served, the number of work readiness assistance recipients served, and the number of other clients served;*
- (3) how resources will be prioritized to serve priority and nonpriority public assistance recipients and other clients; and*
- (4) the manner in which state employment and training funds and programs are being coordinated with federal and local employment and training funds and programs.*

Sec. 59. Minnesota Statutes 1986, section 268.872, subdivision 3, is amended to read:

Subd. 3. [DISCRETIONARY FUND; CREATION AND ALLOCATION.] The commissioner shall pay administrative aid to local service units for employment and training services according to the formula established by rule. Seventy-five percent of the money must be allocated among local service units based on the number of work readiness assistance recipients and aid to families with dependent children caseloads of individuals not exempt from work requirements as forecast by the commissioner of human services; 25 percent must be allocated in a way that encourages full-time, private-sector job placement, program completion by public assistance recipients, and other performance characteristics. This subdivision does not apply to the administrative aid for the work readiness program. establish a discretionary employment and training fund. Money appropriated to the department for the discretionary fund must be allocated to local service units or certified employment and training service providers at the discretion of the commissioner.

In allocating money for discretionary employment and training programs, the commissioner shall give priority to certified employment and training service providers that:

- (1) serve a high proportion of distressed farmers and other individuals adversely affected by economic conditions within their service delivery region;*
- (2) have demonstrated success in developing and placing individuals into full-time private, public, and nonprofit employment;*
- (3) have demonstrated knowledge of and linkages with local, state, and federal training programs; educational programs including adult basic education, AVTIs, and community colleges; and providers of support services including child care and transportation; and*

(4) have demonstrated ability to use alternative funding sources to maximize available employment, training, and education funds.

No more than two percent of the money appropriated for discretionary employment and training programs may be used to reimburse the commissioner for the costs of administering discretionary employment and training programs, and no more than five percent of the money allocated to a certified employment and training service provider may be used for administrative expenses.

Sec. 60. Minnesota Statutes 1986, section 268.88, is amended to read:
268.88 [LOCAL SERVICE UNIT PLANS.]

(a) Local service units shall prepare and submit to the commissioner by ~~October~~ *April* 15 of each year an annual plan for the subsequent calendar year. The commissioner shall notify each local service unit by ~~December~~ *May* 1 of each year if its plan has been approved or disapproved. The plan must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies *and programs* that will be used to achieve these goals;

(3) a statement of whether the goals from the preceding year were met and an explanation if the local service unit failed to meet the goals;

(4) the amount proposed to be allocated to each employment and training service;

(5) the proposed types of employment and training services the local service unit plans to utilize;

(6) a report on the use of wage subsidies, grant diversions, community investment programs, sliding fee day care, and other services administered under this chapter;

(7) an annual update of the community investment program plan according to standards established by the commissioner; ~~and~~

(8) a performance review of *the employment and training* service providers delivering employment and training services *for the local service unit; and*

(9) *a copy of any contract between the local service unit and an employment and training service provider including expected outcomes and service levels for public assistance clients.*

(b) In counties with a city of the first class, the county and the city shall develop and submit a joint plan. The plan may not be submitted until agreed to by both the city and the county. The plan must provide for the direct allocation of employment and training money to the city and the county unless waived by either. If the county and the city cannot concur on a plan, the coordinator shall resolve their dispute.

(c) The commissioner may withhold the distribution of employment and training money from a local service unit that does not submit a plan to the commissioner by the date set by this section, and shall withhold the distribution of employment and training money from a local service unit whose plan has been disapproved by the coordinator until an acceptable amended

plan has been submitted.

(d) For 1985, local service unit plans must be submitted by November 1, 1985 and must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies that will be used to achieve these goals;

(3) the amount proposed to be allocated to each employment and training service;

(4) the proposed employment and training services and service providers the local service unit plans to utilize; and

(5) a statement of intent regarding the establishment of either a community investment program or an employment experience program.

If the local service unit provides a statement of intent for the establishment of a community investment program under clause (5), the local service unit must submit a preliminary community investment program plan by February 1, 1986.

Sec. 61. Minnesota Statutes 1986, section 268.91, subdivision 1, is amended to read:

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

(a) "Child care services" means *child care provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, play groups, head start, and parent cooperatives, and in-home child care as defined in the Minnesota plan for social services to families and children or in the child's home.*

(b) "Child" means *a person 14 12 years old or younger, or a person age 13 or 14 who is handicapped, as defined in section 120.03.*

(c) "Commissioner" means the commissioner of jobs and training.

(d) "Child care" means *the care of a child by someone other than a parent or legal guardian in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.*

(e) "County board" means *the board of county commissioners in each county.*

(f) "Education program" means *remedial or basic education or English as a second language instruction, high school education, a program leading to a general equivalency diploma, and post-secondary education excluding post-baccalaureate programs.*

(g) "Employment program" means *employment of recipients financially eligible for the child care sliding fee program, vocational assessment, and job readiness and job search activities.*

(h) "Human services board" means *a board established under section 402.02, Laws 1974, chapter 293, or Laws 1976, chapter 340.*

(i) "Provider" means *the child care license holder or the legal nonlicensed caregiver who operates a family day care home, a group family day care home, a day care center, a nursery school, or a day nursery, or*

who functions in the child's home.

(j) "Post-secondary educational systems" means the University of Minnesota board of regents, the state university board, the state board of community colleges, and the state board of vocational technical education.

(k) "AFDC priority groups" means the recipients defined in section 5.

(l) "AFDC" means aid to families with dependent children.

Sec. 62. Minnesota Statutes 1986, section 268.91, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF COMMISSIONER.] The commissioner shall develop standards for county and human services boards, and post-secondary educational systems, to provide child care services to enable eligible families to participate in employment or, training, or education programs. The commissioner shall distribute money to counties and post-secondary educational systems to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. ~~The commissioner shall require counties to collect and report data that the commissioner deems necessary to evaluate the effectiveness of the program in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children.~~ The commissioner shall report to the full productivity and opportunity coordinator in each even-numbered year on the effectiveness of the program. ~~The commissioner, in cooperation with the commissioner of human services, shall maximize the use of federal money under the AFDC employment special needs program in section 256.736, subdivision 8, for recipients of aid to families with dependent children who are in education, training, job search, or other activities allowed under that program. Money appropriated under this section must be coordinated with the AFDC employment special needs program to accomplish this purpose. Federal reimbursement obtained must be allocated to the county or post-secondary educational system that spent money for child care that is federally reimbursable under the AFDC employment special needs program. The counties and post-secondary educational systems shall use the federal money to expand services under this section.~~

Sec. 63. Minnesota Statutes 1986, section 268.91, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION.] (a) By June 1 of each odd-numbered year, the commissioner shall notify all county and human services boards and post-secondary educational systems of the their allocation and the procedures used for the sliding fee program. ~~Allocations must be made by July 1 of each odd-numbered year.~~ If the appropriation is insufficient to meet the needs in all counties, the amount must be prorated among the counties.

(b) ~~For the purposes of this section~~ Except for set-aside funds allocated under section 64, the commissioner shall allocate money appropriated between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total appropriation goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the money

among counties on the basis of the number of families below the poverty level, as determined from the most recent special census, and 50 percent on the basis of caseloads of aid to families with dependent children for the preceding fiscal year, as determined by the commissioner of human services.

(c) Once each quarter, the commissioner shall review the use of child care fund allocations by county. In accordance with the formula found in paragraph (b), the commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full portion. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.

Sec. 64. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 3a. [SET-ASIDE MONEY.] (a) State money must be set aside by the commissioner for child care services for:

(1) AFDC priority groups;

(2) recipients of AFDC attending post-secondary education programs, excluding post-baccalaureate programs; and

(3) students attending post-secondary education programs, excluding post-baccalaureate programs, who meet sliding fee program eligibility standards.

The set-aside amount must be determined by the commissioner and must not exceed 57 percent of the total funds appropriated. Of the set-aside amount, one-third must be allocated for each of the three groups named in this paragraph.

(b) Set-aside money for AFDC priority groups must be allocated among the counties based on the average monthly number of caretakers receiving AFDC under the age of 22 and the average monthly number of AFDC cases open 24 or more months out of the past 36 months. The sum must be derived for each fiscal year based on the 12-month period ending March 31 of the previous fiscal year. The commissioner may reallocate quarterly unspent set-aside money to counties that expend their full allocation. The county shall use the set-aside money for AFDC priority groups.

(c) The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for aid to families with dependent children priority groups. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, as resources permit, be guaranteed set-aside money for child care assistance from the county of their residence.

(d) Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

(e) If the commissioner finds, on or after January 1 of a fiscal year, that set-aside money is not being fully utilized, the commissioner may permit counties to use set-aside money for other eligible applicants, as long as priority for use of the money will continue to be given to the AFDC priority groups.

(f) *Set-aside money for persons listed in paragraph (a), clause (2), must be allocated among the post-secondary educational systems based on the number of students receiving AFDC in the most recent school year for which data is available. The systems shall allocate money to post-secondary institutions under their authority based on the number of students receiving AFDC in the most recent school year for which data is available. The post-secondary educational systems shall use these money for the persons listed in paragraph (a), clause (2), to reduce their costs of child care, including the costs of child care for students while employed if enrolled in an eligible education program at the same time.*

(g) *Set-aside money for persons listed in paragraph (a), clause (3), shall be allocated among the post-secondary educational systems based on the number of students with dependent children enrolled in the last fiscal year. Funds shall be used to reduce the students' costs of child care, including the costs of child care for students while employed if enrolled in an eligible education program at the same time. The systems shall allocate money to post-secondary institutions under their authority based on the number of students with dependent children enrolled in the last fiscal year.*

(h) *The post-secondary educational systems may reallocate unexpended money among institutions under their authority. The systems may reallocate unexpended money for persons listed in paragraph (a), clause (3), to persons listed in paragraph (a), clause (2). If by May 15 of each year money is unexpended, the money must be transferred to the commissioner for reallocation to the other post-secondary educational systems or to counties for AFDC priority groups. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.*

(i) *Recipients of AFDC who have completed their post-secondary education and had received child care funds during that education shall be assured, to the extent of available resources, of sliding fee money for employment programs after graduation if they meet sliding fee program eligibility standards.*

Sec. 65. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 3b. [REPORTING AND PAYMENTS.] (a) Counties and post-secondary educational systems shall submit on forms prescribed by the commissioner a quarterly financial and program activity report which is due 20 calendar days after the end of each quarter. The financial and program activity report must include:

(1) a detailed accounting of the expenditures and revenues for the program during the preceding quarter by funding source and by eligibility group;

(2) a description of activities and concomitant expenditures that are federally reimbursable under the AFDC employment special needs program;

(3) a description of activities and concomitant expenditures of set-aside money;

(4) information on money encumbered at the quarter's end but not yet reimbursable, for use in adjusting allocations as provided in section 64, paragraphs (e) and (h); and

(5) other data the commissioner considers necessary to account for the

program or to evaluate its effectiveness in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children.

(b) *The commissioner shall provide this information to the commissioner of human services within 25 calendar days after the end of each quarter to enable the commissioner of human services to maximize the use of federal money under the AFDC special needs program.*

(c) *The commissioner shall make payments to each county and post-secondary educational system in quarterly installments. The commissioner may certify an advance for the first quarter of the fiscal year. Later payments must be based on actual expenditures as reported in the quarterly financial and program activity report.*

(d) *The commissioner may withhold, reduce, or terminate the allocation of any county or post-secondary educational system that does not meet the reporting or other requirements of this program. The commissioner shall reallocate to other counties or post-secondary educational systems money so reduced or terminated.*

Sec. 66. Minnesota Statutes 1986, section 268.91, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ELIGIBILITY.] (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

- (1) receive aid to families with dependent children;
- (2) have household income below the eligibility levels for aid to families with dependent children; or
- (3) have household income within a range established by the commissioner.

(b) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. *Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.*

(c) Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.

(d) If a disproportionate amount of the available money is provided to any one of the groups described in subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share. *If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups to be served. Set-aside money must be prioritized by the state, and counties do not have discretion over the use of this money.*

Sec. 67. Minnesota Statutes 1986, section 268.91, subdivision 5, is amended to read:

Subd. 5. [EMPLOYMENT OR TRAINING ELIGIBILITY.] (a) Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of one month of child care. Employed persons who work at least ten hours a week and receive at least a minimum wage for all hours worked are eligible for child care assistance.

(b) Persons eligible under this section for child care assistance for education or training must receive assistance for the length of the program or 24 months, whichever is shorter. An education or training program with demonstrated effectiveness may be approved by the commissioner of education and accredited by the appropriate agency as an eligible program including high school or an equivalent program, an English competency program, technical or vocational training, or a four-year or associate degree program participating in employment programs, training programs, or education programs are eligible for assistance from the child care sliding fee program, if they are financially eligible under the sliding fee scale set by the commissioner in subdivision 7.

Sec. 68. Minnesota Statutes 1986, section 268.91, subdivision 6, is amended to read:

Subd. 6. [COUNTY CONTRIBUTION.] (a) In addition to payments from parents, the program must be funded by county contributions. *Except for set-aside money, counties shall contribute five from county tax sources a minimum of 15 percent of the cost of the program in the program's first year and 15 percent in the second and subsequent years. The commissioner may require by rule that a county pay the commissioner the portion of sliding fee allocations paid by the state for which the county is responsible. The county shall advance its portion of sliding fee costs, based upon allocations made by the commissioner for that county for expenditures in the succeeding month. A The commissioner shall recover from the county as necessary to bring county expenditures into compliance with this subdivision.*

(b) *The commissioner shall recover from counties any state or federal money found to be ineligible. If a federal audit exception is taken based on a percentage of federal earnings, all counties shall pay a share proportional to their respective federal earnings during the period in question.*

(c) *To receive money through this program, each county shall certify to the commissioner that the county has not reduced allocations from other federal, state, and county sources, which, in the absence of child care sliding fee or wage subsidy money, would have been available for child care services.*

Sec. 69. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 6a. [POST-SECONDARY RESPONSIBILITY.] (a) *The commissioner shall recover from post-secondary educational systems any state or federal money found to be ineligible. If a federal audit exception is taken based on a percentage of federal earnings, all systems shall pay a share proportional to their respective federal earnings during the period in question.*

(b) *To receive money through this program, each post-secondary educational system shall certify to the commissioner that the system has not reduced allocations from other federal and state sources, which, in the absence of child care sliding fee money, would have been available for child care services.*

Sec. 70. Minnesota Statutes 1986, section 510.07, is amended to read:
510.07 [SALE OR REMOVAL PERMITTED; NOTICE.]

The owner may sell and convey the homestead without subjecting it, or the proceeds of such sale for the period of one year after sale, to any judgment or debt from which it was exempt in the owner's hands *except that the proceeds of the sale shall not be exempt from a judgment or debt for a court ordered child support or maintenance obligation in arrears.* The owner may remove therefrom without affecting such exemption, if the owner does not thereby abandon the same as the place of abode. If the owner shall cease to occupy such homestead for more than six consecutive months the owner shall be deemed to have abandoned the same unless, within such period, the owner shall file with the county recorder of the county in which it is situated a notice, executed, witnessed, and acknowledged as in the case of a deed, describing the premises and claiming the same as the owner's homestead. In no case shall the exemption continue more than five years after such filing, unless during some part of the term the premises shall have been occupied as the actual dwelling place of the debtor or the debtor's family.

Sec. 71. Minnesota Statutes 1986, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Unless the obligee has *comparable or better* group dependent health insurance coverage available at a more reasonable cost, the court shall order the obligor to name the minor child as beneficiary on any health and dental insurance plan that is available to the obligor on a group basis or through an employer or union.

If the court finds that dependent health or dental insurance is not available to the obligor on a group basis or through an employer or union, or that the group insurer is not accessible to the obligee, the court may require the obligor to obtain dependent health or dental insurance, or to be liable for reasonable and necessary medical or dental expenses of the child.

If the court finds that the dependent health or dental insurance required to be obtained by the obligor does not pay all the reasonable and necessary medical or dental expenses of the child or that the dependent health or dental insurance available to the obligee does not pay all the reasonable and necessary medical or dental expenses of the child, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan.

Sec. 72. Minnesota Statutes 1986, section 518.24, is amended to read:
518.24 [SECURITY; SEQUESTRATION; CONTEMPT.]

In all cases when maintenance or support payments are ordered, the court may require sufficient security to be given for the payment of them according to the terms of the order. Upon neglect or refusal to give security, or upon failure to pay the maintenance or support, the court may sequester the obligor's personal estate and the rents and profits of real estate of the obligor, and appoint a receiver of them. The court may cause the personal estate and the rents and profits of the real estate to be applied according to the terms of the order. ~~If~~ The obligor ~~has~~ shall be presumed to have an income from a source sufficient to pay the maintenance or support ~~and the~~

~~obligor fails to pay the same; the court shall order the obligor to pay it. A person or party who~~ *If the obligor disobeys the order may be punished by the court as for, it shall be prima facie evidence of contempt.*

Sec. 73. Minnesota Statutes 1986, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT TO PUBLIC AGENCY.]

The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, *or has applied for child support and maintenance collection services.* Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 74. Minnesota Statutes 1986, section 518.611, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, is determined and ordered by a court of this state, ~~that court shall order the withholding of the amount of child support or maintenance as determined by court order, shall be withheld from the income, regardless of source, of the person obligated to pay the support or maintenance. When an order for withholding has not previously been secured, the obligee may or the public agency responsible for child support enforcement shall move the court, and the court shall grant the order~~ *Every order for maintenance or support shall include the obligor's social security number and the name and address of the obligor's employer or other payor of funds.*

Sec. 75. Minnesota Statutes 1986, section 518.611, subdivision 2, is amended to read:

Subd. 2. [NOTICE CONDITIONS OF INCOME WITHHOLDING.] ~~Each order for withholding shall provide for a conspicuous notice to the obligor that:~~ (a) [MAINTENANCE AND PRE-EXISTING CHILD SUPPORT ORDERS.] *Withholding of maintenance, or child support ordered before August 1, 1987, shall result only if the obligor fails to make the maintenance or support payments, and that no withholding shall be made until the following conditions are met:*

(1) ~~The obligee or the public authority determines that~~ *The obligor is at least 30 days in arrears;*

(2) ~~The obligee or the public authority serves written notice of its determination of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order for withholding on the payor of funds;~~

(3) ~~Within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard. Within 45 days from the date of the notice of income withholding, the court shall hold the hearing on the motion to deny withholding and notify the parties of its decision; and~~

(4) The obligee or the public authority serves a copy of the notice of income withholding and a copy of the court's ~~withholding~~ order on the payor of funds; and

(5) The obligee serves on the public authority a copy of the notice of income withholding, a copy of the court's ~~withholding~~ order, an application and the fee to use the public authority's collection services; or

(6) *The obligor waives the written notice and the requirements of this subdivision.*

(b) [NEW CHILD SUPPORT ORDERS.] *The conditions of paragraph (a) of this subdivision do not apply to an obligation for child support initially determined and ordered, or modified, by a court of this state on or after August 1, 1987. For the purposes of this section "modified" does not mean a cost-of-living adjustment without any other modification of the support order. Upon entry of the order for support the court shall mail a copy of the court's order and the provisions of this section to the obligor's employer or other payor of funds.*

The obligee who is not a recipient of public assistance shall make application to the public authority for child support and maintenance collection services when a new or modified order for support is entered.

(c) [ARREARAGES.] *To pay ~~the an~~ arrearage specified in existing at the ~~notice~~ time of income withholding service on the employer or payor of funds under this subdivision, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.*

~~(e) The obligor may, at any time, waive the written notice required by this subdivision.~~

~~(d) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.~~

Sec. 76. Minnesota Statutes 1986, section 518.611, subdivision 3, is amended to read:

Subd. 3. [WITHHOLDING HEARING.] *Within 45 days from the date of the notice given under subdivision 2, the court shall hold the hearing on the motion under subdivision 2, paragraph (a), clause (3), and notify the parties of its decision. At the hearing to deny withholding, if the court finds that there was no mistake of fact, the court shall order income withholding to begin no later than the first pay period that occurs after 14 days following the date of the hearing. If the court finds that an arrearage of at least 30 days existed as of the date of the notice of income withholding, but finds a mistake in the amount of arrearage, the court shall order income withholding, but it shall correct the amount of arrearage to be withheld under subdivision 2, paragraph ~~(b)~~ (c).*

Sec. 77. Minnesota Statutes 1986, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] *Notwithstanding any law to the contrary, the order is binding on the employer, trustee, or other payor of the funds when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. An employer or other payor of funds in this state is*

required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2, paragraph (b) (c), and shall remit, within ten days of the date the obligor is paid the remainder of the income, the amounts withheld to the public authority. Employers may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld.

Sec. 78. Minnesota Statutes 1986, section 518.611, subdivision 6, is amended to read:

Subd. 6. [PRIORITY.] An order for withholding under this section or execution or garnishment upon a judgment for child support arrearages or preadjudicated expenses shall have priority over an attachment, execution, garnishment, or wage assignment and shall not be subject to the statutory limitations on amounts levied against the income of the obligor. Amounts withheld from an employee's income must not exceed the maximum permitted under the Consumer Credit Protection Act, United States Code, title 15, section 1673(b)(2). If there is more than one withholding order on a single employee, the employer shall put them into effect, giving priority first to amounts currently due and not in arrears and then to other amounts, in the sequence in which the withholding orders were received up to the maximum allowed in the Consumer Credit Protection Act. *Notwithstanding any law to the contrary, no funds from income sources included in section 518.54, subdivision 6, whether periodic or lump sum, shall be exempt from attachment or execution upon a judgment for child support arrearages.*

Sec. 79. Minnesota Statutes 1986, section 518.611, subdivision 8, is amended to read:

Subd. 8. [EMPLOYER OR PAYOR AND OBLIGOR NOTICE.] *When an individual is hired for employment, the employer shall request that the individual disclose whether or not the individual has court-ordered child support obligations that are required by law to be withheld from income and the terms of the court order, if any. The individual shall disclose this information at the time of hiring. When an individual discloses that the individual owes child support that is required to be withheld, the employer shall begin withholding according to the terms of the order and under this section. When a withholding order is in effect and the obligor's employment is terminated or the periodic payment terminates, the obligor and the obligor's employer or the payor of funds shall notify the public agency responsible for child support enforcement of the termination within 30 ten days of the termination date. The notice shall include the obligor's home address and the name and address of the obligor's new employer or payor of funds, if known. Information disclosed under this section shall not be divulged except to the extent necessary for the administration of the child support enforcement program or when otherwise authorized by law.*

Sec. 80. Minnesota Statutes 1986, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] The terms of a decree respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost-of-living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair. On a motion for modification of maintenance, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court shall take into consideration the needs of the children and shall not consider the financial circumstances of each party's spouse, if any. A modification which decreases support or maintenance may be made retroactive only upon a showing that any failure to pay in accord with the terms of the original order was not willful with respect to any period during which the support obligor has pending a motion for modification but only from the date that notice of the motion has been given to the obligee and to the court or other entity which issued each support order. A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order. Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 81. [SPECIAL STUDY.]

The commissioner shall report to the legislature by January 15, 1989, with recommendations for improving the family health insurance program, evidence of state savings as a result of the program, and recommendations for a formal evaluation.

Sec. 82. [REPORT TO THE LEGISLATURE.]

The commissioner of human services shall collect data on costs and collections and report to the chairs of the health and human services committees in the house of representatives and the senate on or before January 2, 1989, on the progress and experience of the county agencies in implementing the income withholding provisions of this act, including any recommendations for changes in the law.

Sec. 83. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute in chapter 257 the term "biological" when referring to a parent, mother, or father for the term "natural."

Sec. 84. [APPROPRIATIONS.]

\$_____ is appropriated from the general fund to the commissioner of jobs and training to administer the child care sliding fee program.

\$_____ is appropriated from the general fund to the commissioner of human services for the work incentive housing subsidy program, \$_____.

to be available until June 30, 1988, and \$_____ to be available until June 30, 1989.

\$_____ is appropriated from the public health fund to the commissioner of human services for the family health insurance program.

\$_____ is appropriated to the commissioner of human services for use in providing state aid for literacy training under section 28.

There is appropriated from the general fund for the biennium ending June 30, 1989, \$_____ for the purpose of county child support collection incentives under section 21.

\$105,000 is appropriated from the general fund to the commissioner of human services for each year of the biennium ending June 30, 1989, to provide training and technical assistance to counties to:

(1) facilitate the transfer of general assistance recipients to federal disability programs by identifying recipients who are potentially eligible for benefits and helping them with the application and appeals process; and

(2) facilitate the transfer of general assistance medical care recipients to the medical assistance program by identifying recipients who are potentially eligible for medical assistance benefits and helping them establish eligibility.

Sec. 85. [REPEALER.]

Minnesota Statutes 1986, sections 256D.051, subdivisions 4, 5, and 12; and 257.34, subdivision 2, are repealed.

Sec. 86. [EFFECTIVE DATES.]

Sections 1 to 10, 12 to 79, and 81 to 85, are effective July 1, 1987. Sections 11 and 80 are effective the day following final enactment.

ARTICLE 2

Section 1. [FEDERAL AUTHORITY.]

Subdivision 1. [LEGISLATIVE WAIVERS.] The commissioner of human services shall seek from the Congress of the United States a change in or waiver of existing requirements of the aid to families with dependent children program (AFDC) to the extent necessary to allow the commissioner to:

(1) require that, as a condition of receiving AFDC, priority caretakers of children six weeks of age and older who have not completed a high school education be required to either attend high school or to work toward a general education diploma as long as necessary child care and transportation services are available to them;

(2) require that, as a condition of receiving AFDC, priority caretakers of children younger than six months be required to participate for not more than four hours a week in activities related to personal and family development, including parenting education, personal and vocational counseling, chemical dependency treatment, domestic abuse counseling, or remedial education, and then only if child care assistance is provided or if the activity includes the child as a participant, and if transportation needs are met;

(3) require that, as a condition of receiving AFDC, priority caretakers of children at least seven months but not more than 35 months of age to

participate in employment and training services for no more than 20 hours a week as long as necessary child care and transportation are available to them;

(4) require that, as a condition of receiving AFDC, priority caretakers of children aged three and over register for and participate in employment and training services and seek employment as long as necessary child care and transportation are available to them;

(5) replace the sanctions under section 256.736, subdivision 4, clause (4), paragraphs (a) and (d), with the following graduated sanctions:

(a) upon first caretaker refusal, 50 percent of the grant provided to the family shall be made in the form of protective or vendor payments;

(b) upon second caretaker refusal, the entire grant provided to the family shall be made in the form of protective or vendor payments; and

(c) upon third caretaker refusal, the caretaker's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of protective or vendor payments;

(6) exclude all expenses related to education when determining income for food stamp purposes;

(7) disregard more earned income of a recipient than allowed under United States Code, title 42, section 602(a)(8)(B)(ii), to provide an incentive to work and prevent recipients from experiencing a sudden loss of income after four months of employment;

(8) exclude from consideration in computing the income of an AFDC caretaker parent under the age of 18 any income of the parents of the caretaker parent, without regard to the residence of the caretaker parent, to make it possible for a minor parent to receive financial assistance while remaining in a supportive home environment;

(9) determine the maximum value of an automobile which can be excluded as an asset under United States Code, title 42, section 602(a)(7)(B)(i), because of the need of AFDC recipients for reliable transportation in order to participate in work and training and become self-sufficient;

(10) disregard in computing income the cost of child care beyond that currently allowed under United States Code, title 42, section 602(a)(8)(A)(iii), because of the need of AFDC recipients for quality reliable child care in order to participate in work and training and become self-sufficient;

(11) permit a principal earner in a family receiving AFDC-UP to work more than 100 hours per month without being disqualified from the program, in order to recognize the financial reality of AFDC-UP families and to help the families achieve financial security before leaving the program;

(12) simplify eligibility determination processes, budgeting procedures, and excessive paperwork requirements without becoming subject to federal sanctions, in order to enhance self-esteem among clients and free workers to help families achieve self-sufficiency; and

(13) disregard quality control review requirements that are not directly related to actual grant miscalculation or client right violations, in order to move the AFDC program away from a system driven by audits, error rates, and sanctions.

Subd. 2. [ADMINISTRATIVE WAIVERS.] If congressional approval of

each of these measures has not been obtained by July 1, 1988, the commissioner shall seek federal approval through the administrative waiver process or other administrative mechanisms.

Subd. 3. [TERMS.] The commissioner shall negotiate no terms or conditions that infringe on recipients' entitlement to benefits or impede federal financial participation under the terms of United States Code, title 42, chapter 7, subchapter IV, part A.

Subd. 4. [IMPLEMENTATION.] The commissioner shall promulgate emergency rules as necessary to implement any waiver. Rules promulgated under authority of this section supersede any conflicting laws or rules until July 1, 1988."

Delete the title and insert:

"A bill for an act relating to human services; expanding employment and training services in the aid to families with dependent children program; changing standards of eligibility for general assistance recipients and work readiness recipients; implementing immediate income withholding; modifying the child care sliding fee program; establishing the family health insurance program; changing standards of eligibility for the medical assistance program; amending Minnesota Statutes 1986, sections 144.219; 256.01, subdivision 2; 256.736, subdivisions 3, 4, 6, and 8, and by adding subdivisions; 256.74, subdivision 1; 256B.06, subdivision 1; 256D.01, subdivision 1a; 256D.02, subdivisions 5 and 8; 256D.03, subdivision 2; 256D.05, subdivision 1; 256D.051, subdivisions 1, 2, 4, 5, 6, and 8; 256D.06, subdivisions 1, 1b, and 2; 256D.08, subdivision 1; 256D.101; 256D.15; 257.33; 257.34, subdivision 1; 257.57, subdivision 2; 257.60; 257.62, by adding a subdivision; 257.63, subdivision 2; 260.015, subdivision 6; 260.155, by adding a subdivision; 260.191, by adding a subdivision; 267.02, by adding a subdivision; 267.03, subdivision 2; 268.0122, subdivision 3; 268.86, subdivisions 1 and 2; 268.871, subdivisions 1 and 2, and by adding a subdivision; 268.872, subdivision 3; 268.88; 268.91, subdivisions 1, 2, 3, 4, 5, and 6, and by adding subdivisions; 510.07; 518.171, subdivision 1; 518.24; 518.551, subdivision 1; 518.611, subdivisions 1, 2, 3, 4, 6, and 8; and 518.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 256 and 256D; repealing Minnesota Statutes 1986, sections 256D.051, subdivisions 4, 5, and 12; and 257.34, subdivision 2."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 514: A bill for an act relating to human services; creating the office of ombudsman for mental health; defining terms; establishing the office of ombudsman; providing for the powers and duties of the ombudsman; creating the ombudsman committee; creating the mental health board; requiring reporting of abuse and neglect to the ombudsman for mental health; amending Minnesota Statutes 1986, sections 13.66; 626.556, subdivision 10, and by adding a subdivision; and 626.557, subdivision 11, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 13.66, is amended to read:

13.66 [~~CORRECTIONS~~ OMBUDSMAN DATA.]

Subdivision 1. [PRIVATE DATA.] The following data maintained by the ombudsman for corrections *and the ombudsman for mental health and mental retardation* are classified as private, pursuant to section 13.02, subdivision 12:

(a) All data on individuals pertaining to contacts made by clients seeking the assistance of ~~the an~~ ombudsman, except as specified in subdivisions 2 and 3;

(b) Data recorded from personal and phone conversations and in correspondence between ~~the an~~ ombudsman's staff and persons interviewed during the course of an investigation;

(c) Client index cards;

(d) Case assignment data; and

(e) Monthly closeout data.

Subd. 2. [CONFIDENTIAL DATA.] The following data maintained by ~~the an~~ ombudsman are classified as confidential, pursuant to section 13.02, subdivision 3: the written summary of the investigation to the extent it identifies individuals.

Subd. 3. [PUBLIC DATA.] The following data maintained by the ombudsman *for corrections* are classified as public, pursuant to section 13.02, subdivision 15: client name, client location; and the inmate identification number assigned by the department of corrections.

Sec. 2. [245.91] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 2 to 8, the following terms have the meanings given them.

Subd. 2. [MENTAL HEALTH OR MENTAL RETARDATION AGENCY.] "Mental health or mental retardation agency" or "agency" means the divisions, officials, or employees of the state departments of human services and health, that are engaged in monitoring, providing, or regulating services to mental health or mental retardation clients. It does not include a political subdivision of the state.

Subd. 3. [MENTAL HEALTH OR MENTAL RETARDATION CLIENT.] "Mental health or mental retardation client" or "client" means a patient, resident, or other person served by a mental health or mental retardation agency or facility, who is receiving residential treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance.

Subd. 4. [MENTAL HEALTH OR MENTAL RETARDATION FACILITY.] "Mental health or mental retardation facility" or "facility" means a regional center operated by the commissioner of human services, a residential facility as defined in section 245.782, subdivision 6, that is required to be licensed by the commissioner of human services, and an acute care inpatient facility, that provides treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance.

Subd. 5. [REGIONAL CENTER.] "Regional center" means a regional center as defined in section 253B.02, subdivision 18.

Sec. 3. [245.92] [OFFICE OF OMBUDSMAN; CREATION; QUALIFICATIONS; FUNCTION.]

The office of ombudsman for mental health and mental retardation is created. The ombudsman shall promote the highest attainable standards of treatment, competence, efficiency, and justice for people receiving care or treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance. The ombudsman may gather information about decisions, acts, and other matters of an agency or facility. The ombudsman serves at the pleasure of the governor in the unclassified service and is accountable to the governor. The ombudsman must be selected without regard to political affiliation and must be a person who has knowledge and experience concerning the treatment, needs, and rights of mental health and mental retardation clients, and who is highly competent and qualified. No person may serve as ombudsman while holding another public office.

Sec. 4. [245.93] [ORGANIZATION OF OFFICE OF OMBUDSMAN.]

Subdivision 1. [STAFF] The ombudsman may appoint a deputy and a confidential secretary in the unclassified service and may appoint other employees as authorized by the legislature. The ombudsman and the full-time staff shall be members of the Minnesota state retirement association.

Subd. 2. [ADVOCACY.] The function of mental health and mental retardation client advocacy in the department of human services is transferred to the office of ombudsman according to section 15.039. The ombudsman shall maintain at least one client advocate in each regional center.

Subd. 3. [DELEGATION.] The ombudsman may delegate to members of the staff any authority or duties of the office except the duty of formally making recommendations to an agency or facility or reports to the governor or the legislature.

Sec. 5. [245.94] [POWERS OF OMBUDSMAN; REVIEWS AND EVALUATIONS; RECOMMENDATIONS.]

Subdivision 1. [POWERS.] (a) The ombudsman may prescribe the methods by which complaints to the office are to be made, reviewed, and acted upon. The ombudsman may not levy a complaint fee.

(b) The ombudsman may mediate or advocate on behalf of a client.

(c) At the request of a client, or upon receiving a complaint or other information affording reasonable grounds to believe that the rights of a client who is not capable of requesting assistance have been adversely affected, the ombudsman may gather information about and analyze, on behalf of the client, the actions of an agency or facility.

(d) The ombudsman may examine, on behalf of a client, records of an agency or facility to which the client is entitled to access if the records relate to a matter that is within the scope of the ombudsman's authority. If the records are private and confidential and the client is capable of providing consent, the ombudsman shall first obtain the client's consent.

(e) The ombudsman may, at reasonable times in the course of conducting a review, enter and view premises within the control of an agency or facility.

(f) The ombudsman may attend department of human services review

board and special review board proceedings; proceedings regarding the transfer of patients or residents, as defined in section 246.50, subdivisions 4 and 4a, between institutions operated by the department of human services; and, subject to the consent of the affected patient or resident, other proceedings affecting the rights of residents or patients.

(g) To avoid duplication and preserve evidence, the ombudsman shall inform relevant licensing or regulatory officials before undertaking a review of an action of the facility.

(h) Sections 2 to 8 are in addition to other provisions of law under which any other remedy or right is provided.

Subd. 2. [MATTERS APPROPRIATE FOR REVIEW.] (a) In selecting matters for review by the office, the ombudsman shall give particular attention to unusual deaths or injuries of a client served by an agency or facility, or actions of an agency or facility that:

(1) may be contrary to law or rule;

(2) may be unreasonable, unfair, oppressive, or inconsistent with a policy or order of an agency or facility;

(3) may be mistaken in law or arbitrary in the ascertainment of facts;

(4) may be unclear or inadequately explained, when reasons should have been revealed;

(5) may result in abuse or neglect of a person receiving treatment; or

(6) may disregard the rights of a client or other individual served by an agency or facility.

(b) The ombudsman shall, in selecting matters for review and in the course of the review, avoid duplicating other investigations or regulatory efforts.

Subd. 3. [COMPLAINTS.] The ombudsman may receive a complaint from any source concerning an action of an agency or facility. After completing a review, the ombudsman shall inform the complainant and the agency or facility. No client shall be punished nor shall the general condition of the client's treatment be unfavorably altered as a result of a complaint by the client or by another person on the client's behalf.

Subd. 4. [RECOMMENDATIONS TO AGENCY.] (a) If, after reviewing a complaint and considering the response of an agency or facility and any other pertinent material, the ombudsman determines that the complaint has merit, the ombudsman may recommend that the agency or facility:

(1) consider the matter further;

(2) modify or cancel its actions;

(3) alter a rule, order, or internal policy;

(4) explain more fully the action in question; or

(5) take any other action the ombudsman recommends to the agency or facility involved.

(b) At the ombudsman's request, the agency or facility shall, within a reasonable time, inform the ombudsman about the action taken on the recommendation or the reasons for not complying with it.

Sec. 6. [245.95] [RECOMMENDATIONS AND REPORTS TO GOVERNOR.]

Subdivision 1. [SPECIFIC REPORTS.] The ombudsman may send conclusions and suggestions concerning any matter reviewed to the governor. Before making public a conclusion or recommendation that expressly or implicitly criticizes an agency or facility or any person, the ombudsman shall consult with the governor and the agency, facility, or person concerning the conclusion or recommendation. When sending a conclusion or recommendation to the governor that is adverse to an agency or facility or any person, the ombudsman shall include any statement of reasonable length made by that agency, facility, or person in defense or mitigation of the office's conclusion or recommendation.

Subd. 2. [GENERAL REPORTS.] In addition to whatever conclusions or recommendations the ombudsman may make to the governor on an ad hoc basis, the ombudsman shall at the end of each year report to the governor concerning the exercise of the ombudsman's functions during the preceding year.

Sec. 7. [245.96] [CIVIL ACTIONS.]

The ombudsman and his designees are not civilly liable for any action taken under sections 2 to 8 if the action was taken in good faith, was within the scope of the ombudsman's authority, and did not constitute willful or reckless misconduct.

Sec. 8. [245.97] [OMBUDSMAN COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] An ombudsman committee consisting of 15 members shall be appointed by the governor. Members shall be appointed on the basis of their knowledge of and interest in the health and human services system subject to the ombudsman's authority. In making the appointments, the governor shall try to ensure that the overall membership of the committee adequately reflects the agencies, facilities, and programs within the ombudsman's authority and that members include consumer representatives, including clients, former clients, and relatives of present or former clients; representatives of advocacy organizations for clients and other individuals served by an agency or facility; human services and health care professionals, including specialists in psychiatry, psychology, internal medicine, and forensic pathology; and other providers of services to mental health or mental retardation clients or other individuals served by an agency or facility.

Subd. 2. [TERMS OF SERVICE; CHAIR.] Members shall be appointed for terms of three years. Of the members of the first committee appointed, one-third shall be appointed for one-year terms and one-third shall be appointed for two-year terms. Vacancies shall be filled in the same manner as original appointments for the remainder of any unexpired term. Members do not receive compensation, but are entitled to receive reimbursement for reasonable and necessary expenses incurred. The governor shall designate one member of the committee to serve as its chair at the pleasure of the governor.

Subd. 3. [MEETINGS.] The committee shall meet at least four times a year at the request of its chair or the ombudsman.

Subd. 4. [DUTIES.] The committee shall advise and assist the ombudsman in selecting matters for attention; developing policies, plans, and

programs to carry out the ombudsman's functions and powers; and making reports and recommendations for changes designed to improve standards of competence, efficiency, justice, and protection of rights. The committee shall function as an advisory body.

Subd. 5. [MEDICAL REVIEW SUBCOMMITTEE.] At least five members of the committee, including at least three physicians, one of whom is a psychiatrist, shall be designated by the governor to serve as a medical review subcommittee. Terms of service, vacancies, and compensation are governed by subdivision 2. The governor shall designate one of the members to serve as chair of the subcommittee. The medical review subcommittee has the power to:

(1) make a preliminary determination of whether the death of a client that has been brought to its attention is unusual or reasonably appears to have resulted from causes other than natural causes and warrants investigation;

(2) review the causes of and circumstances surrounding the death;

(3) request the county coroner or medical examiner to conduct an autopsy;

(4) assist an agency in its investigations of unusual deaths and deaths from causes other than natural causes; and

(5) submit a report regarding the death of a client to the committee, the ombudsman, the client's next-of-kin, and the facility where the death occurred and, where appropriate, make recommendations to prevent recurrence of similar deaths to the head of each affected agency or facility.

Subd. 6. [TERMS, COMPENSATION, AND REMOVAL.] The membership terms, compensation, and removal of members of the committee are governed by section 15.0575, except as provided in this section.

Sec. 9. Minnesota Statutes 1986, section 626.556, subdivision 9, is amended to read:

Subd. 9. [MANDATORY REPORTING TO A MEDICAL EXAMINER OR CORONER.] When a person required to report under the provisions of subdivision 3 knows or has reason to believe a child has died as a result of neglect or physical or sexual abuse, the person shall report that information to the appropriate medical examiner or coroner instead of the local welfare agency, police department or county sheriff. Medical examiners or coroners shall notify the local welfare agency or police department or county sheriff in instances in which they believe that the child has died as a result of neglect or physical or sexual abuse. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county sheriff and the local welfare agency. If the child was receiving residential treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance from a mental health or mental retardation agency or facility as defined in section 2, the medical examiner or coroner shall also notify and report findings to the ombudsman for mental health and mental retardation.

Sec. 10. Minnesota Statutes 1986, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT.] (a) If the report alleges neglect, physical abuse, or sexual abuse by a parent,

guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a mental health or mental retardation client, as defined in section 2, has been the subject of physical abuse or neglect at a mental health or mental retardation agency or facility, as defined in section 2, it shall, in addition to its other duties under this section, immediately inform the ombudsman for mental health and mental retardation.

(c) Authority of the local welfare agency responsible for assessing the child abuse report and of the local law enforcement agency for investigating the alleged abuse includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school official. Except as provided in this clause, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota rules of procedure for juvenile courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under paragraph (c), and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(e) (d) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the county welfare board or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded. Until that time, the local welfare or law enforcement agency shall be solely responsible for any disclosures regard-

ing the nature of the assessment or investigation.

Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(d) (e) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(e) (f) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(f) (g) The commissioner, *the ombudsman for mental health and mental retardation*, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 11. Minnesota Statutes 1986, section 626.557, subdivision 9, is amended to read:

Subd. 9. [MANDATORY REPORTING TO A MEDICAL EXAMINER OR CORONER.] A person required to report under the provisions of subdivision 3 who has reasonable cause to believe that a vulnerable adult has died as a direct or indirect result of abuse or neglect shall report that information to the appropriate medical examiner or coroner in addition to the local welfare agency, police department, or county sheriff or appropriate licensing agency or agencies. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county sheriff, the local welfare agency, and, if ap-

plicable; each licensing agency. *A person or agency that receives a report under this subdivision concerning a vulnerable adult who was receiving residential treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance from a mental health or mental retardation agency or facility as defined in section 2, shall also report the information and findings to the ombudsman for mental health and mental retardation.*"

Delete the title and insert:

"A bill for an act relating to human services; creating the office of ombudsman for mental health and mental retardation; providing for the powers and duties of the ombudsman; creating a medical review board; requiring reporting of abuse and neglect to the ombudsman for mental health and mental retardation; amending Minnesota Statutes 1986, sections 13.66; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 245."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

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

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 17, delete everything after "*shall*"

Page 2, delete line 18

Page 2, line 19, delete everything before the period and insert "*be compensated as provided under section 15.0575*"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 294: A bill for an act relating to motor vehicles; authorizing special license plates for Pearl Harbor survivors; proposing coding for new law in Minnesota Statutes, chapter 168.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Transportation. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 33: A bill for an act relating to motor vehicles; providing for special license plates for Vietnam era veterans; amending Minnesota Statutes 1986, section 168.12, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after "July 1, 1978," insert "was discharged under honorable conditions,"

Page 1, after line 19, insert:

"The applicant shall have a certified copy of the veteran's discharge papers, indicating character of discharge, at the time of application."

Page 1, lines 20 and 23, delete "adjutant general" and insert "commissioner of veterans affairs"

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 54: A bill for an act relating to public safety; state government; creating state board of examiners for fire protection systems; proposing coding for new law as Minnesota Statutes, chapter 299J.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [326.67] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 16.

Subd. 2. [COUNCIL.] "Council" means the Minnesota advisory council for examiners for fire protection systems.

Subd. 3. [FIRE PROTECTION SPRINKLER CONTRACTOR.] "Fire protection sprinkler contractor" means a person who contracts to sell, design, install, modify, alter, repair, maintain, or examine a fire protection system or its parts or related equipment.

Subd. 4. [FIRE PROTECTION SYSTEM.] "Fire protection system" means a sprinkler or standpipe and hose system for fire protection purposes only that is composed of an integrated system of underground and overhead piping designed in accordance with the applicable fire protection engineering standards published by the National Fire Protection Association, Inc. Notwithstanding the definitions in those standards, for the purposes of this section the definition of fire protection system does not include the water service piping to a city water main or piping used for potable water purposes or piping used for heating or cooling purposes. Openings from potable water piping for fire protection systems must be made by persons properly licensed under section 326.40. Nothing in this subdivision is intended to conflict with the Minnesota state building code or the Minnesota uniform fire code.

Subd. 5. [JOURNEYMAN SPRINKLER FITTER.] "Journeyman sprinkler fitter" means a person who is certified as competent to engage in the installing, connecting, altering, repairing, or adding to a fire protection system for and under the supervision of a fire protection sprinkler contractor.

Subd. 6. [APPRENTICE SPRINKLER FITTER.] "Apprentice sprinkler fitter" means a person, other than a fire protection sprinkler contractor or journeyman sprinkler fitter, who is regularly engaged in the industry

learning the business under the direct supervision of a fire protection sprinkler contractor or journeyman sprinkler fitter and whose duties are those of a helper only to the fire protection sprinkler contractor or journeyman sprinkler fitter. Apprentices must be registered with the department's division of apprenticeship in accordance with chapter 178.

Subd. 7. [PERSON.] "Person" includes an individual, partnership, joint venture, association, corporation, or otherwise organized business entity, or combination of them.

Subd. 8. [DEPARTMENT.] "Department" means the department of labor and industry.

Subd. 9. [COMMISSIONER.] "Commissioner" means the commissioner of labor and industry.

Sec. 2. [326.68] [COUNCIL MEMBERSHIP; OATH.]

The Minnesota advisory council of examiners for fire protection systems consists of five members appointed for a term of three years by the commissioner of labor and industry. Two members of the council must be licensed contractors or full-time, managing employees actively engaged in a licensed fire protection sprinkler contractor's business. One member of the council must be from the Minnesota fire marshals association. Two members of the council must be sprinkler fitters licensed under this chapter. If initial appointees, they must become licensed within 120 days of appointment.

A member may be reappointed.

Sec. 3. [326.69] [INITIAL TERM; COMPENSATION; REMOVAL; VACANCY.]

Subdivision 1. [INITIAL TERM.] Notwithstanding section 2, initial appointments to the council must be made in a manner and for a period not exceeding three years, so that the terms of members expire in different years. After the appointment of the initial council members, the term of a member is three years.

Subd. 2. [COMPENSATION.] The council members must be compensated under section 15.0575.

Subd. 3. [REMOVAL.] The commissioner may remove a member under section 15.0575.

Subd. 4. [VACANCY.] If the commissioner fails to appoint a member to fill a vacancy within 90 days after the vacancy has occurred, the council may fill the vacancy until a new member is approved and appointed.

Sec. 4. [326.70] [LICENSE REQUIRED.]

Subdivision 1. [IN GENERAL.] A person may not sell, design, install, modify, alter, repair, maintain, or make a maintenance inspection on a fire protection system, or offer to do so unless licensed to perform these duties or except as a registered professional engineer acting solely in a professional capacity. No license shall be required for repairs on existing installations. Except as provided in this section, if a license is required under sections 1 to 16, no person offering fire protection services may do any of the following unless the person is a licensed fire protection sprinkler contractor:

(1) advertise as a fire protection sprinkler contractor, fire sprinkler

contractor, or sprinkler fitter;

(2) add the person's name to, or in connection with, the title "fire protection sprinkler contractor," "fire sprinkler contractor," or "sprinkler fitter"; or

(3) add the person's name to any other words that tend to represent the person as a fire protection sprinkler contractor, fire sprinkler contractor, or sprinkler fitter.

A person who advertises as a fire protection sprinkler contractor must include in the advertisement the number of the person's license as a fire protection sprinkler contractor.

A vehicle used to conduct fire protection sprinkler business must have prominently displayed on its exterior the company name and license number of the fire protection sprinkler contractor performing fire protection services.

Subd. 2. [EXCEPTION.] Except that plumbers licensed under section 326.40 may contract to sell, design, install, modify, alter, demolish, repair, maintain, or examine a standpipe and hose system not in connection with parts of an automatic sprinkler system.

Subd. 3. [FIRE PROTECTION SPRINKLER CONTRACTOR.] (a) The fire protection sprinkler contractor is responsible for the preparation of detailed fire protection drawings for installation in accordance with the applicable statutes and rules of the state of Minnesota and its political subdivisions.

(b) A fire protection sprinkler contractor may be required by a municipality to pay fees normally imposed for local permits and to submit plans for review under section 14. However, a political subdivision of the state may not impose requirements to prove qualifications other than the production of a license valid under sections 1 to 16.

(c) No person may engage in or work at the business of a fire protection sprinkler contractor or journeyman sprinkler fitter unless licensed to do so by the commissioner. Sections 1 to 16 do not apply to a person solely selling or supplying products or materials to a licensed fire protection sprinkler contractor.

Subd. 4. [SPRINKLER FITTER.] A person may not undertake the prescribed activities of a sprinkler fitter under this chapter without having a valid license in possession.

Subd. 5. [INSPECTOR'S CREDIT.] An employee performing the duties of inspector for the department in regulating fire sprinkler systems may not receive time credit for the inspection duties when making an application for a license required by this section.

Sec. 5. [326.71] [RULES.]

The commissioner may adopt rules for permit, filing, and inspection fees; for the examination and licensing of fire protection sprinkler contractors, journeyman sprinkler fitters, and registered apprentices; and for enforcement of sections 1 to 16.

Sec. 6. [326.72] [EXCEPTION TO EXAMINATION.]

Persons who submit satisfactory proof to the commissioner that they have been actively engaged in fire sprinkler systems installation either as fire protection sprinkler contractors or journeyman sprinkler fitters for a

period of five years prior to the effective date of this section, and who apply for licenses within 60 days after the effective date of this section, must be granted the appropriate license upon payment of the required annual license fee.

Sec. 7. [326.73] [TEMPORARY PERMIT.]

The commissioner may issue a temporary revocable permit, valid until the next scheduled examination has been held and the results have been certified by the department. The fee for a temporary permit and for renewal of a temporary permit must be set by the commissioner under section 5.

Sec. 8. [326.74] [LICENSE DISPLAY; RENEWAL; DUPLICATE.]

Subdivision 1. [IN GENERAL.] Licenses are valid for one year and expire December 31 of each year regardless of the month issued.

Subd. 2. [RENEWAL.] A license that has not been suspended or revoked must be renewed for an additional year from its expiration on application for renewal on a form prescribed by the commissioner and payment of the fee prescribed.

Subd. 3. [DUPLICATE.] A duplicate license must be issued to replace a lost, destroyed, or mutilated license on application on a form prescribed by the commissioner and payment of the fee prescribed. A duplicate license must have the word "duplicate" stamped on its face and must bear the same number as that on the license replaced.

Subd. 4. [CONTRACTOR'S LICENSE POSTED; DISPLAYED.] A license issued under sections 1 to 16 must be posted in a conspicuous place in the fire protection sprinkler contractor's place of business.

Bids, proposals, and offers and preliminary, conceptual, shop, and field installation drawings must bear the contractor's license number in a prominent display.

Subd. 5. [SPRINKLER FITTER'S LICENSE IN POSSESSION; SIGNATURE WITH NUMBER.] Sprinkler fitters must carry their licenses when they are engaged in activities of their profession. A sprinkler fitter must present the license on request to the authority having jurisdiction. The sprinkler fitter must affix the license number to those certificates that require the sprinkler fitter's signature.

Sec. 9. [326.75] [FEES.]

The fees for licenses under this chapter for the fire protection sprinkler contractor, sprinkler fitter, and registration of apprentice may be set by the commissioner under section 5.

Sec. 10. [326.76] [FINANCIAL RESPONSIBILITY.]

Subdivision 1. [BOND.] The commissioner shall require an applicant who is a fire protection sprinkler contractor to put up a surety bond in an amount at least \$20,000 by a surety company authorized to do business in Minnesota as a surety.

Subd. 2. [INSURANCE.] Before a license as a fire protection sprinkler contractor is issued, the applicant must get and maintain in force at all times a full-term, comprehensive, general liability insurance policy, including completed operations and products coverage, from an insurance company authorized to do business in Minnesota. The policy must have an aggregate limit of at least \$500,000 for fire protection work. Evidence of

insurance must be filed with the board.

Sec. 11. [326.77] [ACTION ON APPLICATION.]

Subdivision 1. [DEPARTMENT DETERMINATION.] Within 120 days after an applicant has filed a complete application for a license and paid the required fees, the commissioner shall:

(1) conduct the testing required under this chapter;

(2) conduct an investigation of the applicant, limited to the applicant's eligibility; and

(3) either issue a license to the applicant, or notify the applicant in writing by registered mail of the decision not to grant the license and the reasons for the denial.

Subd. 2. [NOTICE OF HEARING.] When an application is denied, the commissioner shall specifically notify the applicant that the applicant has a right to a hearing conducted under section 13.

Sec. 12. [326.78] [REVOCATION; SUSPENSION; RENEWAL.]

Subdivision 1. [CAUSES FOR REVOCATION OR SUSPENSION.] The commissioner shall revoke a license, suspend the right of the licensee to use a license, or refuse to renew a license issued under this chapter, for any of the following causes:

(1) fraud, bad faith, misrepresentation, or bribery, either in securing a license or in conducting business under a license;

(2) making a false statement about a material matter in an application for a license; or

(3) failing to maintain the requirements of the license.

Subd. 2. [TERM OF REVOCATION OR SUSPENSION.] A license must not be suspended for longer than two years. A person whose license is revoked is eligible to apply for a license only after the expiration of two years.

Sec. 13. [326.79] [HEARING.]

If the commissioner decides not to grant or renew a license, it must give adequate notice and, if requested, provide a hearing. Notice of the hearing must be given in writing, by registered or certified mail with a return receipt requested, at least 15 days before the hearing.

Sec. 14. [326.80] [PERMIT; FILING; AND INSPECTION FEES.]

Subdivision 1. [REQUIRED PERMIT.] No person may construct or install fire protection systems without first filing an application for a permit with the department or a municipality that has complied with subdivision 2. Projects under construction prior to the effective date of sections 1 to 16 are not required to obtain a permit.

Subd. 2. [PERMISSIVE MUNICIPAL REGULATION.] A municipality may, by ordinance, require the inspection of fire protection system materials and construction and that they may not be constructed or installed except in accordance with state standards. The authority designated by the ordinance for issuing fire protection permits and assuring compliance with state standards must report to the department of labor and industry all violations of state fire protection standards. A municipality may not adopt

an ordinance with fire protection standards that does not comply with the minimum standards prescribed by the commissioner. The commissioner shall specify by rule the minimum qualifications for municipal inspectors.

Subd. 3. [SURCHARGE.] To defray the cost of administering sections 1 to 16, there is imposed on all municipalities except municipalities that have a letter of agreement with the commissioner to perform inspections, a surcharge on the filing fees, inspection fees, and permits issued after the effective date of sections 1 to 16 in connection with the construction or installation of fire protection systems. The surcharge must be two percent of the fees collected, but may not be less than \$10 or greater than \$2,000. The surcharge may be amended under chapter 14 and section 16A.128.

Subd. 4. [COLLECTION AND REPORTS.] Fee surcharges must be collected by each municipality. A municipality having a population greater than 20,000 people must prepare and submit quarterly to the department a report of fees and surcharges collected during the previous quarter. All other municipalities must submit reports and surcharges on a semiannual basis. The reports must be in a form prescribed by the commissioner and submitted together with a remittance covering surcharges collected. The report and surcharge are due no later than the 15th day following the close of the period for which surcharges are being reported.

Subd. 5. [REPORTING OF PERMITS ISSUED.] Each municipality must submit to the department a copy of each permit issued within ten days after issuance. All permits must be issued on forms prescribed by or approved by the commissioner.

Subd. 6. [FILING AND INSPECTION FEES.] The commissioner must charge a filing fee set under section 5 for all applications for permits to construct or install fire protection systems. The fee for inspection of fire protection system construction or installation must also be set by the commissioner under section 5. This subdivision does not apply if a permit is issued by a municipality complying with subdivision 2.

Sec. 15. [326.81] [DEPOSIT OF FEES.]

Fees received under sections 1 to 16 must be deposited by the department to the credit of the general fund in the state treasury. The salaries and per diem of the inspectors and examiners, their expenses, and all incidental expenses of the department in carrying out the provisions of sections 1 to 16 must be paid from the appropriations made to the department.

Sec. 16. [326.82] [CRIMES.]

It is a misdemeanor to knowingly and willfully commit or order, instruct, or direct another to commit any of the following acts:

(1) to make a false statement in a license application, request for inspection, certificate, or other lawfully authorized or required form or statement provided by sections 1 to 16;

(2) to perform fire sprinkler work without a proper permit and license for that work unless the work is exempt from permitting and licensing;

(3) to fail to file a request for inspection when required;

(4) to interfere with, or refuse entry to, an inspector engaged in the performance of lawful duties; or

(5) to violate a statute, rule, or municipal ordinance that pertains to powers given to political subdivisions under section 14, subdivision 2.”

Delete the title and insert:

“A bill for an act relating to public safety; creating the state advisory council of examiners for fire protection systems; requiring licenses and inspections by the department of labor and industry; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 326.”

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 349, 461, 1092, 464, 385, 743, 1053, 631, 948, 1084, 923, 1235, 979, 462, 1018, 1019, 764, 947, 611, 538, 243, 605, 1295, 833, 1043, 990, 361 and 79 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 564 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Davis moved that the names of Messrs. Morse, Berg, Stumpf and Langseth be added as co-authors to S.F. No. 806. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1096. The motion prevailed.

Mr. Langseth moved that the name of Mr. Davis be added as a co-author to S.F. No. 1315. The motion prevailed.

Mr. Dahl moved that the name of Mr. Luther be added as a co-author to S.F. No. 1332. The motion prevailed.

Mr. Knaak moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1342. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Morse be added as a co-author to S.F. No. 1369. The motion prevailed.

Ms. Reichgott introduced—

Senate Resolution No. 51: A Senate resolution congratulating Kristen Knock of New Hope on being named Mrs. Minnesota-America for 1987.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Concurrent Resolution No. 8: A Senate concurrent resolution designating the “Red Ribbon” to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 9: A Senate concurrent resolution relating to adjournment for more than three days.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon its adjournment on Wednesday, April 15, 1987, the Senate may set its next day of meeting for Monday, April 20, 1987.

2. Upon its adjournment on Wednesday, April 15, 1987, the House of Representatives may set its next day of meeting for Monday, April 20, 1987.

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

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

CALENDAR

H.F. No. 28: A bill for an act relating to financial institutions; extending the EFT law to terminals located on the premises of a financial institution; providing options for a financial institution relating to the availability of an electronic financial terminal for other financial institutions; permitting certain advertising relating to an electronic financial terminal; amending Minnesota Statutes 1986, sections 47.61, subdivision 3; 47.63; 47.64, subdivisions 1, 3, and 4; and 47.67.

Mr. Cohen moved that H.F. No. 28, No. 1 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

S.F. No. 80: A bill for an act relating to insurance; providing flexibility in the amount of coverages other than for the dwelling under a homeowner's policy; proposing coding for new law in Minnesota Statutes, chapter 65A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Brandl	Frederickson, D.R.	Laidig	Moe, D.M.
Anderson	Chmielewski	Freeman	Langseth	Moe, R.D.
Beckman	Cohen	Gustafson	Lantry	Morse
Belanger	Dahl	Hughes	Luther	Olson
Benson	Davis	Johnson, D.E.	Marty	Pehler
Berg	Dicklich	Jude	McQuaid	Peterson, D.C.
Berglin	Diessner	Knaak	Mehrkens	Peterson, R.W.
Bernhagen	Frank	Knutson	Merriam	Piper
Bertram	Frederickson, D.J.	Kroening	Metzen	Pogemiller

Purfeerst	Renneke	Solon	Stumpf	Waldorf
Ramstad	Samuelson	Spear	Taylor	Wegscheid
Reichgott	Schmitz	Storm	Vickerman	Willet

So the bill passed and its title was agreed to.

H.F. No. 240: A bill for an act relating to commerce; prohibiting surcharges on credit card sales; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325G.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Moe, D.M.	Renneke
Anderson	Davis	Knutson	Moe, R.D.	Samuelson
Beckman	Dicklich	Kroening	Morse	Schmitz
Belanger	Diessner	Laidig	Novak	Solon
Benson	Frank	Langseth	Olson	Spear
Berg	Frederickson, D.J.	Lantry	Pehler	Storm
Berglin	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Bernhagen	Freeman	Luther	Peterson, R.W.	Taylor
Bertram	Gustafson	Marty	Piper	Vickerman
Brandl	Hughes	McQuaid	Pogemiller	Waldorf
Brataas	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Chmielewski	Johnson, D.J.	Merriam	Ramstad	Willet
Cohen	Jude	Metzen	Reichgott	

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 838: A bill for an act relating to St. Louis county; providing for a clerk in the unclassified civil service; amending Minnesota Statutes 1986, section 383C.035.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Moe, R.D.	Renneke
Anderson	Dahl	Kroening	Morse	Schmitz
Beckman	Davis	Laidig	Novak	Solon
Belanger	Diessner	Langseth	Olson	Spear
Benson	Frederickson, D.J.	Lantry	Pehler	Storm
Berg	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Berglin	Freeman	Luther	Peterson, R.W.	Taylor
Bernhagen	Gustafson	Marty	Piper	Vickerman
Bertram	Hughes	McQuaid	Pogemiller	Waldorf
Brandl	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Brataas	Jude	Metzen	Ramstad	Willet
Chmielewski	Knaak	Moe, D.M.	Reichgott	

Messrs. Dicklich; Johnson, D.J. and Merriam voted in the negative.

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Larson introduced—

S.F. No. 1383: A bill for an act relating to state land; authorizing conveyance of certain land to the town of Round Lake.

Referred to the Committee on Environment and Natural Resources.

Mr. Storm introduced—

S.F. No. 1384: A bill for an act relating to education; removing the not for profit requirement for certain schools in connection with unemployment obligations and tax deductions; amending Minnesota Statutes 1986, sections 268.04, subdivision 32; and 290.089, subdivision 2.

Referred to the Committee on Employment.

Messrs. Brandl, Cohen, Ms. Peterson, D.C.; Mr. Freeman and Mrs. McQuaid introduced—

S.F. No. 1385: A bill for an act relating to metropolitan government; requiring the metropolitan airports commission to reduce noise at an airport; restricting capital development; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Urban Government.

Messrs. Ramstad; Johnson, D.J.; Samuelson; Mrs. McQuaid and Mr. Laidig introduced—

S.F. No. 1386: A bill for an act relating to ethics in government; redefining certain terms; changing certain filing requirements; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 11, 15, and 16; and 10A.20, subdivisions 1 and 3.

Referred to the Committee on Elections and Ethics.

Messrs. Wegscheid; Peterson, R.W. and Novak introduced—

S.F. No. 1387: A bill for an act relating to taxation; property; eliminating, restricting, and clarifying property tax exemptions; appropriating money; amending Minnesota Statutes 1986, sections 272.01, subdivisions 2 and 3; 272.011; 272.02, subdivision 1, and by adding a subdivision; 272.025, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.116, subdivisions 1 and 2; 273.13, subdivision 25, and by adding a subdivision; 273.19, subdivisions 1, 3, 4, and by adding a subdivision; 297A.01, subdivision 11; and 398A.05; proposing coding for new law in Minnesota Statutes, chapter 272; repealing Minnesota Statutes 1986, sections 272.02, subdivisions 2 and 3; 295.44, subdivision 1; 383C.48; and 473.556, subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

Ms. Berglin introduced—

S.F. No. 1388: A bill for an act relating to health; providing for a Medicare enrollee's consumer bill of rights; providing for a reconsideration process if service is denied or limited; allowing for a determination of urgent need; proposing coding for new law in Minnesota Statutes, chapter 62D.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1389: A bill for an act relating to appropriations; providing funding for the establishment of a community-based juvenile residential correctional facility to serve American Indian juveniles in Hennepin county.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1390: A bill for an act relating to retirement; granting military service credit to certain state employees; proposing coding for new law in Minnesota Statutes, chapter 352.

Referred to the Committee on Governmental Operations.

Mses. Piper and Berglin introduced—

S.F. No. 1391: A bill for an act relating to children; establishing a program of cultural opportunities for kids; requiring certain nonprofit organizations to admit low-income families to events at reduced prices; amending Minnesota Statutes 1986, sections 290A.07, by adding a subdivision; 297A.25, subdivision 24; and proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Health and Human Services.

Messrs. Frederickson, D.J. and DeCramer introduced—

S.F. No. 1392: A bill for an act relating to agriculture; changing provisions concerning grain disputes; imposing penalties; amending Minnesota Statutes 1986, section 17B.05.

Referred to the Committee on Agriculture.

Mr. Wegscheid introduced—

S.F. No. 1393: A bill for an act relating to administrative procedure; contested cases; setting a time limit for the completion of hearings in contested cases; providing that opposing parties will be considered to prevail if a contested case is not completed within the time limit; proposing coding for new law in Minnesota Statutes, chapter 14.

Referred to the Committee on Governmental Operations.

Mrs. Lantry introduced—

S.F. No. 1394: A bill for an act relating to retirement; public employees retirement association; authorizing coverage for employees of the St. Paul Ramsey Medical Center commission; amending Minnesota Statutes 1986, section 246A.12, subdivisions 5, 6, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1395: A bill for an act relating to game and fish; transportation of firearms in a motor vehicle; amending Minnesota Statutes 1986, section 97B.045.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin introduced—

S.F. No. 1396: A bill for an act relating to human services; setting forth appeal procedure for recipients of case management services; amending Minnesota Statutes 1986, sections 256.045, subdivisions 1, 3, 4, 5, 6, 7, and 10, and by adding a subdivision; repealing Minnesota Statutes 1986, section 256.045, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1397: A bill for an act relating to traffic regulations; setting speed limit of 65 miles per hour on rural interstate highways; amending Minnesota Statutes 1986, section 169.14, subdivision 2; repealing Minnesota Statutes 1986, section 169.141.

Referred to the Committee on Transportation.

Mr. Freeman, Mrs. Lantry, Messrs. Chmielewski, Kroening and Novak introduced—

S.F. No. 1398: A bill for an act relating to transportation; providing that private carriers in the construction industry comply with certain rules regarding drivers and vehicles; prescribing certain lease agreements; amending Minnesota Statutes 1986, sections 221.025; and 221.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 221.

Referred to the Committee on Employment.

Messrs. Vickerman, Stumpf, Gustafson, Solon and Davis introduced—

S.F. No. 1399: A bill for an act relating to economic development; dedication of lottery revenue; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 116P.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Pehler and Taylor introduced—

S.F. No. 1400: A bill for an act relating to education; appropriating money for a summer program for biology teachers.

Referred to the Committee on Education.

Messrs. Stumpf; Moe, R.D.; DeCramer; Davis and Berg introduced—

S.F. No. 1401: A resolution memorializing the President and Congress to immediately direct the Farmers Home Administration to participate in and cooperate with the Farmer-Lender Mediation Program in the State of Minnesota.

Referred to the Committee on Agriculture.

Mr. Storm introduced—

S.F. No. 1402: A bill for an act relating to taxation; property; modifying the metropolitan revenue distribution system; phasing out certain exemptions; decreasing the contribution percentage; changing certain definitions; eliminating the administrative auditor's functions; prohibiting use of proceeds for special purposes; amending Minnesota Statutes 1986, sections 473F01; 473F02, subdivisions 3 and 8; 473F06; 473F07; 473F08, subdivisions 2, 5, 6, 7a, and by adding a subdivision; 473F09; 473F10, subdivisions 1 and 2; and 473F13, subdivision 1; repealing Minnesota Statutes 1986, sections 473F02, subdivisions 6, 9, 11, 16, 17, 18, 19, and 20; 473F03; 473F12; and 473F13, subdivisions 2 and 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.J. introduced—

S.F. No. 1403: A bill for an act relating to local government; giving the Lake county housing and redevelopment authority port authority powers.

Referred to the Committee on Economic Development and Housing.

Mr. Johnson, D.J. introduced—

S.F. No. 1404: A bill for an act relating to local government; providing the Lake county housing and redevelopment authority with certain port authority powers.

Referred to the Committee on Economic Development and Housing.

Mr. Johnson, D.J. introduced—

S.F. No. 1405: A bill for an act relating to unemployment compensation; eliminating the waiting week; amending Minnesota Statutes 1986, sections 268.08, subdivision 1; 268.09, subdivisions 1, 2, and 3; and 268.231.

Referred to the Committee on Employment.

Mr. Knutson, by request, introduced—

S.F. No. 1406: A bill for an act relating to employment; requiring certain employers to make available a plan of health care coverage to all employees; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Employment.

Mr. DeCramer introduced—

S.F. No. 1407: A bill for an act relating to the state university system; authorizing agreements for early separation of senior faculty members; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Purfeerst and DeCramer introduced—

S.F. No. 1408: A bill for an act relating to transportation; transferring two routes in Hennepin county from county state-aid system to trunk high-way system; transferring right-of-way ownership from Hennepin county to commissioner of transportation; amending Minnesota Statutes 1986, section 161.117; Laws 1986, chapter 452, section 32; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

Ms. Peterson, D.C. introduced—

S.F. No. 1409: A bill for an act relating to education; authorizing certain school districts to issue bonds to improve buildings.

Referred to the Committee on Education.

Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1410: A bill for an act relating to education; increasing gifted and talented aid to districts offering advanced placement or international baccalaureate programs; appropriating money; amending Minnesota Statutes 1986, section 124.247, by adding a subdivision.

Referred to the Committee on Education.

Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1411: A bill for an act relating to education; establishing a limited open enrollment program for certain pupils; amending Minnesota Statutes 1986, section 124.223; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1412: A bill for an act relating to unemployment compensation; making various technical and housekeeping changes; defining "wages"; regulating benefits and contributions; providing for the administration of the unemployment compensation law; providing penalties; amending Minnesota Statutes 1986, sections 268.04, subdivisions 9, 12, 24, 25, 26, 29, and by adding subdivisions; 268.06, subdivisions 2, 3a, 5, 6, 8, 19, 20, 22, and 24; 268.07, subdivision 3; 268.08, subdivisions 3, 3a, and by adding a subdivision; 268.09, subdivisions 1 and 3; 268.12, subdivision 8; 268.121; 268.15, subdivision 3; 268.16, subdivision 2, and by adding subdivisions; 268.161, subdivisions 1, 8, 9, and by adding a subdivision; 268.18, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 268.65, subdivision 5; 270A.09, by adding a subdivision; and 508.25; proposing coding for new law in Minnesota Statutes, chapter 268; and repealing Minnesota Statutes 1986, section 268.24.

Referred to the Committee on Employment.

Mr. Pogemiller introduced—

S.F. No. 1413: A bill for an act relating to historic sites; establishing a St. Anthony Falls heritage interpretive zone and heritage board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 138.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Gustafson introduced—

S.F. No. 1414: A bill for an act relating to state lands; authorizing a private sale of certain tax forfeited land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C. introduced—

S.F. No. 1415: A bill for an act relating to education; establishing a school and community partnership program on positive youth development; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Messrs. Davis and Renneke introduced—

S.F. No. 1416: A bill for an act relating to agriculture; allowing certain small commercial and industrial uses on metropolitan agricultural preserves by permit; amending Minnesota Statutes 1986, sections 40A.152, subdivision 1; 473H.10, subdivision 3; and 473H.17, subdivisions 1 and 2, and by adding a subdivision.

Referred to the Committee on Agriculture.

Mr. Dahl introduced—

S.F. No. 1417: A bill for an act relating to economic development; authorizing certain entities involved in economic development to participate in secondary markets; authorizing the use of appropriated money for secondary market purposes; amending Minnesota Statutes 1986, sections 116M.04, by adding a subdivision; 116M.08, by adding a subdivision; 362A.03, by adding a subdivision; 458.192, by adding a subdivision; 458C.14, by adding a subdivision; and 462.445, subdivision 4.

Referred to the Committee on Economic Development and Housing.

Mr. Dahl introduced—

S.F. No. 1418: A bill for an act relating to real property; authorizing use of restrictive covenants prohibiting presence of radioactive substances on land; proposing coding for new law in Minnesota Statutes, chapter 507.

Referred to the Committee on Environment and Natural Resources.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Ms. Berglin moved that S.F. No. 1295, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Novak moved that S.F. No. 344; No. 43 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

MEMBERS EXCUSED

Messrs. DeCramer, Frederick and Lessard were excused from the Session of today.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 9, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-FIRST DAY

St. Paul, Minnesota, Thursday, April 9, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Willet imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Monsignor Terrence J. Murphy.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, R.D.	Schmitz
Anderson	DeCramer	Kroening	Morse	Solon
Beckman	Dicklich	Laidig	Novak	Spear
Belanger	Diessner	Langseth	Olson	Storm
Benson	Frank	Lantry	Pehler	Stumpf
Berg	Frederick	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Piper	Waldorf
Bertram	Freeman	Marty	Pogemiller	Wegscheid
Brandl	Gustafson	McQuaid	Purfeerst	Willet
Brataas	Hughes	Mehrkens	Ramstad	
Chmielewski	Johnson, D.E.	Merriam	Reichgott	
Cohen	Johnson, D.J.	Metzen	Renneke	
Dahl	Jude	Moe, D.M.	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

January 14, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Natural Resources is hereby respectfully submitted to the Senate for confirmation as required by law:

Joseph Alexander, 931 Kennard, St. Paul, Ramsey County, has been

appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Environment and Natural Resources.)

April 7, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Waste Management Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Howard A. Andersen, 1072 Plummer Ln., Rochester, Olmsted County, has been appointed by me, effective June 3, 1986, for a term expiring the first Monday in January, 1988.

John E. Boland, 2443 E. Larpenteur Ave., Maplewood, Ramsey County, has been appointed by me, effective June 3, 1986, for a term expiring the first Monday in January, 1991.

Laurence E. Hunter, 807 W. 2nd St., Hastings, Dakota County, has been appointed by me, effective June 3, 1986, for a term expiring the first Monday in January, 1990.

Edith Kelly, 1022 Elm, Alexandria, Douglas County, has been appointed by me, effective June 3, 1986, for a term expiring the first Monday in January, 1988.

(Referred to the Committee on Environment and Natural Resources.)

April 7, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Waste Management Board are hereby respectfully submitted to the Senate for confirmation as required by law:

William G. Kirchner, 6830 Newton Ave. S., Richfield, Hennepin County, has been appointed by me, effective June 3, 1986, for a term expiring the first Monday in January, 1990.

Ernest Lund, Box 149A, Gheen, St. Louis County, has been appointed by me, effective June 3, 1986, for a term expiring the first Monday in January, 1989.

Mary A. Robinson, 422 Oak Ave., Delano, Wright County, has been appointed by me, effective June 3, 1986, for a term expiring the first Monday in January, 1991.

Linda Peck, R.R. 4, St. Cloud, Stearns County, has been appointed by me, effective June 3, 1986, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Environment and Natural Resources.)

Sincerely,

Rudy Perpich, Governor

April 7, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 97, 137, 306, 529 and received and deposited S.F. No. 653.

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 457.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 8, 1987

Mr. President:

I have the honor to inform the Senate that, pursuant to House Concurrent Resolution No. 3, the House of Representatives invites the Senate to meet with the House in Joint Convention in the Chamber of the House of Representatives at 1:00 p.m. on Wednesday, April 15, 1987, to elect members to the Board of Regents of the University of Minnesota.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 8, 1987

Mr. Moe, R.D. moved that the Senate accede to the request of the House of Representatives to meet in Joint Convention in the House Chamber at 1:00 p.m., Wednesday, April 15, 1987, to elect members to the Board of Regents of the University of Minnesota. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 26, 235, 602, 656, 816, 946, 137, 1073 and 1105.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 8, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 26: A bill for an act relating to workers' compensation; providing for the organization and powers of the state compensation insurance fund; amending Minnesota Statutes 1986, sections 11A.24, subdivision 4; 176A.02, subdivisions 1 and 2; and 176A.04.

Referred to the Committee on Finance.

H.F. No. 235: A bill for an act relating to education; allowing certain districts to mail summaries of the school board proceedings rather than publish them; amending Minnesota Statutes 1986, section 123.33, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 24, now on General Orders.

H.F. No. 602: A bill for an act relating to health; creating an exception to the nursing home moratorium for a facility operated on the Red Lake Indian Reservation; amending Minnesota Statutes 1986, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

H.F. No. 656: A bill for an act relating to public safety; regulating high pressure piping and pipefitters; providing penalties; amending Minnesota Statutes 1986, sections 326.461, subdivision 2; 326.47, subdivision 3; 326.48, subdivision 1; 326.50; 326.51; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 736, now on General Orders.

H.F. No. 816: A bill for an act relating to drivers' licenses; traffic regulations; requiring courts to furnish information relating to previous convictions without charge in gross misdemeanor prosecutions of the driving while under the influence law; imposing a penalty on person who violates conditions attached to limited driver's license; amending Minnesota Statutes 1986, sections 169.121, subdivision 3; 171.17; and 171.30, by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 946: A bill for an act relating to employment; prohibiting residency requirements for employees; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

H.F. No. 137: A bill for an act relating to criminal procedure; providing a procedure for ordering joint or separate trials for jointly charged defendants; permitting the prosecution to offer a rebuttal closing argument; allowing the prosecution and the defense an equal number of peremptory challenges when the offense charged is not punishable by life imprisonment; amending Minnesota Statutes 1986, section 631.07; proposing coding for new law in Minnesota Statutes, chapter 631.

Referred to the Committee on Judiciary.

H.F. No. 1073: A bill for an act relating to occupations and professions;

providing advertising restrictions for plumbers; imposing penalties; amending Minnesota Statutes, section 326F75.

Referred to the Committee on Employment.

H.F. No. 1105: A bill for an act relating to retirement; Minneapolis police relief association service pensions and survivor benefits; amending Laws 1949, chapter 406, section 4, subdivisions 2 and 3, as amended, section 5, subdivisions 1 and 3, as amended, and section 6, subdivision 1; and Laws 1980, chapter 607, article 15, section 9.

Referred to the Committee on Governmental Operations.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 898 and 1 and reports pertaining to appointments. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 578: A bill for an act relating to business corporations; regulating the organization and operation of business corporations; providing for indemnification; providing voting rights; providing for the value, issuance, pledging, and acquisition of shares; and providing for payment on the return of shares; amending Minnesota Statutes 1986, sections 302A.011, subdivision 40; 302A.111, subdivisions 2 and 3; 302A.137; 302A.161, subdivision 22; 302A.201, subdivision 2; 302A.255, subdivision 1; 302A.405, subdivisions 1 and 2; 302A.409, subdivision 3; 302A.413, subdivision 5; 302A.433, subdivision 3; 302A.435, subdivision 2; 302A.437, subdivision 2; 302A.447, subdivision 7; 302A.455; 302A.457, subdivisions 1 and 2; 302A.473, subdivisions 1, 5, 6, and 7; 302A.501, subdivision 1; 302A.521, subdivisions 1, 8, and by adding a subdivision; and 302A.553, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 20, insert:

"Section 1. Minnesota Statutes 1986, section 300.08, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATED POWERS.] (a) A corporation formed under the provisions of this chapter may:

(1) be known by its corporate name for the time stated in its certificate of incorporation;

(2) sue and be sued in any court;

(3) have, use, and alter a common seal;

(4) acquire, by purchase or otherwise, and hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary for the purposes of its organization, subject to the limitations hereafter declared;

(5) elect or appoint in any manner it determines all necessary or proper officers, agents, boards, and committees, to fix their compensation, and to define their powers and duties;

(6) make and amend consistently with law bylaws providing for the

management of its property and the regulation and government of its affairs; and

(7) wind up and liquidate its business in the manner provided by law.

(b) *A corporation formed under this chapter shall indemnify those persons identified in section 300.083 against certain expenses and liabilities only as provided in section 300.083 and may indemnify other persons.*

Sec. 2. Minnesota Statutes 1986, section 300.083, subdivision 1, is amended to read:

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

(b) "Corporation" includes a domestic or foreign corporation that was the predecessor of the corporation referred to in this section in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(c) "Official capacity" means (1) with respect to a director, the position of director in a corporation, (2) with respect to a person other than a director, the elective or appointive office or position held by an officer, member of a committee of the board, or the employment or ~~agency~~ relationship undertaken by an employee or ~~agent~~ of the corporation, and (3) with respect to a director, officer, or employee, or ~~agent~~ of the corporation who, while a director, officer, or employee, or ~~agent~~ of the corporation, is or was serving at the request of the corporation or whose duties in that position involve or involved service as a director, officer, partner, trustee, *employee*, or agent of another organization or employee benefit plan, the position of that person as a director, officer, partner, trustee, employee, or agent, as the case may be, of the other organization or employee benefit plan.

(d) "Proceeding" means a threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of the corporation.

(e) "Special legal counsel" means counsel who has not represented the corporation or a related corporation, or a director, officer, *member of a committee or board*, or employee, or ~~agent~~ whose indemnification is in issue.

Sec. 3. Minnesota Statutes 1986, section 300.083, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION OR LIMIT ON INDEMNIFICATION OR ADVANCES.] The articles or bylaws either may prohibit indemnification or advances of expenses otherwise required by this section or may impose conditions on indemnification or advances of expenses in addition to the conditions contained in subdivisions 2 and 3 including, without limitation, monetary limits on indemnification or advances of expenses, if the conditions apply equally to all persons or to all persons within a given class. *A prohibition or limit on indemnification or advances may not apply to or affect the right of a person to indemnification or advances of expenses with respect to any acts or omissions of the person occurring prior to the effective date of a provision in the articles or the date of adoption of a provision in the bylaws establishing the prohibition or limit on indemnification or advances.*

Sec. 4. Minnesota Statutes 1986, section 300.083, subdivision 8, is

amended to read:

Subd. 8. [DISCLOSURE.] A corporation that indemnifies or advances expenses to a person in accordance with this section in connection with a proceeding by or on behalf of the corporation shall report *to the shareholders in writing* the amount of the indemnification or advance and to whom and on whose behalf it was paid ~~to the shareholders in an annual report covering the period when the indemnification or advance was paid or accrued under the accounting method of the corporation not later than the next meeting of shareholders.~~

Sec. 5. Minnesota Statutes 1986, section 300.083, is amended by adding a subdivision to read:

Subd. 10. [INDEMNIFICATION OF OTHER PERSONS.] Nothing in this section shall be construed to limit the power of the corporation to indemnify other persons by contract or otherwise."

Page 5, after line 11, insert:

"Sec. 9. Minnesota Statutes 1986, section 302A.133, is amended to read:

302A.133 [PROCEDURE FOR AMENDMENT BEFORE ISSUANCE OF SHARES.]

Before the issuance of shares by a corporation, the articles may be amended pursuant to section 302A.171 by the incorporators or by the board. *The articles may be amended by the board to change a statement pursuant to section 302A.401, subdivision 3, establishing or fixing the rights and preferences of a class or series of shares before the issuance of any shares of that class or series.*

Sec. 10. Minnesota Statutes 1986, section 302A.135, subdivision 4, is amended to read:

Subd. 4. [APPROVAL BY SHAREHOLDERS.] (a) The proposed amendment is adopted when approved by the affirmative vote of the holders of a majority of the voting power of the shares present and entitled to vote, except as provided in paragraphs (b) and (c) *and subdivision 5.*

(b) For a closely held corporation, if the articles provide for a specified proportion or number equal to or larger than the majority necessary to transact a specified type of business at a meeting, or if it is proposed to amend the articles to provide for a specified proportion or number equal to or larger than the majority necessary to transact a specified type of business at a meeting, the affirmative vote necessary to add the provision to, or to amend an existing provision in, the articles is the larger of:

(1) The specified proportion or number or, in the absence of a specific provision, the affirmative vote necessary to transact the type of business described in the proposed amendment at a meeting immediately before the effectiveness of the proposed amendment; or

(2) The specified proportion or number that would, upon effectiveness of the proposed amendment, be necessary to transact the specified type of business at a meeting.

(c) For corporations other than closely held corporations, if the articles provide for a larger proportion or number to transact a specified type of business at a meeting, the affirmative vote of that larger proportion or

number is necessary to amend the articles to decrease the proportion or number necessary to transact the business.

Sec. 11. Minnesota Statutes 1986, section 302A.135, is amended by adding a subdivision to read:

Subd. 5. [CERTAIN RESTATEMENTS.] An amendment that merely restates the existing articles, as amended, may be authorized by a resolution approved by the board and may, but need not, be submitted to and approved by the shareholders as provided in subdivisions 2, 3, and 4."

Page 6, after line 12, insert:

"Sec. 13. Minnesota Statutes 1986, section 302A.139, is amended to read:

302A.139 [ARTICLES OF AMENDMENT.]

When an amendment has been adopted, articles of amendment shall be prepared that contain:

(a) The name of the corporation;

(b) The amendment adopted;

(c) The date of the adoption of the amendment by the shareholders, or by the incorporators or the board where no shares have been issued; *or the date of adoption of the amendment by the board if:*

(1) the amendment merely restates the existing articles, as amended, and the amendment was not submitted to and approved by the shareholders, in which case the articles of amendment must contain a statement that the amendment restating the articles correctly sets forth without change the corresponding provisions of the articles as previously amended; or

(2) the amendment is to a statement establishing or fixing the rights and preferences of a class or series of shares before the issuance of shares of that class or series;

(d) If the amendment provides for but does not establish the manner for effecting an exchange, reclassification, or cancellation of issued shares, a statement of the manner in which it will be effected; and

(e) If the amendment restates the articles in their entirety, a statement that the restated articles supersede the original articles and all amendments to them.

Sec. 14. Minnesota Statutes 1986, section 302A.141, is amended by adding a subdivision to read:

Subd. 3. [EFFECT OF AMENDMENTS RESTATING ARTICLES.] When effective under section 302A.153, an amendment restating the articles in their entirety supersedes the original articles and all amendments to the original articles."

Page 7, line 27, strike "a"

Page 7, line 28, strike "majority" and insert "two-thirds"

Page 8, after line 9, insert:

"Sec. 18. Minnesota Statutes 1986, section 302A.401, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR FIXING TERMS.] (a) Subject to any

restrictions in the articles, the power granted in subdivision 2 may be exercised by a resolution approved by the affirmative vote of a majority of the directors present establishing a class or series, setting forth the designation of the class or series, and fixing the relative rights and preferences of the class or series.

(b) A statement setting forth the name of the corporation and the text of the resolution and certifying the adoption of the resolution and the date of adoption shall be filed with the secretary of state before the issuance of any shares for which the resolution creates rights or preferences not set forth in the articles; *provided, however, where the shareholders have received notice of the creation of shares with rights or preferences not set forth in the articles before the issuance of the shares, the statement may be filed any time within one year after the issuance of the shares.* The resolution is effective when the statement has been filed with the secretary of state; *or, if it is not required to be filed with the secretary of state before the issuance of shares, on the date of its adoption by the directors.*"

Page 9, line 2, delete "such" and insert "the"

Page 13, line 27, delete "thereon"

Page 14, lines 28 and 30, delete "thereon"

Page 15, lines 6, 29 and 34, delete "thereon"

Page 16, line 20, reinstate the stricken "two-thirds" and delete "a majority"

Page 17, after line 21, insert:

"Sec. 36. Minnesota Statutes 1986, section 302A.521, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION OR LIMIT ON INDEMNIFICATION OR ADVANCES.] The articles or bylaws either may prohibit indemnification or advances of expenses otherwise required by this section or may impose conditions on indemnification or advances of expenses in addition to the conditions contained in subdivisions 2 and 3 including, without limitation, monetary limits on indemnification or advances of expenses, if the conditions apply equally to all persons or to all persons within a given class. *A prohibition or limit on indemnification or advances may not apply to or affect the right of a person to indemnification or advances of expenses with respect to any acts or omissions of the person occurring prior to the effective date of a provision in the articles or the date of adoption of a provision in the by-laws establishing the prohibition or limit on indemnification or advances.*"

Page 18, after line 15, insert:

"Sec. 40. Minnesota Statutes 1986, section 302A.727, is amended to read:

302A.727 [NOTICE TO CREDITORS AND CLAIMANTS.]

Subdivision 1. [WHEN PERMITTED; HOW GIVEN.] When a notice of intent to dissolve has been filed with the secretary of state, the corporation may give notice of the filing to each ~~known~~ creditor of and claimant against the corporation ~~at the last known address of each known or unknown, present, or future, or and contingent or non-contingent claimant.~~ ~~The corporation may give published notice to known creditors or claimants whose address is unknown and to unknown present, future, or contingent~~

~~creditors and claimants. If notice to creditors and claimants is given, it must be given by publishing the notice once each week for four successive weeks in a legal newspaper in the county or counties where the registered office and the principal executive office of the corporation are located and by giving written notice to known creditors and claimants pursuant to section 302A.011, subdivision 17.~~

Subd. 2. [CONTENTS.] The notice to creditors and claimants shall contain:

(a) A statement that the corporation is in the process of dissolving;

(b) A statement that the corporation has filed with the secretary of state a notice of intent to dissolve;

(c) The date of filing the notice of intent to dissolve;

(d) The address of the office to which written claims against the corporation must be presented; and

(e) The date by which all the claims must be received, which shall be the later of 90 days after the ~~notice of intent to dissolve was filed with the secretary of state published notice~~ or, with respect to a particular *known* creditor or claimant, 90 days after the date on which *written* notice was given to that creditor or claimant. *Published notice is deemed given on the date of first publication for the purpose of determining this date.*

Sec. 41. Minnesota Statutes 1986, section 302A.729, is amended to read:

302A.729 [CLAIMS IN DISSOLUTION.]

~~Subdivision 1. [PROCEDURE.]~~ If the corporation gives proper notice to creditors and claimants pursuant to section 302A.727:

(a) ~~The claim of a creditor or claimant to whom notice is given who fails to file a claim according to the procedures set forth by the corporation on or before the date set forth in the notice is subject to the provisions of section 302A.781;~~

(b) ~~The corporation has 30 days from the receipt of each claim filed according to the procedures set forth by the corporation on or before the date set forth in the notice to accept or reject the claim by giving written notice to the person submitting it; a claim not expressly rejected in this manner is deemed accepted; and~~

(c) ~~(b) A creditor or claimant to whom notice is given and whose claim is rejected by the corporation has 60 days from the date of rejection, or 180 days from the date the corporation filed with the secretary of state the notice of intent to dissolve, or 90 days after the date on which notice was given to the creditor or claimant, whichever is longer, to pursue any other remedies with respect to the claim. If the creditor or claimant does not initiate legal, administrative, or arbitration proceedings with respect to the claim during that period, the claim is subject to the provisions of section 302A.781.~~

Subd. 2. [STATUTE OF LIMITATIONS.] ~~The claim of a creditor or claimant to whom notice is not given and for whom payment of any debt is not made or provided for and who does not initiate legal, administrative, or arbitration proceedings concerning the claim within two years after the date of filing the notice of intent to dissolve is thereafter subject to the~~

provisions of 302A.781.

Sec. 42. [302A.730] [STATUTE OF LIMITATIONS.]

Subdivision 1. [CORPORATIONS THAT GIVE NOTICE.] If the corporation gives notice to creditors and claimants pursuant to section 302A.727:

(1) the claim of a creditor or claimant to whom notice is given who fails to file a claim according to the procedures set forth by the corporation on or before the date set forth in the notice is subject to the provisions of section 302A.781;

(2) the claim of a creditor or claimant that is rejected by the corporation in accordance with section 302A.729 is subject to the provisions of section 302A.781 if the creditor or claimant does not initiate legal, administrative, or arbitration proceedings with respect to the claim during the period set forth in section 302A.729, clause (b).

Subd. 2. [OTHER CORPORATIONS.] If the corporation does not give notice to creditors and claimants pursuant to section 302A.727, the claim of a creditor or claimant who does not initiate legal, administrative, or arbitration proceedings concerning the claim within two years after the date of filing the notice of intent to dissolve is subject to the provisions of section 302A.781.

Sec. 43. Minnesota Statutes 1986, section 302A.733, subdivision 1, is amended to read:

Subdivision 1. [ARTICLES; WHEN FILED.] Articles of dissolution for a corporation dissolving pursuant to section 302A.721 shall be filed with the secretary of state after:

(a) The payment of claims of all known creditors and claimants has been made or provided for;

~~(b) The longer of the periods described in section 302A.729, subdivision 1, clause (e) has expired, if the corporation has given notice to creditors and claimants of the corporation in the manner described in section 302A.727; or, in all other cases, if the corporation has given notice to creditors and claimants in the manner provided in section 302A.727: (1) the 90-day period in section 302A.727, subdivision 2, clause (e), has expired and the payment of claims of all creditors and claimants filing a claim within that period has been made or provided for; or (2) the longer of the periods described in section 302A.729, clause (b), has expired; or, in all other cases,~~

(c) The two year period described in section ~~302A.729, subdivision 2~~ 42 has expired.

Sec. 44. Minnesota Statutes 1986, section 302A.733, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF ARTICLES.] The articles of dissolution shall state:

(a) Whether notice has been given to all creditors and claimants of the corporation in the manner provided in section 302A.727, and, if notice has been given, the last date on which the notice was given and: (1) *that the payment of all creditors and claimants filing a claim within the 90-day period set forth in section 302A.727, subdivision 2, clause (e), has been made or provided for; or (2) the date on which the longer of the periods*

described in section 302A.729, ~~subdivision 1~~, clause ~~(e)~~ (b), expired; or

(b) If notice was not given *and articles of dissolution are being filed pursuant to section 302A.733, subdivision 1, clause (a)*, that all debts, obligations, and liabilities of the corporation have been paid and discharged or that adequate provisions have been made therefor; and

(c) That the remaining property, assets, and claims of the corporation have been distributed among its shareholders in accordance with section 302A.551, subdivision 4, or that adequate provision has been made for that distribution; and

(d) That there are no pending legal, administrative, or arbitration proceedings by or against the corporation, or that adequate provision has been made for the satisfaction of any judgment, order, or decree that may be entered against it in a pending proceeding; ~~and that all other claims are barred under section 302A.781.~~

Sec. 45. Minnesota Statutes 1986, section 302A.781, is amended to read:

302A.781 [CLAIMS BARRED; EXCEPTIONS.]

Subdivision 1. [CLAIMS BARRED.] A person who is or becomes a creditor or claimant at any time before, during, or following the conclusion of dissolution proceedings, who does not file a claim or pursue a remedy in a legal, administrative, or arbitration proceeding within the time provided in section ~~302A.729~~ 42, 302A.741, 302A.751, or 302A.759, or has not initiated a legal, administrative, or arbitration proceeding before the commencement of the dissolution proceedings, and all those claiming through or under the creditor or claimant, are forever barred from suing on that claim or otherwise realizing upon or enforcing it, except as provided in this section.

Subd. 2. [CLAIMS REOPENED.] At any time within one year after articles of dissolution have been filed with the secretary of state *pursuant to section 302A.733, subdivision 1, clause (b) or (c)*, or a decree of dissolution has been entered, a creditor or claimant who shows good cause for not having previously filed the claim may apply to a court in this state to allow a claim:

(a) Against the corporation to the extent of undistributed assets; or

(b) If the undistributed assets are not sufficient to satisfy the claim, against a shareholder, whose liability shall be limited to a portion of the claim that is equal to the portion of the distributions to shareholders in liquidation or dissolution received by the shareholder.

Subd. 3. [CLAIMS PERMITTED.] All debts, obligations, and liabilities incurred during dissolution proceedings shall be paid *or provided for* by the corporation before the distribution of assets to a shareholder. A person to whom this kind of debt, obligation, or liability is owed but not paid may pursue any remedy against the officers, directors, and shareholders of the corporation before the expiration of the applicable statute of limitations. This subdivision does not apply to dissolution under the supervision or order of a court.

Sec. 46. [EFFECTIVE DATE.]

Notwithstanding Minnesota Statutes, section 645.21, section 13 is effective retroactive to January 1, 1984."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "sections" insert "300.08, subdivision 1; 300.083, subdivisions 1, 4, 8, and by adding a subdivision;"

Page 1, line 9, after the first semicolon, insert "302A.133; 302A.135, subdivision 4, and by adding a subdivision;" and after the second semicolon, insert "302A.139; 302A.141, by adding a subdivision;"

Page 1, line 10, after the third semicolon, insert "302A.401, subdivision 3;"

Page 1, line 17, after the first comma, insert "4, and" and after the semicolon, delete "and"

Page 1, line 18, before the period, insert "; 302A.727; 302A.729; 302A.733, subdivisions 1 and 2; and 302A.781; proposing coding for new law in Minnesota Statutes, chapter 302A"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 607: A bill for an act relating to traffic regulations; peace officers; authorizing peace officers to inspect for regulated tires; amending Minnesota Statutes 1986, section 169.725.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.725, is amended to read:

169.725 [ENFORCEMENT.]

Any officer of the Minnesota state patrol, at any time, upon If a peace officer has reasonable cause to believe that a passenger automobile is equipped with tires in violation of sections 169.721 to 169.727, or of the rules promulgated hereunder adopted under section 169.722, the officer may require the operator of the passenger automobile to stop and submit the passenger automobile to an inspection. If the inspection discloses that the tires of the passenger automobile are in violation, the officer may issue a citation for such the violation, and such the defect shall must be corrected forthwith as soon as possible. For purposes of this section, "peace officer" means a state trooper, a county sheriff, a deputy sheriff, and a municipal police officer."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1137: A bill for an act relating to insurance; regulating cancellations of insurance agency contracts; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"Section 1. [60A.172] [INSURANCE AGENCY CONTRACTS; CANCELLATION.]

(a) An insurer may not cancel a written agreement with an agent or reduce or restrict an agent's underwriting authority with respect to property or casualty insurance based on loss ratio experience on that agent's book of business:

(1) if the insurer required the agent to submit the application for underwriting approval, if all material information on the application was fully completed, and if the agent has not omitted or altered any information provided by the applicant; or

(2) if the insurer accepted, without prior approval, policies issued by the agent, if all material information on the application or on the insurer's copy of any policy issued by the agent was fully completed, and if the agent has not omitted or altered any information provided by the applicant.

(b) For purposes of this section, "loss ratio experience" means the ratio of premiums paid divided by the claims paid during a two-year period.

(c) This section applies only to agents who write insurance business exclusively for one company or agents in the direct employ of the company.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 292: A bill for an act relating to insurance; health and accident; requiring coverage for scalp hair prostheses in certain circumstances; amending Minnesota Statutes 1986, section 62E.06, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 62A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete "64A" and insert "64B"

Page 1, line 23, delete "an"

Page 1, line 24, delete everything before the period and insert "*alopecia areata*"

Page 1, after line 24, insert:

"The coverage required by this section is subject to a policy's copayment requirement and is limited to a maximum of \$350 in any benefit year, exclusive of any deductible."

Page 3, line 1, delete "*an illness*"

Page 3, line 2, delete everything before the semicolon and insert "*alopecia areata*"

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1335: A bill for an act relating to unemployment compensation; limiting recovery of overpayments due to agency error; limiting amount of setoff from current benefit amount; amending Minnesota Statutes 1986, section 268.18, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 268.18, subdivision 1, is amended to read:

Subdivision 1. [ERRONEOUS PAYMENTS.] Any claimant for benefits who, by reason of the claimant's own mistake or through the error of any individual engaged in the administration of sections 268.03 to 268.24 or because of a determination or redetermination issued pursuant to section 268.10, subdivision 2, has received any sum as benefits to which the claimant was not entitled under these sections, shall promptly return such benefits in cash to the nearest office of the Minnesota department of jobs and training. If such claimant fails to return such benefits, the department of jobs and training shall, as soon as it discovers such erroneous payment, determine the amount thereof and notify said individual to return the same. Unless the claimant files a written appeal with the department of jobs and training within 15 days after the mailing of the notice of determination to the claimant's last known address or personal delivery of the notice, the determination shall become final. If the claimant files an appeal with the department in writing within the time aforesaid the matter shall be set for hearing before a referee of the department and heard as other benefit matters are heard in accordance with section 268.10 with the same rights of review as outlined for benefit cases in that section. The commissioner of the department of jobs and training is hereby authorized to deduct from any future benefits payable to the claimant under these sections in either the current or any subsequent benefit year an amount equivalent to the overpayment determined or the overpayment may be collected without interest by civil action in the name of the commissioner, *except that an overpayment which is due to an error, other than a computation error, of any individual engaged in the administration of sections 268.03 to 268.24 is recovered only by deduction from future benefits payable.* If a claimant has been overpaid benefits under the law of another state and that state certifies to the department the facts involved and that the individual is liable under its law to repay the benefits and requests the department to recover the overpayment, the commissioner is authorized to deduct from future benefits payable to the claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined by that state. *Recovery of an overpayment by deduction from future benefits payable is limited to 25 percent each week of a claimant's weekly benefit.* Benefits paid for weeks more than three years prior to the discovery of error are not erroneous payments.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 326: A bill for an act relating to public safety; authorizing executive council, under federal law, to repair state property damaged by major disaster; dedicating receipts from criminal justice datacommunications network billings; appropriating video gaming license fees to commissioner of public safety for disbursement to municipalities; amending Minnesota Statutes 1986, sections 9.061, subdivision 1; 299C.48; and 349.52, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 765: A bill for an act relating to local government; granting the city of Cannon Falls the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, delete everything after the period

Page 1, delete lines 26 to 28

Page 2, line 1, delete "*purposes.*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 898: A bill for an act relating to economic development; creating the rural initiatives program; providing for a mineral development program; creating the greater Minnesota corporation and providing for its powers and duties; creating the rural initiatives revolving funds program; providing for grants to displaced workers; extending the interest rate buy-down programs; providing mediation services for rural small businesses; providing for rural telecommunications grants; appropriating money; amending Minnesota Statutes 1986, sections 256D.051, subdivision 4; 583.22, subdivision 2, and by adding a subdivision; 583.24, subdivision 2; Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapters 84; 129B; and 268; proposing coding for new law as Minnesota Statutes, chapter 116N.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MINERAL, GAME, AND TIMBER RESOURCES

Section 1. [84.96] [MINERAL RESOURCES PROGRAM.]

Subdivision 1. [FINDINGS.] The legislature finds that there has been a disinvestment in mineral and timber resources of the state. To provide a diversified economic base in the state, it is necessary to stimulate investment in the state's natural resources. Mineral exploration by the private sector must be encouraged and assisted. The long-term health of the state will be aided by a diverse state economy that includes productive natural resource industries. A forestry management plan that will improve the efficient use of the state's forest resources is already mandated but needs to be implemented. The great benefits from the state's mineral resources will not be realized without state stimulation of research and investment, which can be achieved through a program coordinated by the department of natural resources to accelerate geological mapping and mineral deposit evaluation, to provide analytical support to the mineral and timber industries, and to provide incentives for product development and research for the mineral industry. This participation by the state will lead to active participation by private industry in healthy Minnesota timber and mineral resources industries.

Subd. 2. [PROGRAM.] The commissioner of natural resources shall create a written plan providing for a ten-year mineral development program. The program shall be designed to:

- (1) accelerate geological mapping of the state;*
- (2) accelerate evaluation of the state's mineral potential and other natural resources;*
- (3) provide analytical support and research incentives for participants in the mineral industry; and*
- (4) provide resource evaluation support and incentives for product development for participants in the industrial mineral industry.*

The plan created by the commissioner shall contain procedure and criteria to determine the priority for mineral development projects to receive funding approved by the commissioner. A committee is created composed of representatives of the department of natural resources, the Minnesota geological survey, the Minnesota resources research center and the natural resources research institute. The committee shall coordinate the mineral development program provided for in this subdivision.

Sec. 2. [APPROPRIATION; MINERAL RESOURCES PLAN.]

\$15,000,000 is appropriated from the general fund to the commissioner of natural resources to implement section 1, to be available until June 30, 1989.

Sec. 3. [APPROPRIATION; FORESTRY MANAGEMENT.]

\$23,700,000 is appropriated from the general fund to the commissioner of natural resources to implement the forestry management plan required in section 89.011, and for grants to counties or groups of counties for county forestry assistance programs, to be available until June 30, 1989. \$4,000,000 of this amount shall be used by the commissioner for grants to counties under the forest road access program of the department of

natural resources.

\$1,300,000 is appropriated from the general fund to the University of Minnesota natural resources research institute composite wood products center.

\$400,000 is appropriated from the general fund to the University of Minnesota natural resources institute to conduct an assessment of the state's aspen and cottonwood resource.

Sec. 4. [APPROPRIATION; FISH AND GAME MANAGEMENT AND STREAM IMPROVEMENT.]

\$10,000,000 is appropriated from the general fund to the commissioner of natural resources for game habitat management, construction and operation of fish hatcheries and rearing ponds, aquaculture, and for lake and stream improvement, to be available until June 30, 1989.

ARTICLE 2

GREATER MINNESOTA CORPORATION

Section 1. [116N.01] [CITATION.]

Sections 1 to 12 may be cited as the "greater Minnesota corporation act."

Sec. 2. [116N.02] [PURPOSE.]

It is the intent of this legislation to ensure the development of new products, processes, and services that have the potential to contribute to the state's economy, particularly in nonmetropolitan areas. For these purposes, the greater Minnesota corporation is established to foster economic growth in Minnesota through cooperative research and development and investments in new products and businesses. It is the intention of the legislature to create the greater Minnesota corporation as a public corporation.

It is found and declared that the contribution to the state's economy to be made by the greater Minnesota corporation is a governmental function and a public purpose without which the state's economy will be irreparably harmed.

Sec. 3. [116N.03] [DEFINITIONS.]

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

Subd. 2. [BOARD.] "Board" means the board of directors of the greater Minnesota corporation.

Subd. 3. [CORPORATION.] "Corporation" means the greater Minnesota corporation established by section 4.

Subd. 4. [FUND.] "Fund" means the greater Minnesota fund established by section 9.

Sec. 4. [116N.04] [CORPORATION CREATED; BOARD OF DIRECTORS; POWERS.]

Subdivision 1. [CREATION; NAME.] The greater Minnesota corporation is created as a public corporation of the state of Minnesota and is not a state agency. All business of the corporation must be conducted under its name.

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors appointed by the governor. Terms and removal of members of the board is as provided in section 15.059. One director must be appointed from each of the state's congressional districts. Directors may be compensated as determined by the board.

Subd. 3. [ARTICLES AND BYLAWS.] The board of directors shall adopt articles of incorporation and bylaws necessary to conduct the business of the corporation, consistent with sections 1 to 12.

Subd. 4. [PLACES OF BUSINESS.] The board shall locate and maintain the corporation's places of business within the state.

Subd. 5. [MEETINGS AND ACTIONS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving whatever notice the bylaws of the corporation provide. Board meetings are not subject to section 471.705.

Sec. 5. [116N.05] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] The board shall appoint and set the compensation for a president and may appoint subordinate officers. The president's salary may not exceed 95 percent of the governor's salary. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees and agents as the president deems necessary. The board shall define the duties and designate the titles of the employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the state retirement plan for employees in the unclassified service.

Sec. 6. [116N.06] [POWERS OF THE CORPORATION.]

In addition to other powers granted by this chapter, the corporation may

- (1) sue, and be sued;*
- (2) have a seal and alter it at will;*
- (3) acquire and dispose of personal property, including inchoate and intellectual property, royalties, stock, and stock warrants;*
- (4) enter into contracts or agreements with any federal or state agency, person, business, or other organization;*
- (5) acquire and dispose of real property or an interest in real property;*
- (6) purchase insurance;*
- (7) sell, at public or private sale, any note, mortgage, or other instrument or obligation;*
- (8) consent to the modification of a contract or agreement to which the corporation is a party;*
- (9) provide general consultative and technical services to businesses to which loans or grants may be made;*
- (10) develop, buy, and possess financial and technical information, including, but not limited to, credit reports and financial statements, free from any restriction or regulation in chapter 13;*

(11) accept gifts, grants, and bequests and use or dispose of them for its purposes;

(12) receive payments in the form of royalties, dividends, or other proceeds in connection with the ownership, license, or lease of products or businesses;

(13) make grants from the greater Minnesota fund to the rural initiative funds created under section 12; and

(14) spend money from the greater Minnesota fund, and other money appropriated without restriction by the legislature, for any lawful purpose, including, but not limited to, expenses for the food, lodging, and travel of consultants and speakers hired by the board; publications; advertising; and promotional activities.

Sec. 7. [116N.07] [FINANCING.]

Subdivision 1. [BORROWING.] The corporation may borrow money to carry out its purposes and may issue its negotiable bonds or notes as evidence of borrowing in accordance with sections 462A.08 to 462A.13, 462A.16 and 462A.17, all with the force and effect stated and the incidental powers granted and duties imposed in those sections. The bonds and notes may be issued under a trust indenture that is substantially identical to a resolution under which the authority issues bonds and notes as provided in sections 462A.08 to 462A.13, 462A.16, and 462A.17, except that the corporation may pledge money and securities to a trustee for the security of the holders of bonds and notes. The corporation may refund bonds and notes and may guarantee or insure its bonds and notes in whole or in part with money from the funds or an account created by the corporation for that purpose. The aggregate principal amount of the corporation's bonds and notes outstanding at any one time, excluding the amount satisfied and discharged by payment or provision for payment in accordance with their terms, and deducting amounts held in debt service reserve accounts for them and amounts used to make loans guaranteed or insured by the federal government or a department, an agency or instrumentality of the federal government or by a private insurer or guarantor authorized to do business in the state of Minnesota and acceptable to the corporation, shall not exceed \$50,000,000.

Subd. 2. [BONDS AND NOTES; RESERVES.] The corporation may issue and sell bonds, notes, and other obligations payable solely from particular money, assets, or revenues derived from its programs, or any loan, notwithstanding section 462A.08, subdivision 3. Obligations issued to participate in making or purchasing loans shall be payable solely from revenues derived by the corporation from repayments of these loans and from enforcement of the security for them, or from a debt service reserve account or accounts, or from a general reserve account or from a segregated portion of it, or from other money or security specifically pledged by the corporation, irrevocably pledged and appropriated to pay principal and interest due, for which other money is not available. A general reserve account is created within the greater Minnesota fund and is eligible to receive direct appropriations from the state treasury or a transfer from any of the accounts as the corporation may provide by resolution. The corporation may irrevocably pledge and appropriate all or a segregated portion of the general reserve account to pay principal and interest due on all or one or more series of its obligations for which other money is not available, under the terms and conditions that the corporation shall

determine. Until so pledged and appropriated by the corporation the general reserve account shall not be available to pay principal and interest on the corporation's obligations. The corporation may at its option provide by resolution that obligations issued to participate in making or purchasing loans be secured at the time of issuance in whole or in part by a debt service reserve account or accounts, a portion of the general reserve account segregated to secure one or more series of bonds, or the portion of the general reserve account not segregated to secure one or more series of bonds. The operation of the debt service reserve account or accounts or a segregated portion of the general reserve account and other relevant terms or provisions shall be determined by resolution or indenture of the corporation. Obligations issued to make or purchase loans may be issued pursuant to an indenture of trust or a resolution of the corporation. It may pledge to holders of obligations, or to a trustee, repayments from the loans, any security or collateral for them, contract rights with respect to them, and any other money or security specifically pledged by the authority for them.

Subd. 3. [SALE.] The corporation may sell any of its obligations at public or private sale, at the price or prices as the corporation shall determine, notwithstanding the limitation on sale price in the fourth sentence of section 462A.09, and notwithstanding whether or not the interest on any of its obligations is subject to federal income taxes.

Subd. 4. [COLLECTION OF CHARGES.] The corporation may establish and collect reasonable interest and amortization payments on loans, and in connection with loans may establish and collect or authorize the collection of reasonable fees and charges or require money to be placed in escrow, sufficient to provide for the payment and security of its bonds, notes, commitments and other obligations and for the servicing of them, to provide reasonable allowances for or insurance against losses which may be incurred and to cover the cost of issuance of obligations and technical, consultative, and project assistance services.

Subd. 5. [INVESTMENT.] The corporation may cause any money not required for immediate disbursement, including the general reserve account, to be invested in direct obligations of or obligations guaranteed as to principal and interest by the United States, or in insured savings accounts, up to the amount of the insurance, in any institution the accounts of which are insured by the federal savings and loan insurance corporation or to be deposited in a savings or other account in a bank insured by the federal deposit insurance corporation or to be invested in time certificates of deposit issued by a bank insured by the federal deposit insurance corporation and maturing within one year or less and in the investments described in section 11A.24, subdivision 4, except clause (d) of subdivision 4. It may deposit money in excess of the amount insured with security as provided in chapter 118. Notwithstanding the foregoing, it may invest and deposit money into accounts established pursuant to resolutions or indentures securing its bonds or notes in investments and deposit accounts or certificates, and with security, as may be agreed with the holders or a trustee for the holders.

Sec. 8. [116N.08] [ACTIVITIES.]

Subdivision 1. [PUBLIC GRANTS.] The corporation may make matching grants for applied research and development from the greater Minnesota fund to any campus of the University of Minnesota, a state uni-

versity, a community college, a Minnesota private college or university, or an area vocational technical institute.

Subd. 2. [PRIVATE GRANTS AND LOANS.] The corporation may make grants or loans or both from the greater Minnesota fund to corporations, partnerships, sole proprietorships, or other business entities to promote development in the state of new products, or processes with potential commercial value.

Subd. 3. [EQUITY INVESTMENTS.] The corporation may acquire an interest in any product or in any private business entity located or intending to locate in an enterprise zone as defined in section 273.1312 or a distressed county as defined in section 297A.257.

Subd. 4. [PRIVATE CAPITAL.] The corporation may solicit and obtain private capital to be available for the duties specified in subdivisions 1 to 3.

Subd. 5. [CONSULTING AND TECHNICAL SERVICES.] The corporation may provide general consultative and technical services to colleges or universities or to businesses and set fees or charges for the services.

Subd. 6. [RESEARCH.] The corporation may identify opportunities for scientific research and technological innovation and advise colleges and universities of the research needs of private business.

Sec. 9. [116N.09] [GREATER MINNESOTA FUND.]

The greater Minnesota fund is created as a separate account in the state treasury. The fund consists of all appropriations made to the corporation; all fees and charges collected by the corporation; income from investments and purchases; all revenues from the sale of bonds, and from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and all gifts, donations, and bequests made to the corporation. The board may create separate accounts within the fund for use in accordance with the fund's purposes. Any money in the fund may be deposited in an institution designated as a depository for state funds under section 9.031. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund may be used only as provided in this chapter.

Sec. 10. [116N.10] [AUDITS.]

The board shall contract with a certified public accounting firm to audit the corporation and any subsidiary annually in accordance with generally accepted accounting standards.

Sec. 11. [116N.11] [REPORTS.]

The corporation shall report to the legislature and the governor on its activities by January 1 of each year. The report must include at least, a description of projects supported by the fund, an account of all loans and grants made by the fund during the calendar year, the source and amount of all money collected and distributed by the fund, the fund's assets and liabilities, an explanation of administrative expenses, and any amendments to the development plan. Reports must be made to the legislature as required by section 3.195.

Sec. 12. [116N.12] [RURAL INITIATIVE REVOLVING FUNDS PROGRAM.]

Subdivision 1. [ORGANIZATION.] The rural initiative revolving funds program provides subordinated loans to new and existing businesses to promote economic development in rural Minnesota. The corporation shall establish the program as follows:

(a) The corporation shall divide the state, excluding the seven county metropolitan area, into six regions. The regions' boundaries must be coterminous with the boundaries of one or more of the development regions established under section 462.385.

(b) The corporation shall establish a regional rural initiative revolving fund in each of the six regions. Each revolving fund must receive an appropriation from the council of up to \$500,000 over a period of three years and must be administered by a nonprofit corporation selected by the corporation under criteria set forth in subdivision 2. The organizations responsible for administering revolving funds shall use the money appropriated to them by the corporation to provide subordinated loans to promote economic development in areas including, but not limited to, technologically innovative industries, value added manufacturing, agriprocessing, information industries, and agricultural marketing. Money from the revolving funds may not be used for any retail development project.

(c) In making a loan, an organization responsible for administering a revolving fund shall give priority to proposed borrowers who are not likely to undertake the project without assistance from the revolving fund. Loans may be used for capital assets, equity, and working capital. Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving fund loan. The minimum revolving fund loan is \$2,500 and the maximum is \$50,000. With the approval of the corporation, a revolving fund loan may be used to provide up to 50 percent of the private investment required to qualify for grants from the economic recovery fund. A revolving fund loan may not exceed ten percent of the total capital investment of an individual project.

(d) The corporation shall establish a minimum interest rate for regional rural initiative revolving fund loans to ensure that necessary management costs are covered.

(e) No more than four percent of the revolving fund appropriation to a nonprofit corporation may be used for administrative expenses.

(f) Money repaid to the revolving funds must remain in the funds for further distribution according to paragraph (c). Administrative expenses shall be paid out of the interest earned on revolving fund loans.

(g) The corporation may make rules to implement this section.

Subd. 2. [QUALIFICATIONS.] The corporation shall select the organizations responsible for administering the revolving funds and shall enter into grant agreements with those organizations. In order for an organization to qualify to administer a revolving fund, it must be a nonprofit corporation and prove that:

(1) its board of directors contains representatives from the banking industry, citizens experienced in rural development, and representatives from the different geographic areas in the revolving fund region, including the commissions;

(2) it can provide at least an equal match to the state appropriation to

the revolving fund through nonstate sources;

(3) it has the capability to close loans in a timely manner and to provide ongoing loan service;

(4) it has the technical skills to analyze projects;

(5) it is familiar with other available public and private funding sources and economic development programs; and

(6) it has the capability to package economic development projects.

Subd. 3. [REVOLVING FUND DUTIES.] The organization responsible for administering a revolving fund shall:

(1) submit an annual report to the corporation by January 15 of each year that includes, at least, a description of projects supported by the fund, an account of all loans made by the fund during the calendar year, the source and amount of all money collected and distributed by the fund, the fund's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an annual audit and submit a copy of each annual audit report to the corporation.

Subd. 4. [APPLICATION FOR GRANTS.] The organization responsible for administering a revolving fund may also apply to the corporation under rules or bylaws as the corporation may adopt, for grants to be made by the organization to promote economic development within its region to similar kinds of businesses to which loans may be made.

Sec. 13. [DEVELOPMENT PLAN.]

The board of directors of the greater Minnesota corporation shall prepare a comprehensive development plan and submit it to the governor and the legislature by November 15, 1986. The development plan must include at least the following:

(1) operating procedures;

(2) accounting procedures;

(3) grant procedures;

(4) loan procedures;

(5) personnel procedures;

(6) investment procedures; and

(7) board conduct and ethics.

In addition, the development plan must include a budget proposal and a five-year plan. It must identify sources and amounts of available non-governmental money and the purposes for which that money may be used, and it must suggest any further legislation that may be necessary to carry out the development plan.

Sec. 14. [APPROPRIATION; GREATER MINNESOTA CORPORATION.]

\$5,000,000 is appropriated from the general fund to the greater Minnesota fund created by section 9 for use by the greater Minnesota corporation for the purposes of sections 1 to 12, to be available until expended. The appropriation shall be repaid by the corporation to the general fund, without interest, within five years of the effective date of this section.

ARTICLE 3

WORK READINESS PROGRAM

Section 1. Minnesota Statutes 1986, section 256D.051, subdivision 4, is amended to read:

Subd. 4. [~~TWO MONTH LENGTH OF ASSISTANCE.~~] The local agency shall terminate a registrant after ~~two~~ 12 months in the work readiness program in a distressed county, as defined in section 297A.257, and after six months in the work readiness program in all other counties if the local agency determines that registrant is not eligible for assistance under subdivision 5. During the ~~second 12th or 6th~~ month, as applicable, of work readiness assistance, the local agency must assess the registrant's eligibility under subdivision 5 and inform the registrant of the outcome of the assessment. A registrant who is not eligible under subdivision 5 is eligible for a maximum of ~~two~~ 12 months of work readiness assistance in a distressed county and six months of work readiness assistance in all other counties in any consecutive 24-month period.

Sec. 2. [APPROPRIATION.]

\$6,000,000 is appropriated from the general fund to the commissioner of human services for allocation to local agencies for the purposes of the work readiness program authorized by section 256D.051, to be available until June 30, 1989.

ARTICLE 4

GRANTS TO DISPLACED RURAL WORKERS

Section 1. [268.97] [SUPPLEMENTAL GRANTS TO DISPLACED RURAL WORKERS.]

Subdivision 1. [PROGRAM; ELIGIBILITY.] *The commissioner of jobs and training shall establish and administer the state supplemental education grant program to assist displaced workers in rural Minnesota areas to pay the costs of attending public post-secondary educational institutions located in the development regions in which the displaced workers reside. Minnesota residents who are enrolled full time or part time in a nonbaccalaureate occupational program designed to train people for employment are eligible to apply for grants under this section.*

Applicants who meet the criteria established by this section and by the commissioner may receive grant payments for six months. Applicants shall demonstrate financial need in accordance with policies and procedures established by the commissioner. In developing eligibility policies, the commissioner shall consider criteria for participation in state and federal programs designed to serve economically dislocated workers. The commissioner shall develop policies and procedures for the administration of grants, including the allocation of funds to eligible institutions as defined in section 136A.101. The development of policies and procedures in accordance with this subdivision is not covered by chapter 14.

Subd. 2. [PART-TIME GRANTS.] *Displaced workers in rural Minnesota areas are eligible to be considered for a part-time grant under section 136A.132. In awarding grants during the 1987-1989 biennium, participating post-secondary institutions shall consider the needs of displaced rural workers.*

Subd. 3. [PUBLIC INFORMATION.] *The commissioner shall provide*

information to displaced workers in rural areas about post-secondary education opportunities and financial assistance to help them pay for their education including existing state and federal programs and the state supplemental education grant program. The commissioner shall develop and communicate the information in cooperation with financial aid administrators, the agriculture extension service, and representatives of public and private post-secondary education institutions.

Sec. 2. [APPROPRIATION.]

\$4,000,000 is appropriated from the general fund to the commissioner of jobs and training for the purposes of section 1, to be available until June 30, 1989.

Sec. 3. [\$125,000 FOR TRI-COUNTY TELECOMM PROJECT.]

\$125,000 is appropriated in fiscal year 1988 from the general fund to the department of education to make a grant to the fiscal agent for the Tri-County Telecomm Project.

ARTICLE 5

EXTENSION OF INTEREST RATE BUY-DOWN

Section 1. Laws 1986, chapter 398, article 23, section 1, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer who applies to a lender for a farm operating loan between the dates January 1, 1986, and December 30, ~~1986~~ 1987, and who meets all qualifications established in section 2 and any further qualifications that may be established in the program guidelines adopted by the commissioner under section 4, subdivision 1.

Sec. 2. Laws 1986, chapter 398, article 23, section 1, subdivision 6, is amended to read:

Subd. 6. [FARM OPERATING LOAN.] "Farm operating loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm operating loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm operating loan eligible for interest rate buy-down must have a maturity date of June 30, ~~1987~~ 1988, or earlier.

Sec. 3. [APPROPRIATION.]

\$15,000,000 is appropriated from the general fund to the commissioner of commerce for purposes of the interest rate buy-down program in Laws 1986, chapter 398, article 23, to be available from the effective date of this act until July 1, 1988.

ARTICLE 6

MEDIATION FOR RURAL SMALL BUSINESSES

Section 1. Minnesota Statutes 1986, section 583.22, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL PROPERTY.] "Agricultural property" means real property that is principally used for farming as defined in section 500.24, subdivision 2, paragraph (a), and raising poultry, and personal property that is used as security to finance a farm operation or used as part

of a farm operation including equipment, crops, livestock, and proceeds of the security. "Agricultural property" also means real property that is principally used for a rural small business and personal property that is used as security to finance a rural small business or is used as part of a rural small business. "Agricultural property" does not include personal property that is subject to a possessory lien under sections 514.18 to 514.22.

Sec. 2. Minnesota Statutes 1986, section 583.22, is amended by adding a subdivision to read:

Subd. 7c. [RURAL SMALL BUSINESS.] "Rural small business" means a small business, as defined in section 645.445, located in a distressed county, as defined in section 297A.257.

Sec. 3. Minnesota Statutes 1986, section 583.24, subdivision 2, is amended to read:

Subd. 2. [DEBTORS.] (a) Except as provided in paragraph (b) the farmer-lender mediation act applies to a debtor who is:

(1) a person operating a family farm as defined in section 500.24, subdivision 2;

(2) a family farm corporation as defined in section 500.24, subdivision 2; ~~or~~

(3) an authorized farm corporation as defined in section 500.24, subdivision 2; ~~or~~

(4) a person operating a rural small business.

(b) Except as provided in paragraph (a), clause (4), the farmer-lender mediation act does not apply to a debtor who owns and leases less than 60 acres with less than \$20,000 in gross sales of agricultural products the preceding year.

Sec. 4. [APPROPRIATION.]

\$1,000,000 is appropriated from the general fund to the University of Minnesota agricultural extension service for purposes of providing mediation services to rural small businesses, as defined in section 583.22, under the farmer-lender mediation act in Minnesota Statutes, sections 583.20 to 583.32, to be available until June 30, 1989.

ARTICLE 7

RURAL TELECOMMUNICATION GRANTS

Section 1. [129B.361] [RURAL TELECOMMUNICATION GRANTS.]

Subdivision 1. [DEFINITIONS.] The definitions in section 129B.36 apply to this section.

Subd. 2. [LIMITATIONS.] Grants up to \$75,000 per school district are available to consortiums of certain school districts in accordance with this section for the completion of two-way interactive telecommunications systems between those school districts.

Subd. 3. [APPLICATION.] School districts located in distressed counties, as defined in section 297A.257, with high schools at least 15 miles apart shall apply for grants on forms provided by the commissioner of education for that purpose. The districts shall submit the following documents with the application:

(1) a joint powers agreement between the districts submitting the application, specifying how the telecommunications system would be operated by the districts;

(2) an educational plan stating the educational needs of the district and specifying how the desired telecommunications system will help the district meet those needs;

(3) a feasibility study showing the cost of the desired telecommunications system, necessary personnel, and materials, and the proportion of those costs that are available to the districts from funding and in-kind contributions by private sources; and

(4) a fiscal plan detailing how the costs of the telecommunications system, personnel, and materials will be allocated among the districts in the consortium on the basis of the number of students in each class using the system.

Subd. 4. [PURPOSES.] The purposes of the two-way telecommunications system must be:

(1) to offer an expanded curriculum to member schools including courses for the academically talented;

(2) to allow the districts to be in compliance with proposed department of education curriculum requirements;

(3) to allow these districts to retain their independence and continue to enjoy the benefits that a school adds to the community;

(4) to provide a convenient method of sharing teachers and other resources across school district boundary lines without the waste of time and expense of teacher or student travel;

(5) to provide a vehicle for in-service opportunities for teachers, other professionals, business leaders including farmers, and public officials; and

(6) to serve as a model for other school district cooperatives who may be interested in the construction and implementation of a similar system.

Subd. 5. [APPROVAL.] The application and related documents shall be evaluated by the commissioner and approved if they satisfy criteria adopted by the commissioner. The criteria shall include the successfulness of the technology or system to be used and the reasonableness of its price, and are exempt from chapter 14. A district to which a grant is awarded shall work cooperatively with the department of education, higher education institutions in the area and business and industry, as appropriate.

Subd. 6. [PRIVATE FUNDING.] A district applying for a grant under this section shall seek private funding and in-kind contributions from private sources to supplement grant funds.

Subd. 7. [EVALUATION OF SITES.] The commissioner shall evaluate the use of grant funds by each consortium of counties.

Sec. 2. [APPROPRIATION.]

\$2,000,000 is appropriated from the general fund to the commissioner of education for the purposes of section 1, to be available until June 30, 1989.

ARTICLE 8

WAGE SUBSIDY AND BUSINESS MANAGEMENT PROGRAMS

Section 1. [APPROPRIATION.]

\$20,000,000 is appropriated from the general fund to the commissioner of jobs and training for the purposes of wage subsidies, to be available until June 30, 1989.

Sec. 2. [APPROPRIATION.]

Subdivision 1. [FARM BUSINESS MANAGEMENT.] \$1,000,000 is appropriated from the general fund to the state board of vocational technical education for additional farm business management programs and workshops, to be available until June 30, 1989.

Subd. 2. [SMALL BUSINESS MANAGEMENT.] \$1,000,000 is appropriated from the general fund to the state board of vocational technical education for additional small business management programs and workshops, to be available until June 30, 1989."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Davis questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 862: A bill for an act relating to public safety; school buses; requiring training for school bus drivers; providing for transitional requirements; appropriating money; amending Minnesota Statutes 1986, section 171.321, subdivision 2, and by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 171.321, subdivision 1, is amended to read:

Subdivision 1. *(a) Except as provided in this subdivision, no person shall drive a school bus when transporting school children to or from school or upon a school related trip or activity without:*

(1) having a valid Class B or Class A license with a school bus endorsement except that; and

(2) certifying to the person's employer that the initial training required by subdivision 2 has been completed.

(b) A person possessing a valid driver's license but not a school bus endorsement may drive a vehicle with a seating capacity of ten or less persons used as a school bus but not outwardly equipped or identified as a school bus. A person who has not completed the training required by subdivision 2, but has completed at least four hours of classroom training and two hours of behind-the-wheel training, may operate a school bus as provided in this subdivision only if the person has a valid school bus endorsement and is accompanied on the school bus by a driver who has met the training requirement of subdivision 2.

Sec. 2. Minnesota Statutes 1986, section 171.321, subdivision 2, is

amended to read:

Subd. 2. (a) ~~The commissioner, in consultation with the commissioner of education, of public safety shall prescribe rules governing the qualifications of individuals to drive school buses.~~

(b) *The commissioner of public safety, in conjunction with the commissioner of education, shall adopt a training program for school bus drivers. Adoption of the program is not subject to chapter 14. The program must provide for the initial classroom and behind-the-wheel training, and the annual in-service training, required by subdivision 3. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a school district, the school district, the department of education, a licensed driver training school, or by another person or entity approved by both commissioners.*

Sec. 3. Minnesota Statutes 1986, section 171.321, is amended by adding a subdivision to read:

Subd. 3. (a) *A person who is issued a school bus endorsement may not operate a school bus as provided in subdivision 1, paragraph (a), until the person has certified to the person's employer that the person has completed eight hours of classroom training and six hours of behind-the-wheel training. Training completed to qualify for a school bus endorsement may be counted toward the training required under this subdivision.*

(b) *To be employed as a school bus driver, a person must annually certify to the person's employer that the person has completed not less than three hours of in-service training. In-service training includes periodic safety meetings conducted by the school district or contract operator.*

(c) *An employer of a school bus driver must retain in the driver's file the certification that the driver has completed the required initial training and the required annual training.*

Sec. 4. [TRANSITION.]

The department of public safety must adopt the training program required under section 2 by March 1, 1988. A school bus driver who holds a valid school bus endorsement on August 1, 1988, must complete the annual in-service training required under section 3 by August 1, 1989.

Sec. 5. [APPROPRIATION.]

\$535,000 is appropriated from the general fund to the commissioner of public safety to administer sections 1 and 2, \$280,000 to be available for the fiscal year ending June 30, 1988, and \$255,000 to be available for the fiscal year ending June 30, 1989.

Sec. 6. [EFFECTIVE DATE.]

Sections 2 and 4 are effective the day following final enactment. Sections 1 and 3 are effective August 1, 1988."

Amend the title as follows:

Page 1, line 6, delete "subdivision" and insert "subdivisions 1 and" and delete "subdivisions" and insert "a subdivision"

And when so amended the bill do pass and be re-referred to the Com-

mittee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1108: A bill for an act relating to transportation; providing for standards for special transportation service; requiring standards for special transportation service in the metropolitan area; amending Minnesota Statutes 1986, sections 174.30, subdivisions 1, 2, 4, 6, 7, and by adding subdivisions; 473.386, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; repealing Minnesota Statutes 1986, section 473.386, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 174.30, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY LIMITATIONS; BY TYPE OF PROVIDER; BY SOURCE OF FUNDS.] The operating standards for special transportation service adopted under this section do not apply to *special* transportation provided by:

(a) A common carrier operating on fixed routes and schedules;

(b) ~~A taxi;~~

(~~e~~) A volunteer driver using a private automobile;

(~~d~~) (c) A school bus as defined in section 169.01, subdivision 6; or

(~~e~~) (d) An emergency ambulance regulated under chapter 144.

The operating standards adopted under this section only apply to providers of special transportation service who receive grants or other financial assistance from either the state or the federal government, or both, to provide or assist in providing that service; except that the operating standards adopted under this section do not apply to any nursing home licensed under section 144A.02, to any board and care facility licensed under section 144.50, or to any day care or group home facility licensed under sections 245.781 to 245.812 unless the facility or program provides transportation to nonresidents on a regular basis and the facility receives reimbursement, other than per diem payments, for that service under rules promulgated by the commissioner of human services.

Sec. 2. Minnesota Statutes 1986, section 174.30, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY TO ADOPT; PURPOSE AND CONTENT; RULE-MAKING.] The commissioner of transportation shall adopt by rule standards for the operation of vehicles used to provide special transportation service which are reasonably necessary to protect the health and safety of individuals using that service. The commissioner, as far as practicable, consistent with the purpose of the standards, shall avoid adoption of standards that unduly restrict any public or private entity or person from providing special transportation service because of the administrative or other cost of compliance.

Standards adopted under this section ~~may~~ *must* include but are not limited

to:

(a) Qualifications of drivers and attendants, including driver training requirements *that must be met before a driver provides special transportation;*

(b) Safety ~~equipment required for~~ of vehicles and necessary safety equipment;

(c) General requirements concerning *inspection and maintenance of vehicles, replacement vehicles, standard vehicle equipment of vehicles, and specialized equipment necessary to ensure vehicle usability and safety for disabled persons;* and

(d) Minimum insurance requirements.

The commissioner shall consult with the state council for the handicapped before making a decision on a variance from the standards.

Sec. 3. Minnesota Statutes 1986, section 174.30, is amended by adding a subdivision to read:

Subd. 2a. [VEHICLE AND EQUIPMENT SAFETY; PROVIDER RESPONSIBILITIES.] (a) Every special transportation service provider shall systematically inspect, repair, and maintain, or cause to be inspected, repaired, and maintained, the vehicles and equipment subject to the control of the provider. Each vehicle and its equipment must be inspected daily. A vehicle may not be operated in a condition that is likely to cause an accident or breakdown of the vehicle. Equipment, including specialized equipment necessary to ensure vehicle usability and safety for disabled persons, must be in proper and safe operating condition at all times.

(b) Each special transportation provider shall maintain the following records for each vehicle:

(1) an identification of the vehicle, including make, serial number, and year, and, if the vehicle is not owned by the provider, the name and address of the person furnishing the vehicle;

(2) a schedule of inspection and maintenance operations to be performed;

(3) a record of inspections, repairs, and maintenance showing the date and nature;

(4) a lubrication record; and

(5) a record of tests conducted to ensure that emergency doors or windows and wheelchair lifts function properly.

Sec. 4. Minnesota Statutes 1986, section 174.30, subdivision 4, is amended to read:

Subd. 4. [CERTIFICATE OF COMPLIANCE VEHICLE AND EQUIPMENT INSPECTION; PROCEDURES.] (a) The commissioner shall inspect or provide for the inspection of vehicles at least annually. In addition to scheduled annual inspections and reinspections scheduled for the purpose of verifying that deficiencies have been corrected, unannounced inspections of any vehicle may be conducted. The commissioner shall provide for the unannounced inspection quarterly of at least five percent of the vehicles operated by providers certified by the commissioner.

(b) On determining that a vehicle or vehicle equipment is in a condition that is likely to cause an accident or breakdown, the commissioner shall require the vehicle to be taken out of service immediately. The commis-

sioner of transportation shall issue an annual certificate of compliance for each vehicle used to provide special transportation service which complies with the standards adopted under this section. The commissioner shall issue a certificate of compliance to a vehicle subject to subdivision 3 only if the vehicle also complies with sections 299A.11 to 299A.18 require that vehicles and equipment not meeting standards be repaired and brought into conformance with the standards and shall require written evidence of compliance from the operator before allowing the operator to return the vehicle to service.

(c) The commissioner shall provide in the rules procedures for inspecting vehicles, removing unsafe vehicles from service, determining and requiring compliance and issuing the certificates. The procedures may include inspection of vehicles and examination of drivers, and reviewing driver qualifications.

Sec. 5. Minnesota Statutes 1986, section 174.30, is amended by adding a subdivision to read:

Subd. 4a. [CERTIFICATION OF SPECIAL TRANSPORTATION PROVIDERS.] The commissioner shall annually evaluate or provide for the evaluation of each provider of special transportation service regulated under this section and certify that the provider is in compliance with the standards under this section.

Sec. 6. Minnesota Statutes 1986, section 174.30, subdivision 6, is amended to read:

Subd. 6. [PREEMPTION OF OTHER REQUIREMENTS.] Notwithstanding any other law, ordinance or resolution to the contrary, an operator of special transportation service that has been issued a current certificate of compliance under subdivision 4 4a for a vehicle vehicles used to provide that service is not required to obtain any other state or local permit, license or certificate as a condition of operating the vehicle vehicles for that purpose. This subdivision does not exempt any vehicle from the requirements imposed on vehicles generally as a condition of using the public streets and highways.

Sec. 7. Minnesota Statutes 1986, section 174.30, subdivision 7, is amended to read:

Subd. 7. [ENFORCEMENT.] No state agency, political subdivision or other public agency shall provide any capital or operating assistance to or reimbursement for services rendered by any operator of special transportation service unless current certificates of compliance have been issued under subdivision 4 for the vehicles used by the operator to provide operator providing the service has a current certificate of compliance issued under section 5.

Sec. 8. Minnesota Statutes 1986, section 473.386, subdivision 1, is amended to read:

Subdivision 1. [PROJECT SERVICE OBJECTIVES.] The transit board shall implement a project to coordinate special transportation service, as defined in section 174.29, in the metropolitan area. The project service has the following objectives:

(a) to provide greater access to transportation for the elderly, handicapped, and others with special transportation needs in the metropolitan area;

(b) to develop an integrated system of special transportation service providing transportation tailored to meet special individual needs in the most cost-efficient manner; and

(c) to use existing public and, private, and private nonprofit providers of service wherever possible, to supplement rather than replace existing service, and to increase the productivity of all special transportation vehicles available in the area.

Sec. 9. Minnesota Statutes 1986, section 473.386, subdivision 2, is amended to read:

Subd. 2. ~~[FINANCING; IMPLEMENTATION SERVICE CONTRACTS; MANAGEMENT AND; ADVISORY GROUPS COMMITTEE.]~~ (a) The board shall contract for services necessary for the ~~project's operation~~ *provision of special transportation*. All transportation service ~~provided through the project~~ must be provided under a contract between the board and the provider which specifies the service to be provided, ~~the standards that must be met,~~ and the rates for ~~providing it operating and providing special transportation services.~~

(b) The board shall establish management policies for the ~~project service~~ but shall contract with a service administrator for day-to-day administration and management of the service. The contract must delegate to the service administrator clear authority to administer and manage the delivery of the service pursuant to board management policies and must establish performance and compliance standards for the service administrator.

(c) The board shall ensure that the service administrator establishes a system for registering and expeditiously responding to complaints by users, informing users of how to register complaints, and requiring providers to report on incidents that impair the safety and well-being of users or the quality of the service. The board shall annually report to the commissioner of transportation and the legislature on complaints and provider reports, the response of the service administrator, and steps taken by the board and the service administrator to identify causes and provide remedies to recurring problems.

(d) Within 90 days following the effective date of this act, the board shall hold a public hearing on standards for provider eligibility, selection, performance, compliance, and evaluation; the terms of provider contracts and the contract with the service administrator and related contract management policies and procedures of the board; fare policies; service areas, hours, standards, and procedures; and similar matters relating to implementation of the service. Each year before renewing contracts with providers and the service administrator, the board shall provide an opportunity for the advisory committee, users, and other interested persons to testify before the board concerning providers, contract terms, and other matters relating to board policies and procedures for implementing the service.

(e) The board shall establish an advisory committee of ~~individuals representing the~~ *individuals representing the*. The advisory committee must include elderly, and handicapped persons, ~~and other users of special transportation service provided by the project,~~ representatives of persons contracting to provide special transportation services for the ~~project,~~ and representatives of appropriate agencies for elderly and handicapped persons to advise the board on management policies for the ~~project service.~~ *At least half the committee members must be disabled or elderly persons or the representatives of disabled*

or elderly persons. Two of the appointments to the advisory committee shall be made by the state council for the handicapped in consultation with the chair of the regional transit board.

Sec. 10. Minnesota Statutes 1986, section 473.386, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF BOARD.] In implementing the ~~project special transportation service~~ the board shall:

(a) encourage participation in the ~~project service~~ by public and, private, and private nonprofit providers of special transportation ~~service~~ currently receiving capital or operating assistance from a public agency;

(b) contract with public and, private, and private nonprofit providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) encourage individuals using ~~service provided through the project special transportation~~ to use the type of service most appropriate to their particular needs;

(d) ensure that all persons providing ~~special transportation service through the project~~ receive equitable treatment in the allocation of the ridership;

(e) encourage shared rides to the greatest extent practicable;

(f) encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with ~~the project this service~~ and to allow reimbursement for ~~services transportation~~ provided through the ~~project service~~ at rates that reflect the public cost of providing ~~these services that transportation; and~~

(g) establish criteria to be used in determining individual eligibility for special transportation services;

(h) consult with the advisory committee in a timely manner before changes are made in the provision of special transportation services, including, but not limited to, changes in policies affecting the matters subject to hearing under section 9;

(i) provide for effective administration and enforcement of board policies and standards; and

(j) annually evaluate providers of special transportation service to ensure compliance with the standards established for the program.

Sec. 11. Minnesota Statutes 1986, section 473.386, subdivision 4, is amended to read:

Subd. 4. [COORDINATION REQUIRED.] The board may not grant any financial assistance to any recipient that proposes to use any part of the grant to provide special transportation service in the metropolitan area unless the program is coordinated with the ~~project board's special transportation service~~ in the manner determined by the board.

Sec. 12. Minnesota Statutes 1986, section 473.386, subdivision 6, is amended to read:

Subd. 6. [OPERATING AND SERVICE STANDARDS.] A ~~vehicle providing special transportation service which is subject to the operating standards adopted pursuant to section 174.30~~ may not be allowed to provide service through the project unless a current certificate of compliance has

been issued to the vehicle. A person operating or assisting the operation of a vehicle may leave the vehicle to enter premises in order to help a passenger who does not require emergency ambulance service. Operators and assistants shall provide the help necessary for door-through-door service, including help in entering and leaving the vehicle and help through the exterior entrance and over any exterior steps at either departure or destination buildings, provided that both the steps and the wheelchair are in good repair. If an operator or assistant refuses help because of the condition of the steps or the wheelchair, the operator of the service shall send letters to the *service administrator designated by the board and the, who shall notify the person denied service* describing the corrective measures necessary to qualify for service.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, section 473.386, subdivision 7, is repealed.

Sec. 14. [APPLICATION.]

Sections 8 to 12 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to transportation; providing for standards for special transportation service; requiring changes in the administration of special transportation service in the metropolitan area; amending Minnesota Statutes 1986, sections 174.30, subdivisions 1, 2, 4, 6, 7, and by adding subdivisions; 473.386, subdivisions 1, 2, 3, 4, and 6; repealing Minnesota Statutes 1986, section 473.386, subdivision 7."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1029: A bill for an act relating to utilities; establishing program to provide communication-impaired people with devices enabling their use of telephones; creating advisory committee and requiring report; providing for payment of costs of program; proposing coding for new law in Minnesota Statutes, chapter 237.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [237.50] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 1 to 8 have the meanings given them in this section.

Subd. 2. [COMMUNICATION-IMPAIRED.] "Communication-impaired" means certified as deaf, severely hearing-impaired, hard-of-hearing, speech-impaired, or deaf and blind.

Subd. 3. [COMMUNICATION DEVICE.] "Communication device" means a device that when connected to a telephone enables a communication-impaired person to communicate with another person utilizing the telephone system. A "communication device" includes a ring-signaler, an am-

plification device, and a telebraille unit.

Subd. 4. [THIRD-PARTY MESSAGE RELAY.] "Third-party message relay" means a central statewide service through which a communication-impaired person, using a communication device, may send and receive messages to and from a noncommunication-impaired person whose telephone is not equipped with a communication device and through which a noncommunication-impaired person may, by using voice communication, send and receive messages to and from a communication-impaired person.

Sec. 2. [237.51] [COMMUNICATION-IMPAIRED PROGRAM.]

The commission shall require the telephone company providing local exchange service to the largest number of customers in the state to establish and operate a program to provide communication devices and a message relay system for eligible communication-impaired persons. The company designated under this subdivision shall retain the services of a program administrator knowledgeable about the needs of communication-impaired people and experienced in administration to administer the communication-impaired program.

Sec. 3. [237.52] [COMMUNICATION DEVICES.]

Subdivision 1. [APPLICATION.] A person applying for a communication device under this section must apply to the program administrator retained under section 2, on a form prescribed by the administrator.

Subd. 2. [ELIGIBILITY.] To be eligible to obtain a communication device under this section, a person must be:

- (1) at least 18 years of age;*
- (2) communication-impaired;*
- (3) a resident of the state; and*

(4) a resident in a household that has a median income at or below the median household income in the state, except a deaf or blind person applying for a telebraille unit may reside in a household that has a median income no more than 150 percent of the median household income in the state.

Subd. 3. [DISTRIBUTION.] The company designated to operate the program under section 2 shall purchase and distribute to each telephone company providing local exchange service sufficient communication devices so that each eligible household receives an appropriate device. Each telephone company providing local exchange service shall be responsible for installing the communication devices free of charge, in each eligible household in its service area as directed by the administrator of the program. The initial distribution of the devices shall be on a priority basis as determined by the advisory committee under section 5.

Subd. 4. [TRAINING; MAINTENANCE.] The company providing local exchange service to an eligible household shall maintain the communication devices and provide training, without charge, to first-time users of the devices.

Subd. 5. [WIRING INSTALLATION.] If a communication-impaired person is not served by telephone service and is subject to economic hardship as determined by the advisory committee under section 5, the telephone company providing local service shall at the direction of the ad-

ministrator of the program install necessary outside and inside wiring without charge to the household.

Subd. 6. [OWNERSHIP.] All communication devices purchased by a company under this section shall be property of the company operating the program and are excluded from the company's rate base for the purpose of establishing rates under section 237.075.

Subd. 7. [STANDARDS.] The communication devices distributed under this section must comply with the electronic industries association standards and approved by the Federal Communications Commission. The company designated under section 2 must provide each eligible person a choice of several models of devices, the retail value of which may not exceed \$600 for a communication device for the deaf and a retail value of \$7,000 for a telebraille device.

Subd. 8. [REIMBURSEMENT.] The company designated under section 2 shall reimburse telephone companies for the cost of providing any service required to be provided under this section from moneys in the special account established under section 7.

Sec. 4. [237.53] [MESSAGE RELAY SERVICE.]

Subdivision 1. [ESTABLISHMENT.] The company designated under section 2 shall establish a third-party message relay service with an "800" number to enable telecommunication between communication-impaired persons and noncommunication-impaired persons. The advisory committee shall determine a base number of calls per month available without charge to users of the service.

Subd. 2. [CONTRACT FOR SERVICE.] The company designated under section 2 shall contract with a local consumer organization that serves communication-impaired persons for operation of the message relay system. The operator of the system shall keep all messages confidential, shall train personnel in the unique needs of communication-impaired people, and shall inform communication-impaired persons and the public of the availability and use of the system. The operator shall not relay a message unless it originates or terminates through a communication device for the deaf or a telebraille device.

Sec. 5. [237.54] [ADVISORY COMMITTEE.]

Subdivision 1. [CREATION.] An 11-member advisory committee is established to assist in establishing and administering the communication-impaired program.

Subd. 2. [MEMBERS.] The membership of the committee must include:

- (1) the commissioner of the department of human services or the commissioner's designee;*
- (2) the director of the department of public service or the director's designee;*
- (3) six communication-impaired persons appointed by the governor;*
- (4) one person chosen by the company required to manage the program;*
- (5) one member of the Minnesota telephone association chosen by the governor to represent other affected telephone companies; and*
- (6) one person appointed by the governor who is a professional in the*

area of communications disabilities.

Subd. 3. [REMOVAL; VACANCY.] The removal of members and filling of vacancies shall be handled as provided under section 15.059, subdivision 4.

Subd. 4. [EXPENSES.] Members of the advisory committee may be reimbursed for expenses incurred in attending meetings as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2.

Subd. 5. [MEETINGS.] The advisory committee shall meet at least monthly until December 31, 1988, and at least quarterly thereafter, to assist in establishing and implementing the program.

Subd. 6. [DUTIES.] The advisory committee's duties include:

(1) defining economic hardship household, special needs, telebraille device, and telecommunication devices for the deaf;

(2) establishing criteria for eligibility to receive communication devices, including establishing priority criteria based on economic hardship, household criteria, and special needs;

(3) establishing the base number of free calls per month available per line through the message relay service;

(4) approving the initial report required in section 6 that contains the plans for program operation and each annual report that follows; and

(5) studying the potential economic impact of the program on local communication device retailers and dispensers and developing guidelines for the purchase of some communication devices from local retailers and dispensers if the study determines that otherwise they will be economically harmed by implementation of sections 1 to 7.

Sec. 6. [237.55] [REPORTS; PLANS.]

The program administrator shall prepare a report for presentation to the commission not later than December 31, 1987, to include plans for distributing communication devices and establishing a third-party message relay service and an accounting of money received and disbursed to date. The provision of service required under sections 1 to 7 may begin when the plan is approved by the commission or March 1, 1988, whichever is earlier. Beginning in 1988, the program administrator must prepare a report for presentation to the commission by December 31 of each year through the year 1992. Each report must review the accessibility of the telephone system to communication-impaired persons, review the ability of noncommunication-impaired persons to communicate with communication-impaired persons via the telephone system, describe services provided, account for money received and disbursed annually for each aspect of the program to date, and include predicted future operation until the final report. The final report must, in detail, describe program operation and make recommendations for the funding and service level for necessary ongoing services. The commission may recommend changes in the program throughout its operation and shall make a recommendation to the legislature by February 1, 1993, for the future provision and maintenance of the services.

Sec. 7. [237.56] [SURCHARGE; ACCOUNT.]

Subdivision 1. [ASSESSMENT.] The program administrator, in consul-

tation with the department and the company designated to operate the program, shall annually recommend to the commission an adequate and appropriate mechanism to implement sections 1 to 7. The commission shall annually determine the funding mechanism to be used within 60 days of receipt of the recommendation of the program administrator and shall order the imposition of surcharges effective on the earliest practicable date. The commission shall establish a monthly charge no greater than 10 cents per average access line. The commission shall determine average access lines by using private branch exchange equivalents.

Subd. 2. [ACCOUNT.] Every telephone company providing local service in this state shall collect the charges established by the commission under subdivision 1 and monthly transfer the money received to the company designated to operate the program under section 2. The company operating the program must deposit money collected from its customers for charges under this section and money received by other companies under this subdivision into a separate account to be managed separately from other company accounts.

Subd. 3. [EXPENDITURES.] Money in the account established in this section may only be used for:

(1) administering the program including personnel cost, public relations, planning, advisory committee members' expenses, and other reasonable expenses, not to exceed 20 percent of total program expenditures;

(2) purchasing, distributing, and maintaining communication devices for eligible persons;

(3) creating, operating, and maintaining the third-party message relay system;

(4) installing wiring for telephone service in economic hardship households; and

(5) reimbursing telephone companies for services rendered under section 3.

Sec. 8. [237.57] [ADEQUATE SERVICE.]

The services required to be provided under sections 1 to 6 may be enforced under section 237.081 upon a complaint of at least two communication-impaired persons within the service area of any one telephone company, provided that if only one person within the service area of a company is receiving service under sections 1 to 6, the commission may proceed upon a complaint from that person.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective July 1, 1987, and are repealed effective June 30, 1993."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 286: A bill for an act relating to crimes; reclassifying the crimes of damage to property into degrees, including creating a new gross misdemeanor crime of damage to property; reclassifying the crimes relating to forgery into degrees, including creating the crime of uttering a forged

check; increasing the maximum fine for petty misdemeanor violations; increasing the maximum bail allowable for designated misdemeanor and gross misdemeanor violations; prescribing penalties; amending Minnesota Statutes 1986, sections 609.02, subdivision 4a; 609.224, subdivision 2; 609.52, subdivision 3; 609.595; 609.625; 609.63; 629.47; proposing coding for new law in Minnesota Statutes, chapters 609 and 629.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. [PHOTOGRAPHIC NEGATIVES; FILING; DATA CLASSIFICATION.] The department shall file, or contract to file, all photographic negatives obtained in the process of issuing driver licenses or Minnesota identification cards. The negatives shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographic negatives to data subjects. The use of the files is restricted to the issuance and control of driver licenses and for law enforcement purposes in the investigation and prosecution of felonies and violations of section 13, 169.09, 169.121, 169.123, 169.129, 171.22, 171.24, 171.30, ~~or 609.41~~, 609.487, subdivision 3, *or 609.821*.

Sec. 2. Minnesota Statutes 1986, section 487.25, subdivision 10, is amended to read:

Subd. 10. [PROSECUTING ATTORNEYS.] Except as otherwise provided by law, violations of state law that are petty misdemeanors or misdemeanors must be prosecuted by the attorney of the statutory or home rule charter city where the violation is alleged to have occurred. The statutory or home rule charter city may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other petty misdemeanors and misdemeanors must be prosecuted by the county attorney of the county in which the alleged violation occurred. All violations of a municipal ordinance, charter provision, rule, or regulation must be prosecuted by the attorney for the governmental unit that promulgated the municipal ordinance, charter provision, rule, or regulation or by the county attorney with whom it has contracted to prosecute these matters.

In the counties of Anoka, Carver, Dakota, Scott, and Washington, violations of state law that are petty misdemeanors, misdemeanors, or gross misdemeanors except as provided in section 388.051, subdivision 2, must be prosecuted by the attorney of the statutory or home rule charter city where the violation is alleged to have occurred. *In addition to those counties, in cities of the first, second, and third class, the city attorney responsible for prosecuting misdemeanor violations of chapter 609 is responsible for prosecuting gross misdemeanor violations of sections 609.52, 609.595, section 13, and 609.821.* The statutory or home rule charter city may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other petty misdemeanors, misdemeanors, or gross misdemeanors must be prosecuted by the county attorney of the county in which the alleged violation occurred. All violations of a municipal ordinance, charter provision, rule, or regu-

lation must be prosecuted by the attorney for the governmental unit that promulgated the municipal ordinance, charter provision, rule, or regulation or by the county attorney with whom it has contracted to prosecute these matters.

Sec. 3. Minnesota Statutes 1986, section 609.02, subdivision 4a, is amended to read:

Subd. 4a. [PETTY MISDEMEANOR.] "Petty misdemeanor" means a petty offense which is prohibited by statute, which does not constitute a crime and for which a sentence of a fine of not more than ~~\$100~~ \$200 may be imposed.

Sec. 4. [609.0331] [INCREASED MAXIMUM PENALTIES FOR PETTY MISDEMEANORS.]

Except as provided in this section, a law of this state that provides, on or after August 1, 1987, for a maximum penalty of \$100 for a petty misdemeanor is considered to provide for a maximum fine of \$200. However, a petty misdemeanor under section 152.15, subdivision 2, clause (5), or chapter 168 or 169 remains subject to a maximum fine of \$100, except that a violation of chapter 168 or 169 that was originally charged as a misdemeanor and is being treated as a petty misdemeanor under section 6 or the rules of criminal procedure is subject to a maximum fine of \$200.

Sec. 5. [609.0332] [INCREASED MAXIMUM PENALTY FOR PETTY MISDEMEANOR ORDINANCE VIOLATIONS.]

Subdivision 1. [INCREASED FINE.] From August 1, 1987, if a state law or municipal charter sets a limit of \$100 or less on the fines that a statutory or home rule charter city, town, county, or other political subdivision may prescribe for an ordinance violation that is defined as a petty misdemeanor, that law or charter is considered to provide that the political subdivision has the power to prescribe a maximum fine of \$200 for the petty misdemeanor violation.

Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, no fine of more than \$100 may be imposed for a petty misdemeanor ordinance violation which conforms in substantial part to a petty misdemeanor provision contained in section 152.15, subdivision 2, clause (5), or chapter 168 or 169.

Sec. 6. [609.131] [CERTIFICATION OF MISDEMEANOR AS PETTY MISDEMEANOR.]

Subdivision 1. [GENERAL RULE.] Except as provided in subdivision 2, an alleged misdemeanor violation must be treated as a petty misdemeanor if the prosecuting attorney believes that it is in the interest of justice that the defendant not be imprisoned if convicted and certifies that belief to the court at or before the time of arraignment or pretrial hearing, and the court approves of the certification motion. The defendant's consent to the certification is not required. When an offense is certified as a petty misdemeanor under this section, the defendant's eligibility for court-appointed counsel must be evaluated as though the offense were a misdemeanor.

Subd. 2. [CERTAIN VIOLATIONS EXCEPTED.] Subdivision 1 does not apply to a misdemeanor violation of section 169.121, 609.224, 609.324, subdivision 3, or 617.23, or an ordinance that conforms in substantial part to any of those sections. A violation described in this subdivision must be treated as a misdemeanor unless the defendant consents to the certification of the violation as a petty misdemeanor.

Subd. 3. [USE OF CONVICTION FOR ENHANCEMENT.] Notwithstanding any other law, a conviction for a violation that was originally charged as a misdemeanor and was treated as a petty misdemeanor under subdivision 1 or the rules of criminal procedure may not be used as the basis for charging a subsequent violation as a gross misdemeanor rather than a misdemeanor.

Sec. 7. Minnesota Statutes 1986, section 609.224, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] (a) Whoever violates the provisions of subdivision 1 against the same victim within five years of a previous conviction under subdivision 1 or sections 609.221 to ~~609.223~~ 609.2231 may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than \$3,000, or both.

(b) *Whoever violates the provisions of subdivision 1 within two years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

Sec. 8. Minnesota Statutes 1986, section 609.52, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] In this section:

(1) "Property" means all forms of tangible property, whether real or personal, without limitation including documents of value, electricity, gas, water, corpses, domestic animals, dogs, pets, fowl, and heat supplied by pipe or conduit by municipalities or public utility companies and articles, as defined in clause (4), representing trade secrets, which articles shall be deemed for the purposes of Extra Session Laws 1967, chapter 15 to include any trade secret represented by the article.

(2) "Movable property" is property whose physical location can be changed, including without limitation things growing on, affixed to or found in land.

(3) "Value" means the retail market value at the time of the theft, or if the retail market value cannot be ascertained, the cost of replacement of the property within a reasonable time after the theft, or in the case of a theft or the making of a copy of an article representing a trade secret, where the retail market value or replacement cost cannot be ascertained, any reasonable value representing the damage to the owner which the owner has suffered by reason of losing an advantage over those who do not know of or use the trade secret. For a theft committed within the meaning of subdivision 2, clause (5), (a) and (b), if the property has been restored to the owner, "value" means the value of the use of the property or the damage which it sustained, whichever is greater, while the owner was deprived of its possession, but not exceeding the value otherwise provided herein.

(4) "Article" means any object, material, device or substance, including any writing, record, recording, drawing, sample specimen, prototype, model, photograph, microorganism, blueprint or map, or any copy of any of the foregoing.

(5) "Representing" means describing, depicting, containing, constituting, reflecting or recording.

(6) "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

(i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and

(ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(7) "Copy" means any facsimile, replica, photograph or other reproduction of an article, and any note, drawing or sketch made of or from an article while in the presence of the article.

(8) "Property of another" includes property in which the actor is coowner or has a lien, pledge, bailment, or lease or other subordinate interest, and property of a partnership of which the actor is a member, unless the actor and the victim are husband and wife. It does not include property in which the actor asserts in good faith a claim as a collection fee or commission out of property or funds recovered, or by virtue of a lien, set-off, or counterclaim.

(9) "Services" include but are not limited to labor, professional services, transportation services, electronic computer services, the supplying of hotel accommodations, restaurant services, entertainment services, advertising services, telecommunication services, and the supplying of equipment for use.

~~(10) "Financial transaction card" means any instrument or device, whether known as a credit card, credit plate, charge plate, courtesy card, bank services card, banking card, check guarantee card, debit card, or by any other name, issued with or without fee by an issuer for the use of the cardholder in obtaining credit, money, goods, services, or anything else of value.~~

Sec. 9. Minnesota Statutes 1986, section 609.52, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING THEFT.] Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody or title to property of or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(a) the issuance of a check, draft, or order for the payment of money, *except a forged check as defined in section 13*, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or

to order the payment or delivery thereof; or

(b) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

(c) ~~the unauthorized use of a financial transaction card, or the number thereof, or other identification device issued by an organization to a person for use in purchasing goods or services on credit; or~~

(d) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and;

(a) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(b) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(c) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof, or any lessee of the property who sells, conveys or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease and with intent to deprive the lessor of possession thereof. Evidence that a lessee used a false or fictitious name or address in obtaining the property or fails or refuses to return the property

to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property with knowledge that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive or other connection, or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law Number 94-553, section 107; or

(13) except as provided in paragraphs (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(i) made or was aware of the connection; and

(ii) was aware that the connection was unauthorized; or

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it.

Sec. 10. Minnesota Statutes 1986, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) To imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was a controlled substance listed in schedule 1 or 2 pursuant to section 152.02 with the exception of marijuana; or

(2) To imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(a) the value of the property or services stolen is more than ~~\$250~~ \$500 but not more than \$2,500; or

(b) if the property stolen was a controlled substance listed in schedule 3, 4, or 5 pursuant to section 152.02; or

(c) the value of the property or services stolen is more than \$200 but not more than \$500 and the person has been convicted within the preceding five years for an offense under this section, section 13, or sections 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; and 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(3) To imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, notwithstanding the value of the property or services stolen is not more than ~~\$250~~ \$200, if any of the following circumstances exist:

(a) The property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(b) The property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(c) The property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(d) The property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(e) The property is a firearm; or

(4) To imprisonment for not more than ten years or to payment of a fine

of not more than \$20,000, or both, if the property stolen is an article representing a trade secret; or if the property stolen is an explosive or an incendiary device; or

(5) *To imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than \$200 but not more than \$500; or*

(6) In all other cases where the value of the property or services stolen is ~~\$250~~ \$200 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under clauses (1), (2), (3), (4), and (13) of subdivision 2 the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section is also responsible for prosecution of gross misdemeanor violations of this section.

Sec. 11. Minnesota Statutes 1986, section 609.595, is amended to read:
609.595 [DAMAGE TO PROPERTY.]

Subdivision 1. [~~AGGRAVATED CRIMINAL DAMAGE TO PROPERTY IN THE FIRST DEGREE.~~] Whoever intentionally causes damage to physical property of another without the latter's consent may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(1) the damage to the property caused a reasonably foreseeable risk of bodily harm; or

(2) The property damaged belongs to a public utility or a common carrier and the damage impairs the service to the public rendered by them; or

(3) the damage reduces the value of the property by more than ~~\$300~~ \$500 measured by the cost of repair and replacement; or

(4) *the damage reduces the value of the property by more than \$250 measured by the cost of repair and replacement and the defendant has been convicted within the preceding three years of an offense under this subdivision or subdivision 2.*

In any prosecution under clause (3), the value of any property damaged by the defendant in violation of that clause within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Subd. 2. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND DEGREE.] (a) ~~Whoever intentionally so causes such damage under any other circumstances is guilty of a misdemeanor to another person's physical property without the other person's consent may be sentenced to impris-~~

onment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by more than \$250 but not more than \$500 as measured by the cost of repair and replacement.

(b) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that clause within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

(c) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section is also responsible for prosecution of gross misdemeanor violations of this section.

Subd. 3. [CRIMINAL DAMAGE TO PROPERTY IN THE THIRD DEGREE.] Whoever intentionally causes damage described in subdivision 2 under any other circumstances is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 1986, section 609.625, is amended to read:
609.625 [AGGRAVATED FORGERY.]

Subdivision 1. [MAKING OR ALTERING WRITING OR OBJECT.] Whoever, with intent to defraud, falsely makes or alters a writing or object of any of the following kinds so that it purports to have been made by another or by the maker or alterer under an assumed or fictitious name, or at another time, or with different provisions, or by authority of one who did not give such authority, is guilty of aggravated forgery and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both:

(1) a writing or object whereby, when genuine, legal rights, privileges, or obligations are created, terminated, transferred, or evidenced, or any writing normally relied upon as evidence of debt or property rights, *other than a check as defined in section 13 or a financial transaction card as defined in section 609.821*; or

(2) an official seal or the seal of a corporation; or

(3) a public record or an official authentication or certification of a copy thereof; or

(4) an official return or certificate entitled to be received as evidence of its contents; or

(5) a court order, judgment, decree, or process; or

(6) the records or accounts of a public body, office, or officer; or

(7) the records or accounts of a bank or person, with whom funds of the state or any of its agencies or subdivisions are deposited or entrusted, relating to such funds; or

~~(8) a financial transaction card as defined in section 609.52.~~

Subd. 2. [MEANS FOR FALSE REPRODUCTION.] Whoever, with intent to defraud, makes, engraves, possesses or transfers a plate or instrument for the false reproduction of a writing or object mentioned in subdivision

1, a check as defined in section 13, or a financial transaction card as defined in section 609.821, may be sentenced as provided in subdivision 1.

Subd. 3. [UTTERING OR POSSESSING.] Whoever, with intent to defraud, utters or possesses with intent to utter any forged writing or object mentioned in subdivision 1, *not including a check as defined in section 13 or a financial transaction card as defined in section 609.821*, knowing it to have been so forged, may be sentenced as provided in subdivision 1.

Sec. 13. [609.631] [CHECK FORGERY; OFFERING A FORGED CHECK.]

Subdivision 1. [DEFINITIONS.] (a) *The definitions in this subdivision apply to this section.*

(b) "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

(c) "Property" and "services" have the meanings given in section 609.52.

Subd. 2. [CHECK FORGERY; ELEMENTS.] *A person who, with intent to defraud, falsely makes or alters a check so that it purports to have been made by another or by the maker under an assumed or fictitious name, or at another time, or with different provisions, or by the authority of one who did not give authority, is guilty of check forgery and may be sentenced as provided in subdivision 4.*

Subd. 3. [OFFERING A FORGED CHECK; ELEMENTS.] *A person who, with intent to defraud, offers, or possesses with intent to offer, a forged check, whether or not it is accepted, is guilty of offering a forged check and may be sentenced as provided in subdivision 4.*

Subd. 4. [SENTENCING.] *A person who is convicted under subdivision 2 or 3 may be sentenced as follows:*

(1) *to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than \$2,500 or the aggregate amount of the forged check or checks is more than \$2,500;*

(2) *to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:*

(a) *the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than \$200 but not more than \$2,500, or the aggregate face amount of the forged check or checks is more than \$200 but not more than \$2,500; or*

(b) *the forged check or checks are used to obtain or in an attempt to obtain, property or services of no more than \$200, or have an aggregate face value of no more than \$200, and the person has been convicted within the preceding five years for an offense under this section, sections 609.24; 609.245; 609.52; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; or 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; and*

(3) to imprisonment for not more than one year or to a fine of not more than \$3,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of no more than \$200, or the aggregate face amount of the forged check or checks is no more than \$200.

In any prosecution under this subdivision, the value of the checks forged or offered by the defendant in violation of this subdivision within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the checks was forged or offered for all of the offenses aggregated under this paragraph.

Sec. 14. Minnesota Statutes 1986, section 609.821, subdivision 1, is amended to read:

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

(a) "Financial transaction card" or "~~card~~" has the meaning given in section 609.52 means any instrument or device, whether known as a credit card, credit plate, charge plate, courtesy card, bank services card, banking card, check guarantee card, debit card, or by any other name, issued with or without fee by an issuer for the use of the cardholder in obtaining credit, money, goods, services, or anything else of value, and includes the account or identification number or symbol of a financial transaction card.

(b) "Cardholder" means a person in whose name a card is issued.

(c) "Issuer" means a person or firm, or a duly authorized agent, that issues a financial transaction card.

(d) "Property" includes money, goods, services, or anything else of value.

Sec. 15. Minnesota Statutes 1986, section 609.821, subdivision 2, is amended to read:

Subd. 2. [VIOLATIONS; PENALTIES.] A person who does any of the following commits financial transaction card fraud:

(1) without the consent of the cardholder, and knowing that the cardholder has not given consent, uses or attempts to use a card to obtain the property of another;

(2) uses or attempts to use a card knowing it to be forged, false, fictitious, or obtained in violation of clause (6);

(3) sells or transfers a card knowing that the cardholder and issuer have not authorized the person to whom the card is sold or transferred to use the card, or that the card is forged, false, fictitious, or was obtained in violation of clause (6);

(4) without a legitimate business purpose, and without the consent of the cardholders, receives or possesses, with intent to use, or with intent to sell or transfer in violation of clause (3), two or more cards issued in the name of another, or two or more cards knowing the cards to be forged, false, fictitious, or obtained in violation of clause (6);

(5) being authorized by an issuer to furnish money, goods, services, or anything else of value, knowingly and with an intent to defraud the issuer or the cardholder:

(i) furnishes money, goods, services, or anything else of value upon presentation of a financial transaction card knowing it to be forged, expired, or revoked, or knowing that it is presented by a person without authority to use the card; or

(ii) represents in writing to the issuer that the person has furnished money, goods, services, or anything else of value which has not in fact been furnished;

(6) upon applying for a financial transaction card to an issuer:

(i) knowingly gives a false name or occupation; or

(ii) knowingly and substantially overvalues assets or substantially undervalues indebtedness for the purpose of inducing the issuer to issue a financial transaction card; or

(7) with intent to defraud, falsely notifies the issuer or any other person of a theft, loss, disappearance, or nonreceipt of a financial transaction card;
or

(8) without the consent of the cardholder and knowing that the cardholder has not given consent, falsely alters, makes, or signs any written document pertaining to a card transaction to obtain or attempt to obtain the property of another.

Sec. 16. Minnesota Statutes 1986, section 609.821, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] A person who commits financial transaction card fraud may be sentenced as follows:

(1) for a violation of clause (1), (2) ~~or~~, (5), or 8 of subdivision 2, ~~in the manner provided in section 609.52, subdivision 3:~~

(i) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property the person obtained or attempted to obtain was more than \$2,500, or the aggregate amount of the transactions under this subdivision was more than \$2,500;
or

(ii) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the property the person obtained or attempted to obtain was more than \$200 but not more than \$2,500, or the aggregate amount of the transactions under this subdivision was more than \$200 but not more than \$2,500; or

(iii) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the property the person obtained or attempted to obtain was not more than \$200, or the aggregate amount of the transactions under this subdivision was not more than \$200, and the person has previously been convicted within the preceding five years for an offense under this section, sections 609.24; 609.245; 609.52; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; or section 13, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(iv) to imprisonment for not more than one year or to payment of a fine

of not more than \$3,000, or both, if the value of the property the person obtained or attempted to obtain was not more than \$200, or the aggregate amount of the transactions under this subdivision was not more than \$200; and

(v) in any prosecution under clauses (i) to (iv) of this subdivision, the value of the transactions made or attempted within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the card transactions occurred for all of the transactions aggregated under this paragraph;

(2) for a violation of clause (3) or (4) of subdivision 2, to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both; or

(3) for a violation of clause (6) or (7) of subdivision 2;

(a) (i) if no property, other than a financial transaction card, has been obtained by the defendant by means of the false statement or false report, to imprisonment for not more than ~~90 days~~ one year or to payment of a fine of not more than ~~\$300~~ \$3,000, or both; or

(b) (ii) if property, other than a financial transaction card, is so obtained, in the manner provided in ~~section 609.52, subdivision 3 clause (1) of this subdivision.~~

Sec. 17. Minnesota Statutes 1986, section 626A.05, subdivision 2, is amended to read:

Subd. 2. [OFFENSES FOR WHICH INTERCEPTION OF WIRE OR ORAL COMMUNICATION MAY BE AUTHORIZED.] A warrant authorizing interception of wire or oral communications by investigative or law enforcement officers may only be issued when the interception may provide evidence of the commission of gambling or any criminal felony offense involving murder, manslaughter, aggravated assault, aggravated robbery, kidnapping, aggravated rape, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary, forgery, aggravated forgery, *check forgery, financial transaction card fraud*, and offenses relating to controlled substances, or an attempt or conspiracy to commit any of these offenses, as punishable under sections 609.185, 609.19, 609.195, 609.20, 609.225, 609.245, 609.25, 609.291, 609.321 to 609.324, 609.42, 609.48, 609.485, subdivision 4, clause (1), 609.52, 609.53, 609.54, 609.58, 609.625, 609.63, *section 13, 609.76, 609.821, 609.825*, and chapter 152.

Sec. 18. Minnesota Statutes 1986, section 629.47, is amended to read:

629.47 [HEARING OR TRIAL ADJOURNED; RECOGNIZANCE ALLOWED.]

Subject to the right of the accused to a speedy trial as prescribed by the rules of criminal procedure, a court may adjourn a hearing or trial from time to time, as the need arises and reconvene it at the same or a different place in the county. During the adjournment, the person being tried may be released in accordance with rule 6.02 of the rules of criminal procedure. **The maximum cash bail that may be required for a person charged with a misdemeanor is double the highest cash fine which may be imposed for the offense.**

Sec. 19. [629.471] [MAXIMUM BAIL ON MISDEMEANORS; GROSS MISDEMEANORS.]

Subdivision 1. [DOUBLE THE FINE.] Except as provided in subdivision 2, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor offense is double the highest cash fine that may be imposed for that offense.

Subd. 2. [QUADRUPLE THE FINE.] For offenses under sections 169.09, 169.121, 169.129, 518B.01, 609.224, 609.487, and 609.525, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is quadruple the highest cash fine that may be imposed for the offense.

Sec. 20. [REVISOR'S INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes the revisor of statutes shall change laws that provide for a maximum fine of \$100 as a penalty for a petty misdemeanor violation to provide for a maximum fine of \$200. The change must be consistent with sections 3 and 4. The maximum fines for a petty misdemeanor under section 152.15, subdivision 2, clause (5), and chapters 168 and 169, must remain \$100 and must not be changed under this section.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 19 are effective August 1, 1987, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; providing for prosecution of certain gross misdemeanor violations; increasing the maximum fine for petty misdemeanor violations; creating a gross misdemeanor crime of damage to property; creating the crimes of check forgery and offering a forged check; increasing the maximum bail for certain misdemeanors and gross misdemeanors; prescribing penalties; amending Minnesota Statutes 1986, sections 171.07, subdivision 1a; 487.25, subdivision 10; 609.02, subdivision 4a; 609.224, subdivision 2; 609.52; 609.595; 609.625; 609.821; 626A.05, subdivision 2; and 629.47; proposing coding for new law in Minnesota Statutes, chapters 609 and 629."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 389: A bill for an act relating to health; providing for disposition of the remains of human fetuses; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 145.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, before "offspring" insert "dead"

Page 2, line 7, delete "interment" and insert "incineration, burial"

Page 2, delete lines 12 to 17

Page 2, line 18, delete "6" and insert "5"

Page 2, line 22, delete "7" and insert "6"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 956: A bill for an act relating to natural resources; providing eligibility requirements for waterbank agreements; providing requirements for the director of the division of waters; requiring the director to maintain current wetland values; authorizing wetland authorities to establish, maintain, and develop wetlands; amending drainage law definitions; prescribing payment of attorney fees on certain drainage issues appealed by the commissioner; prescribing general provisions for petitions; amending petition requirements; allowing drainage proceedings to be delayed; prescribing conditions for assessments against property within a municipality; prescribing extent of benefits and damages; requiring a benefits and damages statement and a property owner's report; providing drainage liens to be recorded against tracts of property; changing rates of interest to be paid during drainage proceedings; amending definition of repair; authorizing conditions for repair if design elevation is different than original construction elevation; providing easement for drainage authority to inspect drainage system; requiring permanent grass strips; apportioning repair costs; renumbering sections; providing penalties; amending Minnesota Statutes 1986, sections 40.072, subdivisions 3 and 6; 105.392; 105.40; 106A.005, subdivisions 2, 3, 4, 9, 10, 11, 12, 13, 14, 19, and by adding subdivisions; 106A.011, subdivisions 3 and 4; 106A.015; 106A.021, by adding subdivisions; 106A.031; 106A.051; 106A.055; 106A.081, subdivisions 2 and 3; 106A.091, subdivision 4; 106A.095, subdivisions 1, 3, and 4; 106A.101, subdivisions 2 and 4; 106A.215, subdivisions 4 and 5; 106A.221; 106A.225; 106A.231; 106A.235, subdivisions 1 and 2; 106A.241, subdivisions 1, 2, and 5; 106A.245; 106A.251; 106A.261, subdivisions 1, 3, 4, 5, 6, and 7; 106A.265, subdivision 1; 106A.271, subdivision 1; 106A.275; 106A.281; 106A.285, subdivisions 2, 4, 5, 6, 9, and 10; 106A.295; 106A.301; 106A.305, subdivision 1; 106A.311; 106A.315, subdivisions 1, 2, 5, 6, and by adding subdivisions; 106A.321, subdivision 1, and by adding a subdivision; 106A.325, subdivisions 2 and 3; 106A.335, subdivisions 1 and 3; 106A.341; 106A.345; 106A.351; 106A.401, subdivisions 2 and 6; 106A.405; 106A.411, subdivisions 3 and 4; 106A.501, subdivisions 4, 6, and 7; 106A.505, subdivisions 1, 2, 3, 7, and 8; 106A.511, subdivisions 1, 2, 3, and 5; 106A.515; 106A.525, subdivisions 2, 3, and 4; 106A.541; 106A.555, subdivision 2; 106A.601; 106A.605; 106A.611, subdivisions 2, 3, 6, and 7; 106A.615, subdivisions 4 and 7; 106A.635, subdivisions 1 and 10; 106A.645, subdivision 7; 106A.651, subdivision 1; 106A.655, subdivision 1; 106A.701, subdivision 1, and by adding a subdivision; 106A.705; 106A.715, subdivision 6; 106A.731, subdivision 1; 106A.741, subdivision 5; 106A.811, subdivisions 2, 4, and 5; 112.431, subdivision 2; 112.48, subdivision 1; 112.59; 112.60, subdivision 1; and 112.65, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 105A; proposing coding for new law in Minnesota Statutes, chapter 106A; repealing Minnesota Statutes 1986, sections 106A.005, subdivision 25; 106A.201; 106A.205; 106A.211; and 111.01 to 111.421.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 105.40, subdivision 11, is amended to read:

Subd. 11. [RULES TO STANDARDIZE FORMS.] The director is ~~authorized to formulate~~ *may adopt permanent and emergency rules so as to standardize the forms and sizes of maps, plats, drawings and specifications in public drainage proceedings and proceedings and undertakings pertaining relating to public waters of the state. The director must require the permanent grass strips acquired under section 106A.021 to be shown on the maps and maintain an inventory of all permanent grass strips acquired by drainage authorities.*

Sec. 2. Minnesota Statutes 1986, section 106A.005, subdivision 2, is amended to read:

Subd. 2. [AFFECTED.] "Affected" means benefited or damaged by a drainage system *or project.*

Sec. 3. Minnesota Statutes 1986, section 106A.005, subdivision 3, is amended to read:

Subd. 3. [AUDITOR.] "Auditor" means the auditor of the county where the petition for a drainage ~~system~~ *project* was properly filed.

Sec. 4. Minnesota Statutes 1986, section 106A.005, subdivision 4, is amended to read:

Subd. 4. [BOARD.] "Board" means the board of commissioners of the county where the drainage system *or project* is located.

Sec. 5. Minnesota Statutes 1986, section 106A.005, subdivision 9, is amended to read:

Subd. 9. [DRAINAGE AUTHORITY.] "Drainage authority" means the board or joint county drainage authority having jurisdiction over a drainage system *or project.*

Sec. 6. Minnesota Statutes 1986, section 106A.005, subdivision 10, is amended to read:

Subd. 10. [DRAINAGE LIEN.] "Drainage lien" means a ~~recorded~~ *recorded* lien ~~against~~ *recorded on* property for *the costs of* drainage proceedings and construction ~~costs~~ and interest on the lien, as provided under this chapter.

Sec. 7. Minnesota Statutes 1986, section 106A.005, is amended by adding a subdivision to read:

Subd. 10a. [DRAINAGE PROJECT.] "*Drainage project*" means a new drainage system, an improvement of a drainage system, an improvement of an outlet, or a lateral.

Sec. 8. Minnesota Statutes 1986, section 106A.005, subdivision 11, is amended to read:

Subd. 11. [DRAINAGE SYSTEM.] "Drainage system" means a ~~ditch and tile~~ *system of ditch or tile, or both, to drain property, including laterals, improvements, and improvements of outlets, that is proposed to, established by, or and constructed by a drainage authority.* "Drainage system" includes the improvement of a natural waterway used in the construction of a drainage system, and any part of a flood control plan proposed by the United States or its agencies in the drainage system.

Sec. 9. Minnesota Statutes 1986, section 106A.005, subdivision 12, is amended to read:

Subd. 12. [ENGINEER.] "Engineer" means the ~~county highway engineer of a county where affected property is located or a professional engineer registered under state law for a drainage project appointed by the drainage authority under section 106A.241, subdivision 1.~~

Sec. 10. Minnesota Statutes 1986, section 106A.005, subdivision 13, is amended to read:

Subd. 13. [ESTABLISHED.] "Established" means the drainage authority has made the ~~final~~ order to construct the drainage ~~system~~ project.

Sec. 11. Minnesota Statutes 1986, section 106A.005, subdivision 14, is amended to read:

Subd. 14. [LATERAL.] "Lateral" means any drainage construction by branch or extension, or a system of branches and extensions, *or a drain that connects or provides an outlet to property with an established drainage system.*

Sec. 12. Minnesota Statutes 1986, section 106A.005, is amended by adding a subdivision to read:

Subd. 16a. [OWNER.] "Owner" means an owner of property or a buyer of property under a contract for deed.

Sec. 13. Minnesota Statutes 1986, section 106A.005, is amended by adding a subdivision to read:

Subd. 16b. [PASSES OVER.] "Passes over" means in reference to property that has a drainage project or system, the 40-acre tracts or government lots and property that is bordered by, touched by, or underneath the path of the proposed drainage project.

Sec. 14. Minnesota Statutes 1986, section 106A.005, subdivision 19, is amended to read:

Subd. 19. [PROCEEDING.] "Proceeding" means a procedure under this chapter for or related to drainage that begins with filing a petition and ends by dismissal or establishment of a drainage ~~system~~ project.

Sec. 15. Minnesota Statutes 1986, section 106A.011, subdivision 3, is amended to read:

Subd. 3. [PERMISSION OF COMMISSIONER FOR WORK IN PUBLIC WATERS; APPLICATION.] (a) The drainage authority must receive permission from the commissioner to:

- (1) remove, construct, or alter a dam affecting public waters;
- (2) establish, raise, or lower the level of public waters; or
- (3) drain any portion of a public water.

(b) The petitioners for a proposed drainage ~~system~~ project or the drainage authority may apply to the commissioner for permission to do work in public waters or for the determination of public waters status of a water body or watercourse.

Sec. 16. Minnesota Statutes 1986, section 106A.011, subdivision 4, is amended to read:

Subd. 4. [FLOOD CONTROL.] The drainage authority may construct necessary dams, structures, and improvements and maintain them to impound and release flood water to prevent damage. The dams, structures, and improvements may be constructed with or without a drainage *system project*. For a water body or watercourse that is not public waters the drainage authority may:

(1) lower, or establish the height of water in the water body or watercourse to control flood waters;

(2) build structures and improvements to maintain a water body or watercourse for flood control or other public purposes; and

(3) construct dikes or dams in a water body to maintain water at the height designated by the drainage authority and to drain part of the water body.

Sec. 17. Minnesota Statutes 1986, section 106A.015, is amended to read:

106A.015 [CONSIDERATIONS BEFORE DRAINAGE WORK IS DONE.]

Subdivision 1. [ENVIRONMENTAL AND LAND USE CRITERIA.] Before establishing a drainage *system project* the drainage authority must consider:

(1) private and public benefits and costs of the proposed drainage *system project*;

(2) the present and anticipated agricultural land acreage availability and use in the drainage *project or system*;

(3) the present and anticipated land use within the drainage *project or system*;

(4) flooding characteristics of property in the drainage *project or system and downstream for 5, 10, 25, and 50-year flood events*;

(5) the waters to be drained and alternative measures to conserve, allocate, and ~~develop~~ use the waters *including storage and retention of drainage waters*;

(6) the effect on water quality of constructing the proposed drainage *system project*;

(7) fish and wildlife resources affected by the proposed drainage *system project*;

(8) shallow groundwater availability, distribution, and use in the drainage *project or system*; and

(9) the overall environmental impact of all the above criteria.

Subd. 2. [DETERMINING PUBLIC UTILITY, BENEFIT, OR WELFARE.] In any proceeding to establish a drainage *system project*, or in the construction of or other work affecting a public drainage system under any law, the drainage authority or other authority having jurisdiction of the proceeding must give proper consideration to conservation of soil, water, forests, wild animals, and related natural resources, and to other public interests affected, together with other material matters as provided by law in determining whether the project will be of public utility, benefit, or welfare.

Sec. 18. Minnesota Statutes 1986, section 106A.021, is amended by adding a subdivision to read:

Subd. 4. [COMPLIANCE WORK BY DRAINAGE AUTHORITY.] If a property owner does not bring an area into compliance with this section as provided in the compliance notice, the inspection committee or drainage inspector must notify the drainage authority. If a property owner does not bring an area into compliance after being notified under section 106A.705, subdivision 1a, the drainage authority must issue an order to have the work performed to bring the property into compliance. After the work is completed, the drainage authority must send a statement of the expenses incurred to bring the property into compliance to the auditor of the county where the property is located and to the property owner.

Sec. 19. Minnesota Statutes 1986, section 106A.021, is amended by adding a subdivision to read:

Subd. 5. [COLLECTION OF COMPLIANCE EXPENSES.] (a) The amount of the expenses is a lien in favor of the drainage authority against the property where the expenses were incurred. The auditor must certify the expenses and enter the amount in the same manner as other drainage liens on the tax list for the following year. The amount must be collected in the same manner as real estate taxes for the property. The provisions of law relating to the collection of real estate taxes shall be used to enforce payment of amounts due under this section. The auditor must include a notice of collection of compliance expenses with the tax statement.

(b) The amounts collected under this subdivision must be deposited in the drainage system account.

Sec. 20. Minnesota Statutes 1986, section 106A.031, is amended to read:

106A.031 [CONNECTION WITH DRAINS IN ADJOINING STATES.]

Subdivision 1. [PROCEDURE.] If it is necessary to construct a drainage system project at or near the boundary between this state and another state or country and the work cannot be done in a proper manner without extending the drainage system project into the adjoining state or country, the drainage authority may join with the board or tribunal of the adjoining state or country having jurisdiction to plan and construct public drainage systems. The drainage authority in this state may enter into contracts or arrangements with the board or tribunal of the adjoining state or country to construct the drainage system project. The proceeding and construction related to property in this state and, as applicable, the drainage authority in relation to the joint drainage work, are governed by this chapter.

Subd. 2. [PAYMENT OF COSTS.] The adjoining county or district in another state or country must pay its proper share of the necessary costs of the construction of any drainage work including damages. If the benefits to property in the adjoining state or country are not sufficient to pay all the costs of construction of the drainage system project in that state or country, including damages, the drainage authority may authorize or direct the affected counties to contribute sufficient funds to complete the construction of the drainage system project in the adjoining state or country, if the construction will be of sufficient benefit to the affected property in this state to warrant the contribution.

Sec. 21. [106A.043] [INFORMAL MEETINGS.]

A drainage authority may hold informal meetings in addition to the meetings and hearings required in this chapter to inform persons affected by the drainage system about the drainage proceedings and provide a forum for informal discussions.

Sec. 22. Minnesota Statutes 1986, section 106A.051, is amended to read:

106A.051 [DEFECTIVE PROCEEDINGS.]

(a) A party may not take advantage of an error in a drainage proceeding or an informality, error, or defect appearing in the record of the proceeding or construction, unless the party complaining is directly affected. The modification of the benefits or damages to any property, or the enjoining of collection of any assessment, does not affect any other property or the collection of any assessment on other property.

(b) If a drainage ~~system~~ *project* has been established and a contract awarded in good faith, without collusion, and at a reasonable price:

(1) a defect or lack of notice in awarding, making, or executing the contract does not affect the enforcement of an assessment; and

(2) if the contract is performed in good faith in whole or in part, a defect does not invalidate the contract.

Sec. 23. Minnesota Statutes 1986, section 106A.055, is amended to read:

106A.055 [REIMBURSEMENT OF COST OF FORMER SURVEYS WHEN USED LATER.]

If after a proceeding has begun a survey has been made and a proceeding to establish a drainage ~~system~~ *project* has been dismissed or the drainage ~~system~~ *project* has not been established, and all or a part of the former survey is used by the engineer for a drainage proceeding in the same area, the amount saved in the subsequent proceedings must be paid to the proper parties according to this section. If the parties who paid the expense of the former survey make a petition, the drainage authority shall:

(1) determine the amount of benefit that was derived by the subsequent proceedings from the former survey;

(2) order the amount of the benefit to be paid to the proper parties; and

(3) charge the amount paid as a cost of the subsequent drainage proceeding.

Sec. 24. Minnesota Statutes 1986, section 106A.081, subdivision 2, is amended to read:

Subd. 2. [OBSTRUCTION OR DAMAGE OF A DRAINAGE SYSTEM.] A person may not willfully obstruct or damage a drainage *project* or *system project*.

Sec. 25. Minnesota Statutes 1986, section 106A.081, subdivision 3, is amended to read:

Subd. 3. [ALTERING ENGINEER'S MARKING OF STAKES.] A person may not willfully change the location or alter markings of stakes set by the engineer in a drainage *project* or *system*.

Sec. 26. Minnesota Statutes 1986, section 106A.091, subdivision 4, is amended to read:

Subd. 4. [APPEAL TRIAL.] (a) The issues in the appeal are entitled to a trial by a jury ~~at the next term of~~ in the district court ~~after the appeal is filed that is held within~~ of the county where the drainage proceeding was pending.

(b) ~~If~~ *At the request of the appellant requests it*, the trial must be held ~~at the next term of~~ the district court of the county where the affected property is located. The court administrator of the district court where the appeal is first filed shall make, certify, and file with the court administrator of the district court of the county where the trial is transferred, a transcript of the papers and documents on file in the court administrator's office in the proceedings related to the matters of the appeal. After the final determination of the appeal, the court administrator of the district court that tried the appeal shall certify and return the verdict to the district court of the county where the drainage proceedings were filed.

(c) The appeal shall take precedence over all other civil court matters. If there is more than one appeal to be tried in one county, the court may, on its own motion or the motion of an interested party, consolidate two or more appeals and try them together, but the rights of the appellants must be determined separately. If the appellant does not prevail, the cost of the trial must be paid by the appellant.

(d) The court administrator of the district court where the appeal is filed shall file a certified copy of the final determination of the appeal with the auditor of the affected counties.

Sec. 27. Minnesota Statutes 1986, section 106A.095, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF APPEAL.] A party may appeal an order made by the board that dismisses drainage proceedings or establishes or refuses to establish a drainage ~~system~~ *project* to the district court of the county where the drainage proceedings are pending. The appellant must serve notice of the appeal to the auditor within 30 days after the order is filed. After notice of the appeal is served, the appeal may be brought to trial by the appellant or the drainage authority after notifying the other party at least ten days before the trial date.

Sec. 28. Minnesota Statutes 1986, section 106A.095, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION OF BENEFITS AND DAMAGES AFTER COURT ORDER.] If the order establishing a drainage ~~system~~ *project* is appealed, the trial of appeals related to benefits or damages in the drainage proceeding must be stayed until the establishment appeal is determined. If the order establishing the drainage ~~system~~ *project* is affirmed, appeals related to benefits and damages must then be tried.

Sec. 29. Minnesota Statutes 1986, section 106A.095, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE IF APPEAL ORDER ESTABLISHES DRAINAGE ~~SYSTEM PROJECT~~.] If an order refusing to establish a drainage ~~system~~ *project* is appealed, and the court, by order, establishes the drainage ~~system~~ *project*, the auditor shall give notice by publication of the filed order. The notice is sufficient if it refers to the drainage *project or system* by number or other descriptive designation, states the meaning of the order, and states the date the court order was filed. A person may appeal the

establishment order to the district court as provided in this section.

Sec. 30. [106A.097] [PAYMENT OF ATTORNEY FEES ON APPEAL.]

If the commissioner of natural resources is a party making an appeal under section 106A.091 or 106A.095 and the commissioner does not prevail on the issues appealed, the court may award attorney fees to the party prevailing on the appeal. If more than one issue is appealed and the commissioner prevails on some issues and does not prevail on others, the court shall determine the amount of the attorney fee to be awarded.

Sec. 31. Minnesota Statutes 1986, section 106A.101, subdivision 2, is amended to read:

Subd. 2. [RECORD REQUIREMENTS.] All maps, plats, profiles, plans, and specifications prepared and used in relation to a proceeding must:

- (1) be uniform;
- (2) have each sheet bound and marked to identify the proceeding by the drainage *project and* system number;
- (3) show the name of the person preparing the sheet;
- (4) show the date the sheet was prepared; and
- (5) conform to rules and standards prescribed by the director of the division of waters.

Sec. 32. Minnesota Statutes 1986, section 106A.101, subdivision 4, is amended to read:

Subd. 4. [ENGINEER'S DOCUMENTS.] All original plats, profiles, records, and field books made by the engineer during the proceedings or the construction of a drainage ~~system~~ *project* are public records and the property of the drainage authority. These public records must be filed with the auditor under the direction of the drainage authority when construction is completed or when the engineer stops acting for the drainage ~~system~~ *project*, whichever is earlier.

Sec. 33. [106A.202] [PETITIONS.]

Subdivision 1. [APPLICABILITY.] This section applies to a petition for a drainage project or a petition for repair.

Subd. 2. [SIGNATURES ON PETITION.] (a) *A petition must be signed by a requisite number of owners of 40-acre tracts or government lots and property that the drainage project described in the petition passes over, or by the property owners of the required percentage of the property area determined by the total and percentage of area of 40-acre tracts or government lots that the proposed drainage project passes over, excluding areas in and holders of easements for utilities and roads. A petition may be signed by the commissioner of transportation or by a political subdivision if the property is in their jurisdiction and is passed over by the proposed drainage project.*

(b) *Each separate parcel of property counts as one signature but must be signed by all owners to count as a signature. The signature of each entity regardless of the number of parcels of property owned counts as one signature on the petition.*

(c) *Paragraph (a) does not apply to a petition for an improvement of an outlet.*

Subd. 3. [WITHDRAWAL OF A PETITIONER.] After a petition has been filed, a petitioner may not withdraw from the petition except with the written consent of all other petitioners on the filed petition.

Subd. 4. [FILING PETITION AND BOND.] A petition for a drainage project and a bond must be filed with the auditor. If a drainage system is within two or more counties, the petition must be filed with the auditor of the county with the greatest area of property that the proposed drainage project passes over.

Subd. 5. [PETITIONERS' BOND.] One or more petitioners must file a bond with the petition for at least \$10,000 that is payable to the county where the petition is filed, or for a petition for a proposed joint county drainage system or a petition for a drainage project affecting a joint county drainage system. The bond must be payable to all of the counties named in the petition. The bond must have adequate surety and be approved by the county attorney. The bond must be conditioned to pay the costs incurred if the proceedings are dismissed or a contract is not awarded to construct the drainage system proposed in the petition.

Subd. 6. [EXPENSES NOT TO EXCEED BOND.] The costs incurred before the proposed drainage project is established may not exceed the amount of the petitioners' bond. A claim for expenses greater than the amount of the bond may not be paid unless an additional bond is filed. If the drainage authority determines that the cost of the proceeding will be greater than the petitioners' bond before the proposed drainage project is established, the drainage authority must require an additional bond to cover all costs to be filed within a prescribed time. The proceeding must be stopped until the additional bond prescribed by the drainage authority is filed. If the additional bond is not filed within the time prescribed, the proceeding must be dismissed.

Sec. 34. [106A.212] [NEW DRAINAGE SYSTEM PROJECTS.]

Subdivision 1. [PROCEDURE.] To establish a new drainage system under this chapter, the petitioners and drainage authority must proceed according to this section and the provisions applicable to establishment of drainage projects.

Subd. 2. [SIGNATURES ON PETITION.] The petition for a new drainage system must be signed by a majority of the owners of the property that the proposed drainage system described in the petition passes over, or by the property owners of at least 60 percent of the area that the proposed new drainage system passes over.

Subd. 3. [PETITION REQUIREMENTS.] The petition must:

(1) describe the 40-acre tracts or government lots and property where the proposed new drainage system passes over, including names and addresses of the property owners from the county assessor's office;

(2) describe the starting point, the general course, and the terminus of the proposed drainage system;

(3) state why the proposed drainage system is necessary;

(4) state that the proposed drainage system will benefit and be useful to the public and will promote public health; and

(5) state that the petitioners will pay all costs of the proceedings if the proceedings are dismissed or the contract for the construction of the pro-

posed drainage system is not awarded.

Sec. 35. Minnesota Statutes 1986, section 106A.215, subdivision 4, is amended to read:

Subd. 4. [PETITION.] (a) ~~To start an improvement proceeding.~~ A petition must be signed by:

(1) at least 26 percent of the ~~resident~~ owners of the property affected by the proposed improvement;

(2) at least 26 percent of the ~~resident~~ owners of property that the proposed improvement passes over;

(3) the owners of at least 26 percent of the property area affected by the proposed improvement; or

(4) the owners of at least 26 percent of the property area that the proposed improvement passes over.

(b) The petition must be filed with the auditor or, for a drainage system in more than one county, with the auditor of the county having the largest area of property the improvement is located on.

(c) ~~The provisions of section 106A.201, subdivision 3, regarding signatures of public officials apply to this subdivision.~~

(~~d~~) The petition must:

(1) designate the drainage system proposed to be improved by number or another description that identifies the drainage system;

(2) state that the drainage system has insufficient capacity or needs enlarging or extending to furnish sufficient capacity or a better outlet;

(3) describe the starting point, general course, and terminus of any extension;

(4) *describe the improvement, including the names and addresses of owners of the 40-acre tracts or government lots and property that the improvement passes over;*

(5) state that the proposed improvement will be of public utility and promote the public health; and

(~~5~~) (6) contain an agreement by the petitioners that they will pay all costs and expenses that may be incurred if the improvement proceedings are dismissed.

Sec. 36. Minnesota Statutes 1986, section 106A.215, subdivision 5, is amended to read:

Subd. 5. [SUBSEQUENT PROCEEDINGS.] When a petition and the bond required by section 106A.205 are filed, the auditor shall present the petition to the board at its next meeting or, for a joint county drainage system, to the joint county drainage authority within ten days after the petition is filed. The drainage authority shall appoint an engineer to examine the drainage system and make an improvement report. The improvement proceedings must proceed under this chapter as provided for the original proceedings for the establishment of a drainage ~~system~~ *project*. The benefits and damages determined must be as a result of the proposed improvement. Assessments for the repair of the improvement must be based on the benefits determined for the improvement.

Sec. 37. Minnesota Statutes 1986, section 106A.221, is amended to read:

106A.221 [IMPROVEMENT OF OUTLETS.]

Subdivision 1. [CONDITIONS FOR IMPROVEMENT OF OUTLETS.] If a public or private, proposed *drainage project* or existing drainage system has waters draining into an existing drainage system, watercourse, or body of water, and the construction or proposed construction of the drainage ~~system~~ *project* causes an overflow of the existing drainage system, watercourse, or body of water on adjoining property, an affected county or the owners of the overflowed property may start outlet improvement proceedings under this section.

Subd. 2. [PETITION.] (a) A petition must be signed by the board of an affected county, by at least 26 percent of the ~~resident~~ owners of adjoining overflowed property, or by the owners of at least 26 percent of the area of the overflowed property. The petition must:

(1) describe the property that has been or is likely to be overflowed *including the names and addresses of the property owners from the county assessor's office*;

(2) state in general terms by number or otherwise the drainage systems that have caused or are likely to cause the overflow;

(3) describe the location of the overflowed drainage system, watercourse, or body of water and the outlet;

(4) show the necessity of the improvement by enlarging the system or controlling the waters by off-take ditches, additional outlets, or otherwise;

(5) show that the outlet improvement will protect the adjoining property from overflow;

(6) state that the improvement will be of public benefit and utility and improve the public health; and

(7) state that the petitioners will pay all costs incurred if the proceedings are dismissed or a contract for the construction outlet improvement is not awarded.

(b) The petitioners, except for a petition made by the board, shall give the *required bond* ~~required by section 106A.205~~.

Subd. 3. [FILING OF PETITION.] The petition shall be filed with the county auditor. If the board makes the petition, it must be addressed to the drainage authority and filed with the auditor. If part of the improvement or the overflowed property is located in more than one county, the petition must be filed with the auditor *of the county with the greatest affected area*.

Subd. 4. [JURISDICTION OF ~~BOARD AND DISTRICT COURT~~ *DRAINAGE AUTHORITY*.] After the petition is filed, the board or joint county drainage authority where the petition is filed, has jurisdiction of the petition, the improvement, the affected property, and all proceedings for the establishment and construction of the outlet improvement and the assessment of property benefited by the outlet improvement, as provided for establishment and construction of a drainage ~~system~~ *project* under this chapter.

Subd. 5. [PRELIMINARY SURVEY REPORT REQUIREMENTS.] In the preliminary survey report, the engineer shall show the existing or pro-

posed drainage *projects or* systems that cause the overflow, the property drained or to be drained by the drainage *system project*, and the names of affected property owners.

Subd. 6. [BENEFITED PROPERTY TO BE DETERMINED BY VIEWERS.] If, after the preliminary survey report hearing, a detailed survey is ordered and viewers appointed, the viewers shall determine and report the benefits to all property from the outlet improvement including property drained or to be drained by the existing ~~or~~ *drainage system and* proposed drainage *system project*.

Sec. 38. Minnesota Statutes 1986, section 106A.225, is amended to read:

106A.225 [LATERALS.]

Subdivision 1. [PETITION.] (a) Persons that own property in the vicinity of an existing drainage system may petition for a lateral that connects their property with the drainage system. The petition must be signed by at least 26 percent of the ~~resident~~ owners of the property or by the owners of at least 26 percent of the area of the property ~~traversed by that~~ the lateral *passes over*. The petition must be filed with the auditor, or for property in more than one county, the petition must be filed with the auditor of the county with the largest property area ~~traversed by~~ *passed over by* the lateral. The petition must:

(1) describe in general terms the starting point, general course, and terminus of the proposed lateral;

(2) describe the property traversed by the lateral *including the names and addresses of the property owners from the county assessor's office*;

(3) state the necessity to construct the lateral;

(4) state that, if constructed, the lateral will be of public benefit and utility and promote the public health;

(5) request that the lateral be constructed and connected with the drainage system; and

(6) provide that the petitioners will pay all costs incurred if the proceedings are dismissed or if a contract for the construction of the lateral is not awarded.

(b) The petitioners shall give the bond required by section 106A.205.

Subd. 2. [ESTABLISHMENT PROCEDURE.] After the petition is filed, the procedure to establish and construct the lateral is the same as that provided in this chapter to establish a ~~new~~ drainage *system project*.

Subd. 3. [AUTHORITY NECESSARY FOR PROPERTY NOT ASSESSED.] A lateral may not be constructed to drain property that is not assessed benefits for the existing ~~public~~ drainage system until express authority for the use of the existing *drainage* system as an outlet for the lateral has been obtained under section 106A.401.

Sec. 39. Minnesota Statutes 1986, section 106A.231, is amended to read:

106A.231 [DISMISSAL OR DELAY OF PROCEEDINGS BY PETITIONERS.]

Subdivision 1. [DISMISSAL.] (a) A proceeding under this chapter may

be dismissed by a majority of the petitioners if they own at least 60 percent of the area owned by all of the petitioners as described in the petition.

(b) The proceeding may be dismissed at any time before the proposed drainage system project is established after payment of the cost of the proceeding. If the costs cannot be collected, each and all petitioners are liable for unpaid assessments. The drainage authority shall determine and assess the cost of the proceeding against the persons liable. After the proceeding is dismissed any other action on the proposed drainage system project must begin with a new petition.

Subd. 2. [DELAY.] The drainage authority may delay drainage proceedings and drainage project construction under this chapter if a majority of the petitioners petition for a delay and the drainage authority holds a hearing on the petition. The delay may be for a period determined by the drainage authority. The drainage authority shall determine the cost of the proceedings up to the time the proceedings are delayed and when the costs are to be paid. The costs may include interest on the costs due.

Sec. 40. Minnesota Statutes 1986, section 106A.235, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION.] A petition for a proposed drainage system project in two or more counties must be designated as a joint county drainage system with a number assigned by the auditor of the county with the largest area of property in the drainage system.

Sec. 41. Minnesota Statutes 1986, section 106A.235, subdivision 2, is amended to read:

Subd. 2. [JOINT COUNTY DRAINAGE AUTHORITY.] The board where a petition for a proposed joint county drainage system project is filed shall notify the board of each county where property is affected by the drainage system and request the boards to meet jointly and consider the petition. The boards shall select five of their members at the meeting to be the drainage authority. At least one member must be from each board. The drainage authority shall be known as the joint county drainage authority with a joint county drainage project or system number. A vacancy in the membership of the joint county drainage authority must be filled by joint action of the boards.

Sec. 42. [106A.238] [COUNTY ATTORNEY REVIEW OF PETITION AND BOND.]

For a petition filed under this chapter, the auditor must have the county attorney review the petition and bond to determine if it meets the requirement of the proceedings for which it is intended. The county attorney must review the petition and bond within 30 days after it is filed. The county attorney must:

(1) refer the petition and bond back to the petitioners if it does not meet the requirements, with the county attorney's opinion describing the deficiencies of the petition; or

(2) refer the petition to the drainage authority.

Sec. 43. Minnesota Statutes 1986, section 106A.241, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] Within 30 days after filing the receiving a petition and bond from the county attorney, the drainage authority

shall, by order, appoint an engineer to make a preliminary survey within a prescribed time. *The engineer must be the county highway engineer of a county where the affected property is located or a professional engineer registered under state law.* The engineer is the engineer for the drainage ~~system~~ project throughout the proceeding and construction unless otherwise ordered. Each appointed engineer must file an oath and bond. The engineer may be removed by the drainage authority at any time. If the engineer position is vacant, the drainage authority shall appoint another engineer as soon as possible.

Sec. 44. Minnesota Statutes 1986, section 106A.241, subdivision 2, is amended to read:

Subd. 2. [OATH; BOND.] An appointed engineer must subscribe to an oath to faithfully perform the assigned duties in the best manner possible and file a bond with the auditor. Within ten days after being appointed, the drainage authority shall set an amount of at least \$5,000 for the bond. The bond must have adequate surety and be payable to the county where the petition is filed, or for a proposed joint county drainage ~~system~~ project to all counties in the petition. The bond must be conditioned to pay any person or the drainage authority for damages and injuries resulting from negligence of the engineer while the engineer is acting in the proceedings or construction, and provide that the engineer will diligently and honestly perform the engineer's duties. The bond is subject to approval by the auditor. The aggregate liability of the surety for all damages may not exceed the amount of the bond.

Sec. 45. Minnesota Statutes 1986, section 106A.241, subdivision 5, is amended to read:

Subd. 5. [CONSULTING ENGINEER.] After the engineer is appointed and before construction of the drainage ~~system~~ project is finished, the drainage authority may employ an engineer as a consulting engineer for the proceeding and construction. A consulting engineer shall advise the engineer and drainage authority on engineering matters and problems that may arise related to the proceeding and construction of the drainage ~~system~~ project. The drainage authority shall determine the compensation for the consulting engineer.

Sec. 46. Minnesota Statutes 1986, section 106A.245, is amended to read:

106A.245 [PRELIMINARY SURVEY AND PRELIMINARY SURVEY REPORT.]

Subdivision 1. [SURVEY.] The engineer shall proceed promptly to:

- (1) examine the petition and order;
- (2) make a preliminary survey of the area likely to be affected by the proposed drainage ~~system~~ project to enable the engineer to determine whether the proposed drainage ~~system~~ project is necessary and feasible with reference to the environmental and land use criteria in section 106A.015, subdivision 1;
- (3) examine and gather information related to determining whether the proposed drainage ~~system~~ project substantially affects areas that are public waters; and
- (4) if the proposed drainage ~~system~~ project requires construction of an

open channel, examine the nature and capacity of the outlet and any necessary extension.

Subd. 2. [LIMITATION OF SURVEY.] The engineer shall restrict the preliminary survey to the drainage area described in the petition, except that to secure an outlet the engineer may run levels necessary to determine the distance for the proper fall. The preliminary survey must consider the impact of the proposed drainage ~~system~~ *project* on the environmental and land use criteria in section 106A.015, subdivision 1. The drainage authority may have other areas surveyed after:

- (1) giving notice by mail of a hearing to survey additional areas, to be held at least ten days after the notice is mailed, to the petitioners and persons liable on the petitioners' bond;
- (2) holding the hearing;
- (3) obtaining consent of the persons liable on the petitioners' bond; and
- (4) ordering the additional area surveyed by the engineer.

Subd. 3. [ADOPTION OF FEDERAL PROJECT.] The engineer may approve and include as a part of the report, a project of the United States relating to drainage or flood control that is within the proposed drainage ~~system~~ *project* area, and may accept data, plats, plans, or information relating to the project furnished by United States engineers. The engineer does not need to make the preliminary survey if the material furnished by the United States is sufficient for the engineer to make the preliminary survey report.

Subd. 4. [PRELIMINARY SURVEY REPORT.] The engineer shall report the proposed drainage ~~system~~ *project* plan or recommend a different practical plan. The report must give sufficient information, in detail, to inform the drainage authority on issues related to feasibility, and show changes necessary to make the proposed plan practicable and feasible including extensions, laterals, and other work. If the engineer finds the proposed drainage ~~system~~ *project* in the petition is feasible and complies with the environmental and land use criteria in section 106A.015, subdivision 1, the engineer shall include in the preliminary survey report a preliminary plan of the ~~proposed system~~ *drainage project* showing the proposed ditches, tile, laterals, and other improvements, the outlet of the ~~system~~ *project*, the watershed of the drainage ~~project or system~~, and the property likely to be affected and its known owners. The plan must show:

- (1) the elevation of the outlet and the controlling elevations of the property likely to be affected referenced to standard sea level datum, if practical;
- (2) the probable size and character of the ditches and laterals necessary to make the plan practicable and feasible;
- (3) the character of the outlet and whether it is sufficient;
- (4) the probable cost of the drains and improvements shown on the plan;
- (5) all other information and data necessary to disclose the practicability, necessity, and feasibility of the proposed drainage ~~system~~ *project*;
- (6) consideration of the *drainage* project under the environmental and land use criteria in section 106A.015, subdivision 1, ~~of the proposed drainage system~~; and
- (7) other information as ordered by the drainage authority.

Sec. 47. Minnesota Statutes 1986, section 106A.251, is amended to read:

106A.251 [FILING PRELIMINARY SURVEY REPORT.]

The engineer shall file the completed preliminary survey report in duplicate with the auditor. The auditor shall send one copy of the report to the director. If the proposed drainage ~~system~~ *project* involves a joint county drainage *project or system*, a copy of the report must be filed with the auditor of each affected county.

Sec. 48. Minnesota Statutes 1986, section 106A.261, subdivision 1, is amended to read:

Subdivision 1. [NOTICE.] When the preliminary survey report is filed, the auditor shall promptly notify the drainage authority. The drainage authority in consultation with the auditor shall set a time, by order, not more than 30 days after the date of the order, for a hearing on the preliminary survey report. At least ten days before the hearing, the drainage authority after consulting with the auditor shall give notice by mail of the time and location of the hearing to the petitioners, owners of property, and political subdivisions likely to be affected by the proposed drainage ~~system~~ *project* in the preliminary survey report.

Sec. 49. Minnesota Statutes 1986, section 106A.261, subdivision 3, is amended to read:

Subd. 3. [SUFFICIENCY OF PETITION.] (a) The drainage authority shall first examine the petition and determine if it meets the legal requirements.

(b) If the petition does not meet the legal requirements of this chapter, the hearing shall be adjourned ~~and~~ *until a specified date by which the petitioners must resubmit the petition. The petition must be referred back to the petitioners. The petitioners who, by unanimous action, may amend the petition. The petitioners may obtain signatures of additional property owners as added petitioners.*

(c) *When the hearing is reconvened, if at the adjourned hearing the petition is not resubmitted or does not meet the legal requirements, the proceedings must be dismissed.*

Sec. 50. Minnesota Statutes 1986, section 106A.261, subdivision 4, is amended to read:

Subd. 4. [DISMISSAL.] (a) The drainage authority shall dismiss the proceedings if it determines that:

(1) the proposed drainage ~~system~~ *project* is not feasible;

(2) the adverse environmental impact is greater than the public benefit and utility after considering the environmental and land use criteria in section 106A.015, subdivision 1, and the engineer has not reported a plan to make the proposed drainage ~~system~~ *project* feasible and acceptable;

(3) the proposed drainage ~~system~~ *project* is not of public benefit or utility; or

(4) the outlet is not adequate.

(b) If the proceedings are dismissed, any other action on the proposed drainage ~~system~~ *project* must begin with a new petition.

Sec. 51. Minnesota Statutes 1986, section 106A.261, subdivision 5, is

amended to read:

Subd. 5. [FINDINGS AND ORDER.] (a) The drainage authority shall state, by order, its findings and any changes that must be made in the proposed drainage *system project* from those outlined in the petition, including changes necessary to minimize or mitigate adverse impact on the environment, if it determines that:

(1) the proposed drainage *system project* outlined in the petition, or modified and recommended by the engineer, is feasible;

(2) there is necessity for the proposed drainage *system project*;

(3) the proposed drainage *system project* will be of public benefit and promote the public health, after considering the environmental and land use criteria in section 106A.015, subdivision 1; and

(4) the outlet is adequate.

(b) Changes may be stated by describing them in general terms or filing a map that outlines the changes in the proposed drainage *system project* with the order. The order and accompanying documents must be filed with the auditor.

Sec. 52. Minnesota Statutes 1986, section 106A.261, subdivision 6, is amended to read:

Subd. 6. [OUTLET IS EXISTING DRAINAGE SYSTEM.] If the outlet is an existing drainage system, the drainage authority may determine that the outlet is adequate and obtain permission to use the existing drainage system as an outlet. The drainage authority shall assign a number to the proposed drainage *system project* and proceed under section 106A.401 to act in behalf of the proposed drainage *system project*.

Sec. 53. Minnesota Statutes 1986, section 106A.261, subdivision 7, is amended to read:

Subd. 7. [EFFECT OF FINDINGS.] (a) For all further proceedings, the order modifies the petition and the order must be considered with the petition.

(b) The findings and order of the drainage authority at the preliminary hearing are conclusive only for the signatures and legal requirements of the petition, the nature and extent of the proposed plan, and the need for a detailed survey, and only for the persons or parties shown by the preliminary survey report as likely to be affected by the proposed drainage *system project*. All questions related to the practicability and necessity of the proposed drainage *system project* are subject to additional investigation and consideration at the final hearing.

Sec. 54. Minnesota Statutes 1986, section 106A.265, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] When the preliminary hearing order is filed with the auditor, the drainage authority shall order the engineer to make a detailed survey with plans and specifications for the proposed drainage *system project* and submit a detailed survey report to the drainage authority as soon as possible.

Sec. 55. Minnesota Statutes 1986, section 106A.271, subdivision 1, is amended to read:

Subdivision 1. [SURVEY AND EXAMINATION.] When an order for a detailed survey is filed, the engineer shall proceed to survey the lines of the proposed drainage ~~system~~ *project* in the preliminary hearing order, and survey and examine affected property.

Sec. 56. Minnesota Statutes 1986, section 106A.275, is amended to read:

106A.275 [ENGINEER'S VARIANCE FROM DRAINAGE AUTHORITY ORDER.]

(a) In planning a proposed drainage ~~system~~ *project*, the engineer may vary from the starting point and the line and plan described by the preliminary hearing order if necessary to drain the property likely to be assessed in the proposed drainage ~~system~~ *project*.

(b) The engineer may:

(1) survey and recommend the location of additional necessary ditches and tile;

(2) where better results will be accomplished and more desirable outlets secured, provide for the extension of the outlet; and

(3) provide for different parts of the drainage to flow in different directions with more than one outlet.

(c) The open ditches do not have to connect if they drain the area to be affected in the petition. The variance must be reported with similar information in the detailed survey report.

Sec. 57. Minnesota Statutes 1986, section 106A.281, is amended to read:

106A.281 [SOIL SURVEY.]

The engineer shall make a soil survey if: (1) the drainage authority orders a soil survey; (2) the commissioner requests a soil survey; or (3) the engineer determines a soil survey is necessary. The soil survey must show the nature and character of the soil in the proposed drainage *project* area and include the engineer's findings from the soil survey. The report on the soil survey must be included in the detailed survey report or reported and filed separately before the final hearing.

Sec. 58. Minnesota Statutes 1986, section 106A.285, subdivision 2, is amended to read:

Subd. 2. [MAP] A complete map of the proposed *drainage project and drainage system* must be drawn to scale, showing:

(1) the terminus and course of each drain and whether it is ditch or tile, and the location of other proposed drainage works;

(2) the location and situation of the outlet;

(3) the watershed of the proposed drainage ~~system~~ *project* and the sub-watershed of main branches, if any, with the location of existing highway bridges and culverts;

(4) all property affected, with the names of the known owners;

(5) public roads and railways affected;

(6) the outline of any lake basin, wetland, or public water body affected;

(7) other physical characteristics of the watershed necessary to understand the proposed *drainage project and the affected drainage system*; and

(8) *the area to be acquired to maintain a grass strip under section 106A.021.*

Sec. 59. Minnesota Statutes 1986, section 106A.285, subdivision 4, is amended to read:

Subd. 4. [BRIDGE AND CULVERT PLANS.] Plans for private bridges and culverts to be constructed by and as a part of the proposed drainage ~~system~~ *project* and plans for other works to be constructed for the proposed drainage ~~system~~ *project* must be presented. A list must be made that shows the required minimum hydraulic capacity of bridges and culverts at railways and highways that cross ditches, and at other prospective ditch crossings where bridges and culverts are not specified to be constructed as part of the proposed drainage ~~system~~ *project*. Plans and estimates of the cost of highway bridges and culverts must be prepared for the viewers to determine benefits and damages.

Sec. 60. Minnesota Statutes 1986, section 106A.285, subdivision 5, is amended to read:

Subd. 5. [TABULAR STATEMENT OF EXCAVATION, CONSTRUCTION, AND COST.] A tabular statement must be prepared showing:

(1) the number of cubic yards of excavation, linear feet of tile, and average depth on each tile line;

(2) the bridges, culverts, and works to be constructed under the plans for the ~~system~~ *drainage project*; and

(3) the estimated unit cost of each item, a summary of the total cost, and an estimate of the total cost of completing the proposed drainage ~~system~~ *project* that includes supervision and other costs.

Sec. 61. Minnesota Statutes 1986, section 106A.285, subdivision 6, is amended to read:

Subd. 6. [RIGHT-OF-WAY ACREAGE.] The acreage must be shown that will be taken for ditch right-of-way on each government lot, 40 acre tract, or fraction of a lot or tract under separate ownership. *The ditch right-of-way must include the area to be taken to maintain a grass strip under section 106A.021.*

Sec. 62. Minnesota Statutes 1986, section 106A.285, subdivision 9, is amended to read:

Subd. 9. [RECOMMENDATION FOR DIVISION OF WORK.] If construction of the proposed drainage ~~system~~ *project* would be more economical, the engineer may recommend: (1) that the work be divided into sections and contracted separately; (2) that the ditch and tile work or tile and labor on the ~~system~~ *project* be contracted separately, or (3) the time and manner for the work to be completed.

Sec. 63. Minnesota Statutes 1986, section 106A.285, subdivision 10, is amended to read:

Subd. 10. [OTHER INFORMATION ON PRACTICABILITY AND NECESSITY OF DRAINAGE ~~SYSTEM PROJECT~~.] Other data and information to inform the drainage authority of the practicability and necessity of the proposed drainage ~~system~~ *project* must be made available including

a comprehensive examination and the recommendation by the engineer regarding the environmental and land use criteria in section 106A.015, subdivision 1.

Sec. 64. Minnesota Statutes 1986, section 106A.295, is amended to read:

106A.295 [REVISION OF ENGINEER'S DETAILED SURVEY REPORT AFTER ACCEPTANCE.]

After the final acceptance of the proposed drainage ~~system~~ *project*, the engineer shall revise the plan, profiles, and designs of structures to show the *drainage* project as actually constructed on the original tracings. The engineer shall file the revised detailed survey report with the auditor. The auditor shall forward the original or a copy to the director as a permanent record.

Sec. 65. Minnesota Statutes 1986, section 106A.301, is amended to read:

106A.301 [COMMISSIONER'S FINAL ADVISORY REPORT.]

(a) The commissioner shall examine the detailed survey report and within 30 days of receipt make a final advisory report to the drainage authority. The final advisory report must state whether the commissioner:

(1) finds the detailed survey report is incomplete and not in accordance with the provisions of this chapter, specifying the incomplete or nonconforming provisions;

(2) approves the detailed survey report as an acceptable plan to drain the property affected;

(3) does not approve the plan and recommendations for changes;

(4) finds the proposed drainage ~~system~~ *project* is not of public benefit or utility under the environmental and land use criteria in section 106A.015, subdivision 1, specifying the facts and evidence supporting the findings; or

(5) finds a soil survey is needed, and, if it is, makes a request to the engineer to make a soil survey.

(b) The commissioner shall direct the final advisory report to the drainage authority and file it with the auditor.

Sec. 66. Minnesota Statutes 1986, section 106A.305, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] When the order for a detailed survey is made, the drainage authority shall, by order, appoint viewers consisting of three disinterested ~~resident property owners of the counties affected by the proposed drainage system~~ *residents of the state qualified to assess benefits and damages. The drainage authority may establish qualifications for viewers.*

Sec. 67. Minnesota Statutes 1986, section 106A.311, is amended to read:

106A.311 [VIEWERS' DUTIES.]

The viewers, with or without the engineer, shall determine the benefits and damages to all property affected by the proposed drainage ~~system~~

project and make a viewers' report.

Sec. 68. Minnesota Statutes 1986, section 106A.315, subdivision 1, is amended to read:

Subdivision 1. [STATE LAND.] Property owned by the state must have benefits and damages reported in the same manner as taxable lands subject to the provisions relating to conservation areas in section ~~106A.015, subdivision 2~~ 106A.025.

Sec. 69. Minnesota Statutes 1986, section 106A.315, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENT PROPERTY.] The viewers shall report the benefits and damages to the state, counties, and municipalities from the proposed drainage ~~system~~ *project*. *The property within the jurisdiction of a municipality, whether owned by the municipality or by private parties, may be assessed as benefits and damages against the municipality.*

Sec. 70. Minnesota Statutes 1986, section 106A.315, subdivision 5, is amended to read:

Subd. 5. [EXTENT AND BASIS OF BENEFITS.] (a) The viewers shall determine the amount of benefits to all property benefited *within the watershed*, whether the property is benefited immediately by the construction of the proposed drainage ~~system~~ *project* or the proposed drainage ~~system~~ *project* can become an outlet for drainage, makes an outlet more accessible, or otherwise directly benefits the property. *The benefits may be based on:*

(1) *an increase in the current market value of property as a result of constructing the project;*

(2) *an increase in the potential for agricultural production as a result of constructing the project; or*

(3) *an increased value as a result of a potential different land use.*

(b) *Benefits and damages may only be assessed against the property benefited or damaged or an easement interest in property for the exclusive use of the surface of the property.*

Sec. 71. Minnesota Statutes 1986, section 106A.315, subdivision 6, is amended to read:

Subd. 6. [BENEFITS FOR PROPOSED DRAINAGE SYSTEM PROJECT AS OUTLET.] (a) If the proposed drainage ~~system~~ *project* furnishes an outlet to an existing drainage system and benefits the property drained by the existing system, the viewers shall equitably determine and assess:

(1) the benefits of the proposed drainage ~~system~~ *project* to each tract or lot drained by the existing drainage system;

(2) a single amount as an outlet benefit to the existing drainage system;

or

(3) benefits on a watershed acre basis.

(b) Assessments that conform with the provisions in this subdivision are valid. If a single sum is assessed as an outlet benefit, the lien for the assessment must be prorated on all property benefited by the existing drainage system in proportion to the benefits determined ~~in~~ *for* the existing drainage system ~~proceeding~~.

(c) *Within the watershed that drains to the area where a project is located, the viewers may assess outlet benefits on:*

(1) *property that is responsible for increased siltation in downstream areas of the watershed; and*

(2) *property that is responsible for increased drainage system maintenance or increased drainage system capacity because the natural drainage on the property has been altered or modified to accelerate the drainage of water from the property.*

Sec. 72. Minnesota Statutes 1986, section 106A.315, is amended by adding a subdivision to read:

Subd. 7. [BENEFITS FOR PROJECT THAT INCREASES DRAINAGE CAPACITY.] If part of a drainage project increases drainage capacity and the increased capacity is necessary due to increased drainage in the project watershed rather than increased drainage in a specific area, the viewers may assess benefits on property in the project watershed on a pro rata basis.

Sec. 73. Minnesota Statutes 1986, section 106A.315, is amended by adding a subdivision to read:

Subd. 8. [EXTENT OF DAMAGES.] Damages to be paid may include:

(1) *the fair market value of the property required for the channel of an open ditch and the permanent grass strip under section 106A.021;*

(2) *the diminished value of a farm due to severing a field by an open ditch;*

(3) *loss of crop production during drainage project construction; and*

(4) *the diminished productivity or land value from increased overflow.*

Sec. 74. Minnesota Statutes 1986, section 106A.321, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] (a) The viewers' report must show, in tabular form, for each lot, 40 acre tract, and fraction of a lot or tract under separate ownership that is benefited or damaged:

(1) *a description of the lot or tract, under separate ownership, that is benefited or damaged;*

(2) *the names of the owners as they appear on the current tax records of the county and their addresses;*

(3) *the number of acres in each tract or lot;*

(4) *the number and value of acres added to a tract or lot by the proposed drainage of meandered lakes public waters;*

(5) *the damage, if any, to riparian rights; and*

(6) *the damages paid for the permanent grass strip under section 106A.021;*

(7) *the total number and value of acres added to a tract or lot by the proposed drainage of public waters, wetlands, and other areas not currently being cultivated;*

(8) *the number of acres and amount of benefits being assessed for drainage of areas which before the drainage benefits could be realized would require a permit to work in public waters under section 105.42, to excavate*

or fill a navigable water body under United States Code, title 33, section 403, or a permit to discharge into waters of the United States under United States Code, title 33, section 1344;

(9) the number of acres and amount of benefits being assessed for drainage of areas that would be considered conversion of a wetland under United States Code, title 16, section 3821, if the area was placed in agricultural production;

(10) the amount of right-of-way acreage required; and

(11) the amount that each tract or lot will be benefited or damaged.

Sec. 75. Minnesota Statutes 1986, section 106A.321, is amended by adding a subdivision to read:

Subd. 1a. [BENEFITS AND DAMAGES STATEMENT.] (a) The viewers' report must include a benefits and damages statement that shows for each owner how the benefits or damages for similar tracts or lots were determined. For similar tracts or lots the report must describe:

(1) the existing land use, property value, and economic productivity;

(2) the potential land use, property value, and economic productivity after the drainage project is constructed; and

(3) the benefits or damages from the proposed drainage project.

(b) The soil and water conservation districts and county assessors shall cooperate with viewers to provide information required under paragraph (a).

Sec. 76. [106A.323] [PROPERTY OWNERS' REPORT AND FINAL PETITION NOTICE.]

Subdivision 1. [REPORT TO PROPERTY OWNERS.] Within 30 days after the viewers' report is filed, the auditor must make a property owners' report from the information in the viewers' report showing for each property owner benefited or damaged by the proposed drainage project:

(1) the name and address of the property owner;

(2) each lot or tract and its area that is benefited or damaged;

(3) the total number and value of acres added to a tract or lot by the proposed drainage of public waters, wetlands, and other areas not currently being cultivated;

(4) the number of acres and amount of benefits being assessed for drainage of areas which before the drainage benefits could be realized would require a permit to work in public waters under section 105.42, to excavate or fill a navigable water body under United States Code, title 33, section 403, or a permit to discharge into waters of the United States under United States Code, title 33, section 1344;

(5) the number of acres and amount of benefits being assessed for drainage of areas that would be considered conversion of a wetland under United States Code, title 16, section 3821, if the area was placed in agricultural production;

(6) the damage, if any, to riparian rights;

(7) the amount of right-of-way acreage required;

- (8) *the amount that each tract or lot will be benefited or damaged;*
- (9) *the net damages or benefits to each property owner;*
- (10) *the estimated cost to be assessed to the property owner based on the cost of the drainage project in the engineer's detailed survey report;*
and
- (11) *a copy of the benefits and damages statement under section 106A.321, subdivision 1a, paragraph (a), relating to the property owner.*

Subd. 2. [MAILING.] The auditor must mail a copy of the property owners' report to each property owner affected by the proposed drainage project, and may prepare and file an affidavit of mailing.

Sec. 77. Minnesota Statutes 1986, section 106A.325, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] (a) The final hearing notice must state:

- (1) that the petition is pending;
- (2) that the detailed survey report is filed;
- (3) that the viewers' report is filed;
- (4) the time and place set for the final hearing;
- (5) a brief description of the proposed *drainage project and affected drainage system*, giving in general terms the starting point, terminus, and general course of the main ditch and branches;
- (6) a description of property benefited and damaged, and the names of the owners of the property; and
- (7) the municipal and other corporations affected by the proposed *drainage system project* as shown by the detailed survey report and viewers' report.

(b) Names may be listed in a narrative form and property affected may be separately listed in narrative form by governmental sections or otherwise.

(c) For a joint county proceeding, separate notice may be prepared for each county affected, showing the portion of the proposed *drainage system project* and the names and descriptions of affected property in the county.

Sec. 78. Minnesota Statutes 1986, section 106A.325, subdivision 3, is amended to read:

Subd. 3. [METHOD OF NOTICE.] The auditor shall notify the drainage authority, auditors of affected counties, and all interested persons of the time and location of the final hearing by publication, posting, and mail. A printed copy of the final hearing notice for each affected county must be posted at least three weeks before the date of the final hearing at the front door of the courthouse in each county. Within one week after the first publication of the notice, the auditor shall give notice by mail of the time and location of the final hearing to the commissioner, all property owners, and others affected by the proposed *drainage system project* and listed in the detailed survey report and the viewers' report.

Sec. 79. Minnesota Statutes 1986, section 106A.335, subdivision 1, is amended to read:

Subdivision 1. [CONSIDERATION OF PETITION AND REPORTS.] At

the time and location for the final hearing specified in the notice, or after the hearing adjourns, the drainage authority shall consider the petition for the drainage *system project*, with all matters pertaining to the detailed survey report, the viewers' report, and the commissioner's final advisory report. The drainage authority shall hear and consider the testimony presented by all interested parties. The engineer or the engineer's assistant and at least one viewer shall be present. The director may appear and be heard. If the director does not appear personally, the final advisory report shall be read during the hearing. The final hearing may be adjourned and reconvened as is necessary.

Sec. 80. Minnesota Statutes 1986, section 106A.335, subdivision 3, is amended to read:

Subd. 3. [REEXAMINATION.] If the drainage authority determines that property not included in the notice should be included and assessed or that the engineer or viewers, or both, should reexamine the proposed drainage *system project* or the property benefited or damaged by the system, the drainage authority may resubmit the reports to the engineer and viewers. If a report is resubmitted the final hearing may be continued as is necessary to make the reexamination and reexamination report. If the reexamination report includes property not included in the original report, the drainage authority may, by order, adjourn the hearing and direct the auditor to serve or publish, post, and mail a final hearing notice with reference to all property not included in the previous notice. The jurisdiction of the drainage authority continues in the property given proper notice, and new or additional notice is not required for that property.

Sec. 81. Minnesota Statutes 1986, section 106A.341, is amended to read:

106A.341 [DRAINAGE AUTHORITY FINAL ORDER.]

Subdivision 1. [DISMISSAL OF PROCEEDINGS.] The drainage authority must dismiss the proceedings and petition, by order, if it determines that:

- (1) the benefits of the proposed drainage *system project* are less than the total cost, including damages awarded;
- (2) the proposed drainage *system project* will not be of public benefit and utility; or
- (3) the proposed drainage *system project* is not practicable after considering the environmental and land use criteria in section 106A.015, subdivision 1.

Subd. 2. [ESTABLISHMENT OF PROPOSED DRAINAGE SYSTEM.]

(a) The drainage authority shall establish, by order, a proposed drainage *system project* if it determines that:

- (1) the detailed survey report and viewers' report have been made and other proceedings have been completed under this chapter;
- (2) the reports made or amended are complete and correct;
- (3) the damages and benefits have been properly determined;
- (4) the estimated benefits are greater than the total estimated cost, including damages;
- (5) the proposed drainage *system project* will be of public utility and

benefit, and will promote the public health; and

(6) the proposed drainage ~~system~~ *project* is practicable.

(b) The order must contain the drainage authority's findings, adopt and confirm the viewers' report as made or amended, and establish the proposed drainage ~~system~~ *project* as reported and amended.

Sec. 82. Minnesota Statutes 1986, section 106A.345, is amended to read:

106A.345 [APPORTIONMENT OF COST FOR JOINT COUNTY DRAINAGE SYSTEMS.]

For joint county proceedings, the auditor where the petition is filed shall file a certified copy of the viewers' report with the auditor of each affected county within 20 days after the date of the final order establishing the system. When the final order to establish the drainage ~~system~~ *project* is made, the drainage authority shall determine and order the percentage of the cost of the drainage ~~system~~ *project* to be paid by each affected county. The cost shall be in proportion to the benefits received, unless there is a contrary reason. An auditor of an affected county may petition the drainage authority after the final order is made to determine and order the percentage of costs to be paid by the affected counties. The drainage authority shall hold a hearing five days after giving written notice to the auditor of each affected county. After giving the notice to the auditors of the affected counties, the drainage authority may, at any time that it is necessary, modify an order or make an additional order to allocate the cost among the affected counties.

Sec. 83. Minnesota Statutes 1986, section 106A.351, is amended to read:

106A.351 [REDETERMINATION OF BENEFITS AND DAMAGES.]

Subdivision 1. [CONDITIONS TO REDETERMINE BENEFITS AND DAMAGES; APPOINTMENT OF VIEWERS.] If the drainage authority determines that the original benefits *or damages* determined in a drainage proceeding do not reflect reasonable present day land values or that the benefited *or damaged* areas have changed, or if more than 50 percent of the property owners benefited *or damaged* by a drainage system petition for correction of an error that was made at the time of the proceedings that established the drainage system, the drainage authority may appoint three viewers to redetermine and report the benefits *and damages* and the benefited *and damaged* areas.

Subd. 2. [HEARING AND PROCEDURE.] ~~The drainage authority shall hold a hearing on the report and confirm the benefits and benefited areas.~~
(a) The redetermination of benefits *and damages* shall proceed as provided for viewers and the viewers' report in sections 106A.311 to 106A.321, ~~and for.~~

(b) *The auditor must prepare a property owner's report from the viewer's report. A copy of the property owner's report must be mailed to all persons affected by the drainage system.*

(c) *The drainage authority shall hold a final hearing on the report and confirm the benefits and damages and benefited and damaged areas. The final hearing shall proceed as provided under sections 106A.325, 106A.335, and 106A.341, except that the hearing shall be held within 30 days after*

the property owner's report is mailed.

Subd. 3. [REDETERMINED BENEFITS AND DAMAGES REPLACE ORIGINAL BENEFITS AND DAMAGES.] The redetermined benefits and damages and benefited and damaged areas must be used in place of the original benefits and damages and benefited and damaged areas in all subsequent proceedings relating to the drainage system.

Subd. 4. [APPEAL.] A person aggrieved by the redetermination of benefits and damages and benefited and damaged areas may appeal from the order confirming the benefits and damages and benefited and damaged areas under section 106A.091.

Sec. 84. Minnesota Statutes 1986, section 106A.401, subdivision 2, is amended to read:

Subd. 2. [EXPRESS AUTHORITY NECESSARY.] After the construction of a drainage system project, a public or private drainage system that drains property not assessed for benefits for the established drainage system may not be constructed to use the established drainage system as an outlet without obtaining express authority from the drainage authority of the drainage system proposed to be used as the outlet. This section is applicable to the construction of a public or private drainage system that outlets water into an established drainage system regardless of the actual physical connection.

Sec. 85. Minnesota Statutes 1986, section 106A.401, subdivision 6, is amended to read:

Subd. 6. [PAYMENT OF OUTLET FEE.] The outlet fee for a proposed drainage system project is a part of the cost of the proposed drainage system project and is to be paid by assessment against the property benefited by the proposed drainage system project, under section 106A.601, and credited to the established drainage system account.

Sec. 86. Minnesota Statutes 1986, section 106A.401, is amended by adding a subdivision to read:

Subd. 7. [UNAUTHORIZED OUTLET INTO DRAINAGE SYSTEM.]
(a) *The drainage authority must notify a property owner of an unauthorized outlet into a drainage system and direct the property owner to block the outlet or otherwise make the outlet ineffective by a specified time. The outlet must be blocked and remain ineffective until:*

(1) an outlet fee is paid, which is determined by the drainage authority based on the benefits received by the property owner for the period the unauthorized outlet was operational; and

(2) the drainage authority approves a petition for the outlet and establishes the outlet fee.

(b) If a property owner does not block or make the outlet ineffective after being notified, the drainage authority must issue an order to have the work performed to bring the outlet into compliance. After the work is completed, the drainage authority must send a statement to the auditor of the county where the property is located and to the property owner containing the expenses incurred to bring the outlet into compliance and the outlet fee based on the benefits received by the property owner during the period the unauthorized outlet was operational.

Sec. 87. Minnesota Statutes 1986, section 106A.401, is amended by

adding a subdivision to read:

Subd. 8. [COLLECTION OF UNAUTHORIZED OUTLET COMPLIANCE EXPENSES.] (a) The amount of the expenses and outlet fee is a lien in favor of the drainage authority against the property where the unauthorized outlet is located. The auditor must certify the expenses and outlet fee and enter the amount in the same manner as other drainage liens on the tax list for the following year. The amount must be collected in the same manner as real estate taxes for the property. The provisions of law relating to the collection of real estate taxes shall be used to enforce payment of amounts due under this section. The auditor must include a notice of collection of unauthorized outlet compliance expenses with the tax statement.

(b) The amounts collected under this subdivision must be deposited in the drainage system account.

Sec. 88. Minnesota Statutes 1986, section 106A.405, is amended to read:

106A.405 [OUTLETS IN ADJOINING STATES.]

In any drainage proceeding, at the hearing on the detailed survey report and viewers' report, if the drainage authority determines that a proper outlet for the drainage system does not exist, except through property in an adjoining state, the drainage authority may adjourn the hearing. If the hearing is adjourned the drainage authority shall require the auditor or, for a joint county drainage system, the auditors of affected counties to procure an option to acquire the needed right-of-way at an expense not exceeding the estimated cost specified in the detailed survey report. The order establishing the drainage ~~system~~ project may not be made until the option is procured. If the option is procured and the drainage ~~system~~ project established, the option shall be exercised and the cost of the right-of-way shall be paid as a part of the cost of the drainage ~~system~~ project.

Sec. 89. Minnesota Statutes 1986, section 106A.411, subdivision 3, is amended to read:

Subd. 3. [FILING; NOTICE.] (a) If proceedings to establish the drainage ~~system~~ project to be used as an outlet are pending, the petition must be filed with the auditor. The municipal drainage system petition must be presented to the drainage authority at the final hearing to consider the detailed survey report and viewers' report. Notice of the municipal drainage system petition must be included in the final hearing notice.

(b) If the drainage system to be used as an outlet is established, the municipal drainage system petition must be filed with the auditor. When the petition is filed, the drainage authority in consultation with the auditor shall, by order, set a time and place for hearing on the petition. Notice of the hearing must be given by publication and by mailed notice to the auditor of each affected county.

Sec. 90. Minnesota Statutes 1986, section 106A.411, subdivision 4, is amended to read:

Subd. 4. [HEARING AND ORDER.] (a) At the hearing the drainage authority may receive all evidence of interested parties for or against the granting of the petition. The drainage authority, by order, may authorize the municipality to use the drainage system as an outlet, subject to the conditions that are necessary and proper to protect the rights of the parties

and safeguard the interests of the general public, if the drainage authority determines:

(1) that a necessity exists for the use of the drainage system as an outlet for the municipal drainage system or the overflow from the system;

(2) that use of the drainage system will be of public utility and promote the public health; and

(3) that the proposed connection conforms to the requirements of the pollution control agency and provides for the construction and use of proper disposal works.

(b) The drainage authority must, by order, make the municipality a party to the drainage proceedings and determine the benefits from using the drainage *project or system* as an outlet.

Sec. 91. Minnesota Statutes 1986, section 106A.501, subdivision 4, is amended to read:

Subd. 4. [CONTRACT PROVISIONS FOR CHANGES DURING CONSTRUCTION.] The contract must give the engineer the right, with the consent of the drainage authority, to modify the detailed survey report, plans, and specifications as the work proceeds and as circumstances require. The contract must provide that the increased cost resulting from the changes will be paid by the drainage authority to the contractor at a rate not greater than the amount for similar work in the contract. A change may not be made that will substantially impair the usefulness of any part of the drainage *project or system*, substantially alter its original character, or increase its total cost by more than ten percent of the total original contract price. A change may not be made that will cause the cost to exceed the total estimated benefits found by the drainage authority, or that will cause any detrimental effects to the public interest under section 106A.015, subdivision 1.

Sec. 92. Minnesota Statutes 1986, section 106A.501, subdivision 6, is amended to read:

Subd. 6. [GUARANTY OF TILE WORK.] If tile is used to construct any part of the drainage ~~system~~ *project*, a majority of the persons affected may file a written request with the auditor to contract the tile work separately. The request must be filed before advertising for the sale of the work has begun. If the request is properly made, the tile work must be contracted separately. The contractor must guarantee the tile work under the contract for three years after its completion against any fault or negligence on the part of the contractor. The advertisement for bids must include this requirement.

Sec. 93. Minnesota Statutes 1986, section 106A.501, subdivision 7, is amended to read:

Subd. 7. [MODIFICATION OF CONTRACT BY AGREEMENT.] This chapter does not prevent the persons with property affected by the construction of a drainage ~~system~~ *project* from uniting in a written agreement with the contractor and the surety of the contractor's bond to modify the contract as to the manner or time when any portion of the drainage ~~system~~ *project* is constructed, if the modification is recommended, in writing, by the engineer and approved by the drainage authority.

Sec. 94. Minnesota Statutes 1986, section 106A.505, subdivision 1, is amended to read:

Subdivision 1. [AUDITORS AND DRAINAGE AUTHORITY TO PRO-

CEED.] Thirty days after the order establishing a drainage *system project* is filed, the auditor and the drainage authority or, for a joint county drainage *system project*, a majority of the auditors of the affected counties shall proceed to award the contract to construct the drainage *system project*.

Sec. 95. Minnesota Statutes 1986, section 106A.505, subdivision 2, is amended to read:

Subd. 2. [PENDING APPEAL OF BENEFITS AND DAMAGES.] If an appeal regarding the determination of benefits and damages is made within 30 days after the order establishing the drainage *system project* has been filed, a contract may not be awarded until the appeal has been determined, unless the drainage authority orders the contract awarded. The auditor of an affected county or an interested person may request the drainage authority to make the order. If the request is not made by an affected auditor, the auditors of affected counties must be given notice five days before the hearing on the request.

Sec. 96. Minnesota Statutes 1986, section 106A.505, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF CONTRACT AWARDING.] The auditor of an affected county shall give notice of the awarding of the contract by publication in a newspaper in the county. The notice must state the time and location for awarding the contract. For a joint county drainage *system project* the auditors shall award the contract at the office of the auditor where the proceedings are pending. If the estimated cost of construction is more than \$3,000, the auditor must also place a notice in a drainage construction trade paper. The trade paper notice must state:

- (1) the time and location for awarding the contract;
- (2) the approximate amount of work and its estimated cost;
- (3) that bids may be for the work as one job, or in sections, or separately, for bridges, ditches and open work, tile, or tile construction work, if required or advisable;
- (4) that each bid must be accompanied by a certified check or a bond furnished by an approved surety corporation payable to the auditors of affected counties for ten percent of the bid, as security that the bidder will enter into a contract and give a bond as required by section 106A.501; and
- (5) that the drainage authority reserves the right to reject any and all bids.

Sec. 97. Minnesota Statutes 1986, section 106A.505, subdivision 7, is amended to read:

Subd. 7. [AFFECTED COUNTIES CONTRACT THROUGH AUDITOR.] The chair of the drainage authority and the auditor of each affected county shall contract, in the names of their respective counties, to construct the drainage *system project* in the time and manner and according to the plans and specifications and the contract provisions in this chapter.

Sec. 98. Minnesota Statutes 1986, section 106A.505, subdivision 8, is amended to read:

Subd. 8. [WORK DONE BY FEDERAL GOVERNMENT.] If any of the drainage work is to be done by the United States or its agencies, a notice of awarding that contract does not need to be published and a contract for

that construction is not necessary. Affected municipalities may contract or arrange with the United States or its agencies for cooperation or assistance in constructing, maintaining, and operating the drainage *project and system*, for control of waters in the district, or for making a survey and investigation or reports on the drainage *project or system*. The municipalities may provide required guaranty and protection to the United States or its agencies.

Sec. 99. Minnesota Statutes 1986, section 106A.511, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS TO USE PROCEDURE IN THIS SECTION.] The procedure in this section may be used if, after a drainage system is established:

(1) the only bids received are for more than 30 percent in excess of the engineer's estimated cost, or in excess of the benefits, less damages and other costs; or

(2) a contract is awarded, but due to unavoidable delays not caused by the contractor, the contract cannot be completed for an amount equal to or less than the benefits, less damages and other costs.

Sec. 100. Minnesota Statutes 1986, section 106A.511, subdivision 2, is amended to read:

Subd. 2. [PETITION AFTER COST ESTIMATE ERROR OR CHANGE TO LOWER COST.] A person interested in the drainage *system project* may petition the drainage authority if the person determines that the engineer made an error in the estimate of the drainage *system project* cost or that the plans and specifications could be changed in a manner materially affecting the cost of the drainage system without interfering with the efficiency. The petition must state the person's determinations and request that the detailed survey report and viewers' report be referred back to the engineer and to the viewers for additional consideration.

Sec. 101. Minnesota Statutes 1986, section 106A.511, subdivision 3, is amended to read:

Subd. 3. [PETITION AFTER EXCESSIVE COST DUE TO INFLATION.] (a) A person interested in the drainage *system project* may petition the drainage authority for an order to reconsider the detailed survey report and viewers' report if the person determines:

(1) that bids were received only for a price more than 30 percent in excess of the detailed survey report estimate because inflation increased the construction cost between the time of the detailed survey cost estimate and the time of awarding the contract; or

(2) that after the contract was awarded there was unavoidable delay not caused by the contractor, and between the time of awarding the contract and completion of construction inflation increased construction costs resulting in the contract not being completed for an amount equal to or less than the assessed benefits.

(b) The person may request in the petition that the drainage authority reconsider the original cost estimate in the detailed survey report and viewers' report and adjust the cost estimate consistent with the increased construction cost.

Sec. 102. Minnesota Statutes 1986, section 106A.511, subdivision 5, is

amended to read:

Subd. 5. [HEARING ON COST PETITION.] (a) At the hearing the drainage authority shall consider the petition and hear all interested parties.

(b) The drainage authority may, by order, authorize the engineer to amend the detailed survey report, if the drainage authority determines that:

(1) the detailed survey report cost estimate was erroneous and should be corrected;

(2) the plans and specifications could be changed in a manner materially affecting the cost of the drainage ~~system~~ *project* without interfering with the efficiency; and

(3) with the correction or modification a contract could be awarded within the 30 percent limitation and equal to or less than benefits.

(c) If the drainage authority determines that the amended changes affect the amount of benefits or damages to any property or that the benefits should be reexamined because of inflated land values or inflated construction costs, it shall refer the viewers' report to the viewers to reexamine the benefits and damages.

(d) The drainage authority may, by order, direct the engineer and viewers to amend their detailed survey report and viewers' report to consider the inflationary cost increases if the drainage authority determines that:

(1) bids were not received; or

(2) because of inflationary construction cost increases, construction under the awarded contract cannot be completed for 30 percent or less over the detailed survey cost estimate or in excess of the benefits, less damages and other costs.

(e) The drainage authority may continue the hearing to give the engineer or viewers additional time to amend the reports. The jurisdiction of the drainage authority continues at the adjourned hearing.

(f) The drainage authority has full authority to consider the amended reports and make findings and orders. A party may appeal to the district court under section 106A.091, subdivision 1.

Sec. 103. Minnesota Statutes 1986, section 106A.515, is amended to read:

106A.515 [DAMAGES, PAYMENT.]

The board of each county where the damaged property is located must order the awarded damages to be paid, less any assessment against the property, before the property is entered for construction of the drainage ~~system~~ *project*. If a county or a municipality that is awarded damages requests it, the assessment may not be deducted. If there is an appeal, the damages may not be paid until the final determination. If it is not clear who is entitled to the damages, the board may pay the damages to the court administrator of the district court of the county. The court shall direct the court administrator, by order, to pay the parties entitled to the damages.

Sec. 104. Minnesota Statutes 1986, section 106A.525, subdivision 2, is amended to read:

Subd. 2. [ROAD AUTHORITY RESPONSIBLE FOR CONSTRUCTION.] Bridges and culverts on public roads required by the construction

or improvement of a drainage *project or system* must be constructed and maintained by the road authority responsible for keeping the road in repair, except as provided in this section.

Sec. 105. Minnesota Statutes 1986, section 106A.525, subdivision 3, is amended to read:

Subd. 3. [NOTICE; CHANGING COST.] The auditor shall notify the state and each railroad company, corporation, or political subdivision that they are to construct a required bridge or culvert on a road or right-of-way under its jurisdiction, within a reasonable time in the notice. If the work is not done within the prescribed time, the drainage authority may order the bridge or culvert constructed as part of the drainage ~~system~~ *project* construction. The cost must be deducted from the damages awarded to the corporation or collected from it as an assessment for benefits. If the detailed survey report or viewers' report shows that the construction of the bridge or culvert is necessary, the drainage authority may, by order, retain an amount to secure the construction of the bridge or culvert from amounts to be paid to a railroad, corporation, or political subdivision.

Sec. 106. Minnesota Statutes 1986, section 106A.525, subdivision 4, is amended to read:

Subd. 4. [CONSTRUCTION ON LINE BETWEEN TWO CITIES PAID EQUALLY.] The costs of constructing a bridge or culvert that is required by construction of a drainage ~~system~~ *project* on a public road that is not a state trunk highway on the line between two statutory or home rule charter cities, whether in the same county or not, must be paid jointly, in equal shares, by the cities. The cities shall pay jointly, in equal shares, for the cost of maintaining the bridge or culvert.

Sec. 107. Minnesota Statutes 1986, section 106A.541, is amended to read:

106A.541 [EXTENSION OF TIME ON CONTRACTS.]

The auditors of affected counties may extend the time for the performance of a contract as provided in this section. The contractor may apply, in writing, for an extension of the contract. Notice of the application must be given to: (1) the engineer and the attorney for the petitioners; and (2) for a joint county drainage ~~system~~ *project*, to the auditors of the affected counties. The auditors may grant an extension if sufficient reasons are shown. The extension does not affect a claim for liquidated damages that may arise after the original time expires and before an extension or a claim that may arise after the time for the extension expires.

Sec. 108. Minnesota Statutes 1986, section 106A.555, subdivision 2, is amended to read:

Subd. 2. [HEARING.] At the hearing the drainage authority may, by order, direct payment of the balance due if it determines that the contract has been completed in accordance with the plans and specifications. If good cause is shown, the drainage authority may waive any part of the liquidated damages accruing under the contract. When the order is filed, the auditor shall draw a warrant on the treasurer of the county for the balance due on the contract. For a joint county drainage *project or system* the auditor shall make an order to the auditors of the affected counties to pay for their proportionate shares of the balance due on the contract. After receiving the order, the auditor of each affected county shall draw a warrant

on the treasurer of the county for the amount specified in the order.

Sec. 109. Minnesota Statutes 1986, section 106A.601, is amended to read:

106A.601 [DRAINAGE LIEN STATEMENT.]

Subdivision 1. [DETERMINATION OF PROPERTY LIABILITY.] When the contract for the construction of a drainage *system project* is awarded, the auditor of an affected county shall make a statement showing the total cost of the drainage *system project* with the estimated cost of all items required to complete the work. The cost must be prorated to each tract of property affected in direct proportion to the benefits. The cost, less any damages, is the amount of liability for each tract for the drainage *system project*. The property liability must be shown in the tabular statement under subdivision 2, opposite the property owner's name and description of each tract of property. The amount of liability on a tract of property for establishment and construction of a drainage *system project* may not exceed the benefits determined in the proceedings that accrue to the tract.

Subd. 2. [DRAINAGE LIEN STATEMENT.] The auditor of each affected county shall make a lien statement in tabular form showing:

(1) the names of the property owners, corporate entities, or political subdivisions of the county benefited or damaged by the construction of the drainage *system project* in the viewers' report as approved by the final order for establishment;

(2) the description of the property in the viewers' report, and the total number of acres in each tract according to the county tax lists;

(3) the number of acres benefited or damaged in each tract shown in the viewers' report;

(4) the amount of benefits and damages to each tract of property as stated in the viewers' report and confirmed by the final order that established the drainage *system project* unless the order is appealed and a different amount is set; and

(5) the amount each tract of property will be liable for and must pay ~~into~~ to the county ~~treasury~~ for the establishment and construction of the drainage *system project*.

Subd. 3. [SUPPLEMENTAL DRAINAGE LIEN STATEMENT.] If any items of the cost of the drainage *system project* have been omitted from the original drainage lien statement, a supplemental drainage lien statement with the omitted items must be made and recorded in the same manner provided for a drainage lien statement. The total amount of the original drainage lien and any supplemental drainage liens may not exceed the benefits.

Subd. 4. [RECORDING DRAINAGE LIEN STATEMENT.] The *lien against property in the drainage lien statement and supplemental drainage lien statements* must be certified by the auditor and recorded *on each tract* by the county recorder of the county where the tract is located. The county recorder's fees for recording must be paid ~~on allowance~~ *if allowed* by the board. The drainage lien statement and any supplemental drainage lien statements, after recording, must be returned and preserved by the auditor.

Sec. 110. Minnesota Statutes 1986, section 106A.605, is amended to read:

106A.605 [EFFECT OF FILED DRAINAGE LIEN.]

The amount recorded ~~on~~ from the drainage lien statement and supplemental drainage lien statement that each tract of property will be liable for, and the interest allowed on that amount, is a drainage lien on the property. The drainage lien is a first and paramount lien until fully paid, and has priority over all mortgages, charges, encumbrances, and other liens, unless the board subordinates the drainage lien to ~~easements~~ *liens* of record. The recording of the *drainage lien*, drainage lien statement, or a supplemental drainage lien statement is notice to all parties of the existence of the drainage lien.

Sec. 111. Minnesota Statutes 1986, section 106A.611, subdivision 2, is amended to read:

Subd. 2. [INTEREST.] (a) Interest is an additional drainage lien on all property until paid. The interest rate on the drainage lien principal *from the date the drainage lien statement is recorded* must be set by the board, but may not exceed ~~seven percent per year from the date the drainage lien statement is recorded~~ *the rate determined by the state court administrator for judgments under section 549.09.*

(b) Before the tax lists for the year are given to the county treasurer, the auditor shall compute the interest on the unpaid balance of the drainage lien at the rate set by the board. The amount of interest must be computed on the entire unpaid principal from the date the drainage lien was recorded to August 15 of the next calendar year, and afterwards from August 15 to August 15 of each year.

(c) Interest is due and payable after November 1 of each year the drainage lien principal or interest is due and unpaid.

Sec. 112. Minnesota Statutes 1986, section 106A.611, subdivision 3, is amended to read:

Subd. 3. [COLLECTION OF PAYMENTS.] Interest and any installment due must be entered on the tax lists for the year. The installment and interest must be collected in the same manner as real estate taxes for that year by collecting one-half of the total of the installment and interest with and as a part of the real estate taxes ~~on or before May 15 and one-half on or before October 15 of the next year.~~

Sec. 113. Minnesota Statutes 1986, section 106A.611, subdivision 6, is amended to read:

Subd. 6. [DRAINAGE LIEN RECORD.] The auditor shall keep a drainage lien record for each drainage *project and* system showing the amount of the drainage lien remaining unpaid against each tract of property.

Sec. 114. Minnesota Statutes 1986, section 106A.611, subdivision 7, is amended to read:

Subd. 7. [COLLECTION AND ENFORCEMENT OF DRAINAGE LIENS.] The provisions of law that exist relating to the collection of real estate taxes are adopted to enforce payment of drainage liens. If there is a default, a penalty may not be added to an installment of principal and interest, but each defaulted payment, principal, and interest draws interest from the date of default until paid at ~~seven percent per year~~ *the rate determined by the state court administrator for judgments under section 549.09.*

Sec. 115. Minnesota Statutes 1986, section 106A.615, subdivision 4, is amended to read:

Subd. 4. [ASSESSMENT FOR VACATED TOWN ROADS.] If a town is assessed for benefits to a town road in a drainage ~~system~~ *project* proceeding under this chapter and the town road is later vacated by the town board under section 164.07, the town board may petition the drainage authority to cancel the assessment. The drainage authority may cancel the assessment if it finds that the town road for which benefits are assessed has been vacated under section 164.07.

Sec. 116. Minnesota Statutes 1986, section 106A.615, subdivision 7, is amended to read:

Subd. 7. [RAILROAD AND UTILITY PROPERTY.] Property owned by a railroad or other utility corporation benefited by a drainage ~~system~~ *project* is liable for the assessments of benefits on the property as other taxable property. From the date the drainage lien is recorded, the amount of the assessment with interest is a lien against all property of the corporation within the county. Upon default the assessment may be collected by civil action or the drainage lien may be foreclosed by action in the same manner as provided by law for the foreclosure of mortgage liens. The county where the drainage lien is filed has the right of action against the corporation to enforce and collect the assessment.

Sec. 117. Minnesota Statutes 1986, section 106A.635, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] After the contract for the construction of a drainage ~~system~~ *project* is awarded, the board of an affected county may issue the bonds of the county in an amount necessary to pay the cost of establishing and constructing the drainage ~~system~~ *project*.

Sec. 118. Minnesota Statutes 1986, section 106A.635, subdivision 10, is amended to read:

Subd. 10. [BOND RECITAL.] Each drainage bond, temporary drainage bond, and definitive drainage bond must contain a recital that it is issued by authority of and in strict accordance with this chapter. The recital is conclusive in favor of the holders of the bonds as against the county, that the drainage ~~system~~ *project* has been properly established, that property within the county is subject to assessment for benefits in an amount not less than the amount of the bonds, and that all proceedings and construction relative to the drainage systems financed by the bonds have been or will be made according to law.

Sec. 119. Minnesota Statutes 1986, section 106A.645, subdivision 7, is amended to read:

Subd. 7. [PAYMENT.] The fees and expenses provided for in this chapter for a drainage *project or system* in one county must be audited, allowed, and paid by order of the board or for a drainage *project or system* in more than one county must be audited, allowed, and paid by order of the drainage authority after ten days' written notice to each affected county. The notice must be given by the auditor to the auditors of affected counties. The notice must state the time and location of the hearing and that all bills on file with the auditor at the date of the notice must be presented for hearing and allowance.

Sec. 120. Minnesota Statutes 1986, section 106A.651, subdivision 1, is

amended to read:

Subdivision 1. [FUNDS FOR DRAINAGE SYSTEM COSTS.] The board shall provide funds to pay the costs of drainage *projects and* systems.

Sec. 121. Minnesota Statutes 1986, section 106A.655, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT MADE FROM DRAINAGE SYSTEM ACCOUNT.] The costs for a drainage ~~system~~ *project* proceeding and construction must be paid from the drainage system account by drawing on the account.

Sec. 122. Minnesota Statutes 1986, section 106A.701, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] The term "repair," as used in this section, means to restore all or a part of a drainage system as nearly as practicable to the same condition as ~~when~~ originally constructed ~~or~~ *and* subsequently improved, including resloping of ditches and leveling of waste banks if necessary to prevent further deterioration, *realignment to original construction if necessary to restore the effectiveness of the drainage system*, and routine operations that may be required to remove obstructions and maintain the efficiency of the drainage system.

Sec. 123. Minnesota Statutes 1986, section 106A.701, is amended by adding a subdivision to read:

Subd. 1a. [REPAIRS AFFECTING PUBLIC WATERS.] Before a repair is ordered, the drainage authority must notify the commissioner of a repair that may affect public waters. If the commissioner disagrees with the repair depth, the engineer, a representative appointed by the director, and a soil and water conservation district technician must jointly determine the repair depth using soil borings, field surveys, and other available data or appropriate methods. Costs for developing the recommended depth beyond the initial meeting must be shared equally by the drainage system and the commissioner. The determined repair depth must be recommended to the drainage authority. The drainage authority may accept the joint recommendation and proceed with the repair.

Sec. 124. Minnesota Statutes 1986, section 106A.705, is amended to read:

Subdivision 1. [INSPECTION.] After the construction of a drainage system has been completed, the drainage authority shall maintain the drainage system that is located in its jurisdiction *including grass strips under section 106A.021* and provide the repairs necessary to make the drainage system efficient. The drainage authority shall have the drainage system inspected ~~annually~~ *on a regular basis* by an inspection committee of the drainage authority or a drainage inspector appointed by the drainage authority.

Subd. 1a. [GRASS STRIP INSPECTION AND COMPLIANCE NOTICE.] (a) The drainage authority having jurisdiction over a drainage system must inspect the drainage system for violations of section 106A.021. If an inspection committee of the drainage authority or a drainage inspector determines that strips are not being maintained in compliance with section 106A.021, a compliance notice must be sent to the property owner.

(b) The notice must state:

(1) the date the ditch was inspected;

(2) *the persons making the inspection;*

(3) *that spoil banks are to be spread in a manner consistent with the plan and function of the drainage system and the drainage system has acquired a grass strip 16-1/2 feet in width or to the crown of the spoil bank, whichever is greater;*

(4) *the violations of section 106A.021;*

(5) *the measures that must be taken by the property owner to comply with section 106A.021 and the date when the property must be in compliance; and*

(6) *that if the property owner does not comply by the date specified, the drainage authority will perform the work necessary to bring the area into compliance with section 106A.021 and charge the cost of the work to the property owner.*

(c) *If a property owner does not bring an area into compliance with section 106A.021 as provided in the compliance notice, the inspection committee or drainage inspector must notify the drainage authority.*

(d) *This subdivision applies to property acquired under section 106A.021.*

Subd. 2. [DRAINAGE INSPECTOR REPORT.] For each drainage system that the board designates and requires the drainage inspector to examine, the drainage inspector shall make a drainage inspection report in writing to the board after examining a drainage system, designating portions that need repair or maintenance of grass strips and the location and nature of the repair or maintenance. The board shall consider the drainage inspection report at its next meeting and may repair all or any part of the drainage system as provided under this chapter. *The grass strips must be maintained in compliance with section 106A.021.*

Subd. 3. [INSPECTION REPORT TO DRAINAGE AUTHORITY.] If the inspection committee or drainage inspector reports, in writing, to the drainage authority that *maintenance of grass strips or repairs* are necessary on a drainage system and the report is approved by the drainage authority, the *maintenance or repairs* must be made under this section.

Subd. 4. [REPAIRS LESS THAN ~~\$20,000~~ \$50,000.] If the drainage authority finds that the estimated cost of repairs and maintenance of one drainage system for one year will be less than ~~\$20,000~~ *the greater of \$50,000 or \$1,000 per mile of open ditch in the ditch system*, it may have the repair work done by hired labor and equipment without advertising for bids or entering into a contract for the repair work.

Subd. 5. [ANNUAL REPAIR ASSESSMENT LEVY LIMITS.] The drainage authority may give notice of and hold a hearing on the repair levy before ordering the levy of an assessment for repairs. In one calendar year the drainage authority may not levy an assessment for repairs or maintenance on one drainage system for more than 20 percent of the benefits of the drainage system, *\$1,000 per mile of open ditch in the ditch system*, or ~~\$20,000~~ *\$50,000*, whichever is greater, except for a repair made after a disaster under subdivision 6 or under the petition procedure.

Subd. 6. [REPAIR AND CONSTRUCTION AFTER DISASTER.] The drainage authority may repair and reconstruct the drainage system without advertising for bids and without regard to the ~~\$20,000~~ *\$1,000 per mile of open ditch or \$50,000* limitation if:

(1) a drainage system is destroyed or impaired by floods, natural disaster, or unforeseen circumstances;

(2) the area where the drainage system is located has been declared a disaster area by the President of the United States and federal funds are available for repair or reconstruction; and

(3) the public interests would be damaged by repair or reconstruction being delayed.

Sec. 125. Minnesota Statutes 1986, section 106A.715, subdivision 6, is amended to read:

Subd. 6. [REPAIR BY RESLOPING DITCHES, LEVELING WASTE BANKS, *INSTALLING EROSION CONTROL AND REMOVING TREES.*]

(a) For a drainage system that is to be repaired by resloping ditches, leveling waste banks, *installing erosion control measures*, or removing trees, before ordering the repair, the drainage authority must appoint viewers to assess and report on damages and benefits if it determines *that*:

(1) ~~that~~ the resloping, leveling, ~~and~~ *installing erosion control measures* or tree removal will require the taking of any property not contemplated and included in the original proceeding for the establishment of the drainage system; ~~and~~

(2) ~~that~~ any waste bank leveling will directly benefit property where the bank leveling is specified; ~~and~~

(3) *the installation of erosion control measures will aid the long-term efficiency of the drainage system.*

(b) The viewers shall assess and report damages and benefits as provided by sections 106A.315 and 106A.321 ~~and~~. The drainage authority shall hear and determine the damages and benefits as provided in sections 106A.325, 106A.335, and 106A.341. *The hearing shall be held within 30 days after the property owners' report is mailed.* Damages must be paid as provided by section 106A.315 as a part of the cost of the repair, and benefits must be added to the benefits previously determined as the basis for the pro rata assessment for the repair of the drainage system for the repair proceeding only.

Sec. 126. [106A.728] [APPORTIONMENT OF REPAIR COSTS.]

Subdivision 1. [GENERALLY.] The cost of repairing a drainage system shall be apportioned pro rata on all property and entities that have been assessed benefits for the drainage system except as provided in this section.

Subd. 2. [ADDITIONAL ASSESSMENT FOR AGRICULTURAL PRACTICES ON GRASS STRIP] (a) The drainage authority may, after notice and hearing, charge an additional assessment on property that has agricultural practices on or otherwise violates provisions related to the permanent grass strip acquired under section 106A.021.

(b) The drainage authority may determine the cost of the repair per mile of open ditch on the ditch system. Property that is in violation of the grass requirement shall be assessed a cost of 20 percent of the repair cost per open ditch mile multiplied by the length of open ditch in miles on the property in violation.

(c) After the amount of the additional assessment is determined and applied to the repair cost, the balance of the repair cost may be apportioned

pro rata as provided in subdivision 1.

Subd. 3. [SOIL LOSS VIOLATIONS.] The drainage authority after notice and hearing may make special assessments on property that is in violation of a county soil loss ordinance.

Sec. 127. Minnesota Statutes 1986, section 106A.731, subdivision 1, is amended to read:

Subdivision 1. [~~APPORTIONMENT REPAIR COST OF ASSESSMENTS.~~] If there is not enough money in the drainage system account to make a repair, the board shall ~~apportion and~~ assess the costs of the repairs ~~pro rata~~ on all property and entities that have been assessed benefits for the drainage system.

Sec. 128. Minnesota Statutes 1986, section 106A.741, subdivision 5, is amended to read:

Subd. 5. [PROPERTY BENEFITED IN HEARING ORDER INCLUDED IN FUTURE PROCEEDINGS.] For the repair of the drainage system under this section that included the property that was not assessed and in all future proceedings relating to repairing, cleaning, improving, or altering the drainage system, the property benefited in the viewers' report hearing is part of the property benefited by the drainage system and must be assessed, in the same manner provided for the assessment of the property originally assessed for and included in the drainage system.

Sec. 129. Minnesota Statutes 1986, section 106A.811, subdivision 2, is amended to read:

Subd. 2. [PETITIONERS.] A petition must be signed by at least 51 percent of the ~~resident~~ property owners assessed for the construction of the drainage system or by the owners of not less than 51 percent of the area of the property assessed for the drainage system. For the purpose of the petition, the county is the resident owner of all tax-forfeited property held by the state and assessed benefits for the drainage system, and the board may execute the petition for the county as a ~~resident~~ *an* owner.

Sec. 130. Minnesota Statutes 1986, section 106A.811, subdivision 4, is amended to read:

Subd. 4. [FILING PETITION; JURISDICTION.] If all property assessed for benefits in the drainage system is in one county, the petition must be filed with the auditor unless the petition is signed by the board, in which case the petition must be made to the district court of the county and filed with the court administrator ~~of court~~. If property assessed for benefits is in two or more counties, the petition must be filed with the auditor. When the petition is filed, the drainage authority in consultation with the auditor, or the court administrator with the approval of the court, shall set a time and location for a hearing on the petition. The auditor or court administrator shall give notice by publication of the time and location of the abandonment hearing to all persons interested. The drainage authority or the district court where the petition is properly filed has jurisdiction of the petition.

Sec. 131. Minnesota Statutes 1986, section 106A.811, subdivision 5, is amended to read:

Subd. 5. [ABANDONMENT HEARING.] (a) At the hearing, the drainage authority or court shall examine the petition and determine whether it is sufficient and shall hear all interested parties.

(b) If a property owner assessed benefits for the drainage system appears and makes a written objection to the abandonment of the drainage system, the drainage authority or court shall appoint three disinterested persons as viewers to examine the property and report to the drainage authority or court. The hearing must be adjourned to make the examination and report *and a date set to reconvene*. The viewers, if appointed, shall proceed to examine the property of the objecting owner and report as soon as possible to the drainage authority or court with the description and situation of the property and whether the drainage system drains or otherwise affects the property.

(c) ~~At~~ *When the adjourned hearing is reconvened*, the drainage authority or court shall consider the viewers' report and all evidence offered, and:

(1) if the drainage authority determines that the drainage system serves any useful purpose to any property or the general public, the petition for abandonment must be denied; or

(2) if the drainage authority determines that the drainage system does not serve any useful purpose to any affected property and is not of public benefit and utility, the drainage authority or court shall make findings and shall, by order, abandon the drainage system.

Sec. 132. Minnesota Statutes 1986, section 112.431, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) For the purpose of this section the terms defined in this subdivision have the meanings ascribed to them.

(b) "Drainage system" ~~means a ditch as defined by~~ *has the meaning given in section 106A.005, subdivision 11.*

(c) "Watershed district" means any watershed district established pursuant to the provisions of this chapter, wholly or partially in a metropolitan county.

(d) "Metropolitan county" means any one of the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott or Washington.

(e) "Metropolitan area" means the combined area of the metropolitan counties.

Sec. 133. Minnesota Statutes 1986, section 112.48, subdivision 1, is amended to read:

Subdivision 1. After the overall plan of the district has been prescribed by the board, as provided in section 112.46, a petition may be filed with the managers for any project within the district conforming in general with the plan. The petition must be signed:

(1) by not less than 25 percent of the ~~resident freeholders property owners~~, or by the owners of more than 25 percent of the land within the limits of the area proposed to be improved, unless the project consists of the establishment of a new drainage system as defined in ~~sections 106A.005 to 106A.811~~ *under chapter 106A* or the improvement of an existing drainage system;

(2) by a majority of the ~~resident~~ owners of the land over which the proposed project passes or is located, or by the owners of at least 60 percent of the area of the land, if the project consists of the establishment of a new drainage system as defined in ~~sections 106A.005 to 106A.811~~ *under chap-*

ter 106A;

(3) by not less than 26 percent of the ~~resident~~ owners of the property affected by the proposed project or over which the proposed project passes or by the owners of not less than 26 percent of the area affected or over which the proposed project passes if the project consists of the improvement of an existing drainage system as defined in ~~sections 106A.005 to 106A.811~~ under chapter 106A;

(4) by a county board of any county affected; or

(5) by the governing body of any city lying wholly or partly within the area proposed to be improved; provided that if the proposed project affects lands exclusively within a city, the petition shall originate from the governing body of the city.

For the purpose of this subdivision, holders of easements for electric or telephone transmission or distribution lines are not considered ~~freeholders~~ or owners.

The petition shall contain the following:

(a) a description of the proposed project, and the purpose to be accomplished;

(b) a description of the lands over which the proposed project passes or is located;

(c) a general description of the part of the district which will be affected, if less than the entire district;

(d) the need and necessity for the proposed improvement;

(e) that the proposed project will be conducive to public health, convenience, and welfare;

(f) a statement that the petitioners will pay all costs and expenses which may be incurred in case the proceedings are dismissed or for any reason no construction contract is let for the project.

Sec. 134. Minnesota Statutes 1986, section 112.59, is amended to read:

112.59 [CONTROL OF CONTRACTS.]

In all cases where contracts are let by the managers, they shall have full control of all matters pertaining thereto. If a contractor fails to complete the improvement within the time or in the manner specified in the contract, the managers may extend the time for completion or may refuse an extension of time or may cancel the contract and readvertise and relet the contract. They may require the surety for the contractor to complete the improvement or proceed to have the contract otherwise completed at the expense of the contractor and the surety. They may take such other action with reference thereto that the occasion may require in the interest of the district. The provisions of ~~sections 106A.005 to 106A.811~~ chapter 106A, so far as pertinent, apply to and govern the relations between the engineer and the contractor, including the examination and report of the engineer and the amount and time of payment. The managers shall keep an accurate account of all expenses incurred, which shall include the compensation of the engineer and the assistants, the compensation and expenses of the appraisers as provided in section 112.50, the compensation of petitioners' attorney, the cost of petitioners' bond, the fees of all county officials necessitated by the improvement which shall be in addition to all fees otherwise allowed

by law, and the time and expenses of all employees of the district, including the expenses of the managers while engaged in any improvement. The fees and expenses provided for herein shall be audited, allowed and paid upon the order of the managers and shall be charged to and be treated as a part of the cost of the improvement.

Sec. 135. Minnesota Statutes 1986, section 112.60, subdivision 1, is amended to read:

Subdivision 1. Upon the filing by the managers with the auditor of any county of a statement listing the property and corporations benefited or damaged or otherwise affected by any improvement as found by the appraisers and approved by the managers, the auditor shall assess the amount specified in such list against the lands and municipalities or other corporations as therein specified in accordance with the pertinent provisions of ~~sections 106A.005 to 106A.811~~ *chapter 106A.*

Sec. 136. Minnesota Statutes 1986, section 112.65, subdivision 1, is amended to read:

Subdivision 1. The managers of a district shall take over when directed by the ~~district court or county board or joint county drainage authority~~ any ~~judicial or county or joint county~~ drainage system within the district, together with the right to repair and maintain the same. Such transfer may be initiated by the ~~district court joint county drainage authority or county board~~, or such transfer may be initiated by a petition from any person having an interest in the drainage system or by the managers. No such transfer shall be made until the ~~district court joint county drainage authority or county board~~ has held a hearing thereon. Due notice of the proposed transfer together with the time and place of hearing shall be given by two weeks published notice in a legal newspaper of general circulation in the area involved. All interested persons may appear and be heard. Following the hearing, the ~~district court joint county drainage authority or county board~~ shall make its order directing that the managers of a district take over the affected ~~judicial joint county or county~~ drainage system, unless it appears that the ~~take over~~ *takeover* would not be in the public welfare or public interest and would not serve the purpose of this chapter. When the transfer is directed all proceedings for repair and maintenance shall thereafter conform to the provisions of ~~sections 106A.005 to 106A.811~~ *chapter 106A.*

Sec. 137. [FEDERAL 404 PERMITTING AUTHORITY REPORT.]

The commissioner of natural resources shall, in cooperation with the Minnesota department of agriculture, the Minnesota pollution control agency, Minnesota association of watershed district managers, and the association of Minnesota counties, prepare a report relating to state assumption of the federal permitting program under United States Code, title 33, section 1344. The report must include:

- (1) analyses of what types of activities and resources would be involved;*
- (2) environmental protection agency and United States Army Corps of Engineers' conditions for state permitting;*
- (3) analyses of the costs for state administration and alternative funding strategies;*
- (4) recommendations on the appropriate roles for state agencies and local government in administration of the program; and*

(5) the necessary changes in current legislation to facilitate administration of the program.

The commissioner of natural resources must submit the report to the legislature and governor by October 1, 1988.

Sec. 138. [RENUMBERING SECTIONS.]

The revisor of statutes shall renumber each section of Minnesota Statutes specified in column A with the numbers set forth in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A	Column B
111.65	110.55
111.66	110.56
111.67	110.57
111.68	110.58
111.69	110.59
111.70	110.60
111.71	110.61
111.72	110.62
111.73	110.63
111.74	110.64
111.75	110.65
111.76	110.66
111.77	110.67
111.78	110.68
111.79	110.69
111.80	110.70
111.81	378.36
111.82	105.82

Sec. 139. [REPEALER.]

Minnesota Statutes 1986, sections 106A.005, subdivision 25; 106A.201; 106A.205; 106A.211; 111.01; 111.02; 111.03; 111.04; 111.05; 111.06; 111.07; 111.08; 111.09; 111.10; 111.11; 111.12; 111.13; 111.14; 111.15; 111.16; 111.17; 111.18; 111.19; 111.20; 111.21; 111.22; 111.23; 111.24; 111.25; 111.26; 111.27; 111.28; 111.29; 111.30; 111.31; 111.32; 111.33; 111.34; 111.35; 111.36; 111.37; 111.38; 111.39; 111.40; 111.41; 111.42; and 111.421; are repealed.

Sec. 140. [EFFECTIVE DATE.]

This act is effective August 1, 1987, for all drainage proceedings started after that date, except sections 111.01 to 111.421 are repealed January 1, 1988, but actions started under sections 111.01 to 111.421 before that date may be completed."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 to 6

Page 1, line 7, delete everything before "amending"

Page 1, line 26, delete everything after "sections"

Page 1, line 27, after "105.40" insert ", subdivision 11"

Page 1, line 44, after "6" insert ", and by adding subdivisions"

Page 2, line 12, delete "proposing"

Page 2, delete line 13

Page 2, line 14, delete "105A;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1375: A bill for an act relating to agriculture; authorizing and requiring a license to use the Minnesota grown label; assessing license fees; providing penalties; amending Minnesota Statutes 1986, section 17.102.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, strike "food" and insert "agricultural"

Page 1, lines 20 and 23, delete "food" and insert "agricultural"

Page 2, line 7, delete "a" and insert "an annual"

Page 2, after line 23, insert:

"Sec. 2. [MINNESOTA GROWN MATCHING ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota grown matching account is established as a separate account in the state treasury. The account shall be administered by the commissioner of agriculture as provided in this section.

Subd. 2. [FUNDING SOURCES.] The Minnesota grown matching account shall consist of contributions from private sources and appropriations.

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] (a) Appropriations to the Minnesota grown matching account may be expended only to the extent that they are matched with contributions to the account from private sources as provided in paragraph (b) for fiscal years 1988 and 1989. Appropriations to the account that are not matched by the end of the fiscal year of the appropriation cancel to the general fund.

(b) Private contributions shall be matched on a basis of four to one for the first \$50,000 of private contributions. Matching funds are not available after the first \$50,000 of private contributions in each fiscal year. Private contributions made from January 1, 1987, until the end of fiscal year 1987 shall be matched by the appropriation for fiscal year 1988.

Subd. 4. [EXPENDITURES.] The amount in the Minnesota grown matching account that is matched by private contributions and the private contributions are appropriated to the commissioner of agriculture for promotion of products using the Minnesota grown logo and labeling.

Sec. 3. [APPROPRIATION.]

Subdivision 1. [MINNESOTA GROWN MARKETING ACCOUNT.] \$400,000 is appropriated from the general fund to the Minnesota grown marketing account to be available in the amounts for the fiscal years indicated

1988	1989
\$200,000	\$200,000

Subd. 2. [WILD RICE RESEARCH.] \$48,000 is appropriated from the general fund to the University of Minnesota for the agricultural experimental station to conduct wild rice research to be available until June 30, 1989, as follows:

<i>(a) for experiments on use of fertilizers</i>	\$10,000
<i>(b) for experiments on the influence of rotation and residue removal on diseases, weeds, and yield</i>	\$10,000
<i>(c) to evaluate cost advantages and effect on yields of leveling and tiling</i>	\$ 8,000
<i>(d) to conduct controlled-site experiments into the advantages of existing and future varieties of wild rice</i>	\$20,000

Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective the day after final enactment."

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 766: A bill for an act relating to taxation; property taxation; modifying the method of determining certain adjusted assessed value; modifying the method of determining agricultural market value for property tax purposes; amending Minnesota Statutes 1986, sections 124.2131, subdivision 1; and 273.11, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 13, delete "1988" and insert "1990"

Page 5, line 14, delete "1989" and insert "1991"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1005: A bill for an act relating to state lands; permitting the sale of certain land in St. Louis county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ST. LOUIS COUNTY; LAND SALE.]

Notwithstanding any contrary provision of Minnesota Statutes, sections

92.45 and 282.018, St. Louis county may sell to the city of Biwabik, at the appraised value, the state's interest in the property described in this section. The county and state shall provide a proper conveyance of the state's interest in the property described in this section. The sale shall be conducted, as far as possible, in accordance with Minnesota Statutes, sections 282.01 to 282.132.

*Government Lot 9, (Bradley Island), Section 1,
Township 58 North, Range 16 West."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1276: A bill for an act relating to state land; authorizing private sale of certain tax-forfeited land in Lake county to city of Two Harbors.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 92.67, subdivision 4, is amended to read:

Subd. 4. [TIMING OF SALES.] (a) The commissioner shall offer lake-shore cabin site lots for sale pursuant to written request and in accordance with the following schedule:

(1) as to requests received before January 1, 1987, the sale shall be held ~~in June, July, or August 1987~~ *not later than by October 31, 1987, if possible. However, if a lot is not offered for sale by that date, the lot shall be offered for sale at the next sale in the next year;*

(2) as to requests received each calendar year after December 31, 1986, the sale shall be held in June, July, or August of the year after the request is received.

(b) The last sales shall be held in 1992. Lots not sold the first year offered may be reoffered in a succeeding year, following reappraisal if it is determined necessary by the commissioner.

(c) If a person other than the lessee purchases the leased lakeshore cabin site, the purchaser must make payment in full to the lessee at the time of the sale for the appraised value of any improvements. Failure of a successful bidder to comply with this provision voids the sale and the property must be rebid, if possible, at the same sale.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state land; authorizing extension of the date to sell lakeshore cabin site lots; amending Minnesota Statutes 1986, section 92.67, subdivision 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 875: A bill for an act relating to energy conservation; appropriating certain funds to the department of jobs and training for low-income energy conservation programs; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 3.3005, is amended by adding a subdivision to read:

Subd. 6. [OIL OVERCHARGE MONEYS.] Unless otherwise specifically appropriated by law, and in lieu of the procedure in subdivision 5, money received by the state resulting from litigation or settlements of alleged violations of federal pricing regulations must not be allotted for expenditure until the legislative advisory commission has recommended to the governor a plan for spending the money after review of recommendations from an advisory task force. The advisory task force shall consist of 15 members, five members appointed by the governor, five members appointed by the subcommittee on committees of the senate committee on rules and administration, and five members appointed by the speaker of the house. Members of the task force shall include representatives of local government, persons that have an interest in low-income weatherization, and professionals that work with energy-related research. The advisory task force must prepare and recommend to the commission a plan for allocation of the money after considering programs and activities that will reduce the consumption of fossil fuels within the state, including energy-related research.

Sec. 2. [APPROPRIATION.]

One-half of any money received before or after the effective date of this section by the governor, the commissioner of finance, or any other state agency as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F.Supp. 586 (D. Kan. 1983) and one-half of any other money received after the effective date of this section by any of those entities or agencies, resulting from overcharges by oil companies in violation of federal law, is appropriated to the commissioner of jobs and training and shall be used to maintain low-income energy conservation programs administered by the department of jobs and training.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to money received before the effective date of section 1 by the governor, commissioner of finance, or any other state agency as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F.Supp. 586 (D. Kan. 1983). Section 2 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to energy; requiring the legislative advisory commission to recommend allocation of oil overcharge money; appropri-

ating oil overcharge money for low-income energy conservation; appropriating money; amending Minnesota Statutes 1986, section 3.3005, by adding a subdivision."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 821: A bill for an act relating to public finance; authorizing compliance with federal tax laws to secure tax exemption for certain bonds and other obligations; authorizing the issuance of taxable bonds and other obligations; appropriating money; amending Minnesota Statutes 1986, section 16A.641, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 14 and 15, delete "*is authorized to*" and insert "*may*"

Page 1, line 23, delete "*expended*" and insert "*spent*"

Page 1, lines 24 and 25, delete "*general fund*" and insert "*fund to which the bond proceeds were credited*"

Page 2, line 16, delete "*is authorized to*" and insert "*may*"

Page 2, line 26, after the period, insert "*Money required to be spent for compliance is appropriated to the commissioner from the fund to which the bond proceeds were credited.*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 362: A bill for an act relating to Hennepin county; creating a county housing and redevelopment authority; applying the municipal housing and redevelopment act to Hennepin county; providing for local approval of projects; proposing coding for new law in Minnesota Statutes, chapter 383B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, delete "*means*" and insert "*includes*"

Page 2, line 14, delete everything after the comma

Page 2, delete line 15

Page 2, line 16, delete "*statutory city,*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F No. 799: A bill for an act relating to Koochiching county; permitting the county to establish a bidstead development authority.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 6, delete "PURPOSE; PROGRAM" and insert "KOOCHICHING COUNTY; BIDSTEAD AND ECONOMIC DEVELOPMENT AUTHORITY"

Page 2, delete lines 6 to 10 and insert:

"Subd. 2. [PROGRAM.] The Koochiching county bidstead authority may acquire real property from Koochiching county or any other source. The authority may enter into contracts with individuals under which the authority will permit the individual to reside on a parcel of land, not to exceed 40 acres, held by the authority if the individual agrees to:

(1) build a home on the parcel;

(2) pay tax on the property;

(3) maintain an income sufficient to support the individual and any dependents who reside on the parcel; and

(4) continue to reside on the property for a period of at least ten years.

At"

Page 2, line 18, after "politic," insert "to be known as the Koochiching county bidstead authority," and delete ", having" and insert ". The authority shall have"

Page 3, line 12, delete "promulgate" and insert "adopt"

Page 3, line 13, after "program" insert "that include a recapture of benefits and imposition of penalties for individuals who do not comply with requirements of the contract with the authority"

Page 3, line 22, after "DATE" insert "; SUNSET"

Page 3, line 25, after the period, insert "No individual may enter into a contract under section 1, subdivision 2, after July 31, 1992. Contracts entered into before August 1, 1992, shall remain in effect for their full term."

Amend the title as follows:

Page 1, line 3, after "establish" insert "an economic development authority and" and after "a" insert "pilot"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F No. 170: A bill for an act relating to economic development; recodifying provisions governing housing and redevelopment authorities, port authorities, economic development authorities, area redevelopment, mu-

nicipal development districts, mined underground space development, rural development finance authorities, public development debt, enterprise zones, tax increment financing, and other local economic development tools; extending duration of bond allocation act; removing certain service persons' preference provisions from the housing and redevelopment authority law; modifying requirements for developers' tax abatements under the housing and redevelopment authority law; removing a sunset on certain St. Paul port authority provisions; amending Minnesota Statutes 1986, sections 16B.61, subdivision 3; 41A.05, subdivision 2; 41A.06, subdivision 5; 115A.69, subdivision 9; 116J.27, subdivision 4; 116M.03, subdivisions 11, 19, and 28; 116M.06, subdivision 3; 116M.07, subdivision 11; 124.214, subdivision 3; 216B.49, subdivision 7; 268.38, subdivision 3; 272.02, subdivision 5; 272.026; 272.68, subdivision 4; 273.13, subdivisions 9 and 24; 273.1393; 282.01, subdivision 1; 290.61; 298.2211, subdivisions 1 and 3; 353.01, subdivision 6; 355.11, subdivision 5; 355.16; 412.251; 462C.02, subdivisions 6 and 9; 462C.05, subdivision 7; 462C.06; 465.54; 465.74, subdivision 7; 465.77; 471A.03, subdivision 9; 473.195, subdivision 1; 473.201, subdivision 1; 473.504, subdivision 11; 473.556, subdivision 6; 473.638, subdivision 2; 473.811, subdivision 8; 473.852, subdivision 6; 473F.02, subdivision 3; 473F.05; 473F.08, subdivisions 2, 4, and 6; 475.525, subdivision 3; 477A.011, subdivision 7; 504.24, subdivision 2; and 609.321, subdivision 12; and Laws 1986, chapter 465, article 1, section 32; repealing Minnesota Statutes 1986, sections 273.1312; 273.1313; 273.1314; 273.71; 273.72; 273.73; 273.74; 273.75; 273.76; 273.77; 273.78; 273.86; 362A.01; 362A.02; 362A.03; 362A.04; 362A.041; 362A.05; 362A.06; 373.31; 426.055; 458.09; 458.091; 458.10; 458.11; 458.12; 458.14; 458.15; 458.16; 458.17; 458.18; 458.19; 458.191; 458.192; 458.193; 458.194; 458.1941; 458.195; 458.196; 458.197; 458.198; 458.199; 458.1991; 458.70; 458.701; 458.702; 458.703; 458.711; 458.712; 458.713; 458.72; 458.74; 458.741; 458.75; 458.76; 458.77; 458.771; 458.772; 458.773; 458.774; 458.775; 458.776; 458.777; 458.778; 458.79; 458.80; 458.801; 458.81; 458C.01; 458C.03; 458C.04; 458C.05; 458C.06; 458C.07; 458C.08; 458C.09; 458C.10; 458C.11; 458C.12; 458C.13; 458C.14; 458C.15; 458C.16; 458C.17; 458C.18; 458C.19; 458C.20; 458C.22; 458C.23; 459.01; 459.02; 459.03; 459.04; 459.05; 459.31; 459.32; 459.33; 459.34; 462.411; 462.415; 462.421; 462.425; 462.426; 462.427; 462.428; 462.429; 462.4291; 462.432; 462.435; 462.441; 462.445; 462.451; 462.455; 462.461; 462.465; 462.466; 462.471; 462.475; 462.481; 462.485; 462.491; 462.495; 462.501; 462.505; 462.511; 462.515; 462.521; 462.525; 462.531; 462.535; 462.541; 462.545; 462.551; 462.555; 462.556; 462.561; 462.565; 462.571; 462.575; 462.581; 462.585; 462.591; 462.595; 462.601; 462.605; 462.611; 462.615; 462.621; 462.625; 462.631; 462.635; 462.641; 462.645; 462.651; 462.655; 462.661; 462.665; 462.671; 462.675; 462.681; 462.685; 462.691; 462.695; 462.701; 462.705; 462.712; 462.713; 462.714; 462.715; 462.716; 465.026; 465.53; 465.55; 465.56; 472.01; 472.02; 472.03; 472.04; 472.05; 472.06; 472.07; 472.08; 472.09; 472.10; 472.11; 472.12; 472.125; 472.13; 472.14; 472.15; 472.16; 472A.01; 472A.02; 472A.03; 472A.04; 472A.05; 472A.06; 472A.07; 472A.09; 472A.10; 472A.11; 472A.12; 472A.13; 472B.01; 472B.02; 472B.03; 472B.04; 472B.05; 472B.06; 472B.07; 472B.08; 474.01; 474.02; 474.03; 474.04; 474.05; 474.06; 474.07; 474.08; 474.09; 474.10; 474.11; 474.13; 474.15; 477A.018; and 477A.019; Laws 1961, chapter 545; Laws 1963, chapters 254; and 827; Laws 1967, chapter 541; Laws 1969, chapter 98; Laws 1973, chapter 114; Laws 1974, chapter 218; Laws 1975, chapter 326; Laws 1976, chapter 234, section 3; Laws 1979, chapter 269, section 1; Laws 1980, chapters 453; and 595, sections 5 and 8; Laws

1982, chapter 523, article 24, section 2; Laws 1983, chapters 110; and 257, section 1; Laws 1984, chapters 397; 498; and 548, section 9; and Laws 1985, chapters 173; 177; 188; 189; 192; 199; 205; 206, sections 2 and 3; and 301, sections 3 and 4; proposing coding for new law as Minnesota Statutes, chapter 469.

Reports the same back with the recommendation that the bill be amended as follows:

Page 64, delete lines 15 to 27

Page 64, line 28, delete the language before the semicolon and insert:

“(a) after deducting all operating expenses, debt service payments, taxes or payments in lieu of taxes, and assessments, the developer may be paid annually out of the earnings of the project an amount equal to a specified percentage of the equity invested in the project; the percentage shall be fixed for the term of the tax exemption and shall be determined at the time of the approval of the development contract, provided that no percentage greater than eight percent shall be approved; the contract shall set out the terms of the developer’s return on equity and shall define “developer’s invested equity,” “project earnings,” “debt service,” and “operating expenses” ”

Page 160, line 32, delete “MUNICIPAL” and insert “CITY”

Page 178, line 8, delete “he” and insert “the commissioner”

Page 199, line 22, delete “a standard metropolitan” and insert “the area in and around a city of 50,000 inhabitants or more, or an equivalent area, as defined by the United States Secretary of Commerce.”

Page 199, delete lines 23 to 25

Page 297, lines 4 and 5, delete “477A.018; and 477A.019;”

Page 297, delete lines 17 to 25 and insert:

“Section 1. Minnesota Statutes 1986, section 474A.02, subdivision 1, is amended to read:

Subdivision 1. [TERMS DEFINED.] For the purposes of sections 474A.011 to 474A.0140, the terms defined in this section shall have the following meanings: *given them.*

Sec. 2. Minnesota Statutes 1986, section 474A.02, subdivision 2, is amended to read:

Subd. 2. [ANNUAL VOLUME CAP] “Annual volume cap” means the aggregate dollar amount of obligations bearing interest excluded from gross income for purposes of federal income taxation which, under the provisions of existing federal tax law or a federal volume limitation act, may be issued in one year by issuers.

Sec. 3. Minnesota Statutes 1986, section 474A.02, is amended by adding a subdivision to read:

Subd. 2a. [BONDING AUTHORITY.] “Bonding authority” means all or a portion of the annual volume cap.

Sec. 4. Minnesota Statutes 1986, section 474A.02, is amended by adding a subdivision to read:

Subd. 2b. [CARRYFORWARD.] “Carryforward” means the ability to

issue obligations in a year subsequent to the year in which an allocation of bonding authority was obtained under sections 1 to 40 as provided in section 146(f) of federal tax law.

Sec. 5. Minnesota Statutes 1986, section 474A.02, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE OF ALLOCATION.] "Certificate of allocation" means a certificate provided to an issuer by the department under section 474A.13 30.

Sec. 6. Minnesota Statutes 1986, section 474A.02, is amended by adding a subdivision to read:

Subd. 5a. [COMMISSIONER.] "*Commissioner*" means the commissioner of energy and economic development.

Sec. 7. Minnesota Statutes 1986, section 474A.02, subdivision 6, is amended to read:

Subd. 6. [DEPARTMENT; DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT.] "Department" or "~~department of energy and economic development~~" means the department of energy and economic development or its successor agency or agencies with respect to the duties that the department is to perform under sections 474A.01 to 474A.21.

Sec. 8. Minnesota Statutes 1986, section 474A.02, subdivision 7, is amended to read:

Subd. 7. [ENTITLEMENT ISSUER.] "Entitlement issuer" means an issuer to which an allocation is made under ~~section 474A.04, 474A.08, or 474A.09~~ section 23, subdivision 2a; and section 41, subdivision 1, clause (a), and subdivision 2.

Sec. 9. Minnesota Statutes 1986, section 474A.02, subdivision 8, is amended to read:

Subd. 8. [EXISTING FEDERAL TAX LAW.] "~~Existing~~ Federal tax law" means those provisions of the Internal Revenue Code of ~~1954 1986~~, as amended through December 31, 1985, that limit the aggregate amount of obligations of a specified type or types which may be issued by an issuer during a calendar year whose interest is ~~exempt from inclusion in~~ excluded from gross income for purposes of federal income taxation.

Sec. 10. Minnesota Statutes 1986, section 474A.02, subdivision 12, is amended to read:

Subd. 12. [ISSUER.] "Issuer" means any entitlement issuer, *state issuer*, or other issuer.

Sec. 11. Minnesota Statutes 1986, section 474A.02, is amended by adding a subdivision to read:

Subd. 13a. [MANUFACTURING POOL.] "*Manufacturing pool*" means the amount of the annual volume cap allocated under section 27 that is available for the issuance of small issue bonds to finance manufacturing projects.

Sec. 12. Minnesota Statutes 1986, section 474A.02, subdivision 14, is amended to read:

Subd. 14. [MANUFACTURING PROJECT.] "Manufacturing project" means ~~properties, real or personal, used in connection with a revenue~~

producing enterprise in connection with assembling, fabricating, manufacturing, mixing, or processing any products of agriculture, forestry, mining, or manufacture. Properties used for storing, warehousing, or distributing qualify under this definition (1) if they are used as part of or in connection with an assembly, fabricating, manufacturing, mixing, or processing facility, or (2) if they are used for the storing of agricultural products and are located outside of the metropolitan area, as defined in section 473.121, subdivision 2. Manufacturing project includes properties, real or personal, used in connection with research and development activity to develop or improve products, production processes, or materials. For purposes of this subdivision, "a product of manufacture" includes information and directions which dictate the functions to be performed by data processing equipment, commonly called computer software, regardless of whether they are embodied in or recorded on tangible personal property. A project qualifies as a manufacturing project only if 75 percent of the proceeds of the proposed obligations will be used for construction, acquisition, installation, or addition of properties described in this subdivision any facility which is used in the manufacturing or production of tangible personal property, including the processing resulting in a change in the condition of the property.

Sec. 13. Minnesota Statutes 1986, section 474A.02, subdivision 16, is amended to read:

Subd. 16. [MULTIFAMILY HOUSING PROJECT POOL.] "Multifamily housing project pool" means a development defined in section 462C.02, subdivision 5, for which the applicable housing plan and program approval requirements of chapter 462C have been met the amount of the annual volume cap allocated under section 27, which is available for the issuance of residential rental project bonds.

Sec. 14. Minnesota Statutes 1986, section 474A.02, subdivision 18, is amended to read:

Subd. 18. [NOTICE OF ENTITLEMENT ALLOCATION.] "Notice of entitlement allocation" means a notice provided to an entitlement issuer under section 474A.04, subdivision 5, or 474A.08 25, subdivision 2 5.

Sec. 15. Minnesota Statutes 1986, section 474A.02, subdivision 19, is amended to read:

Subd. 19. [OTHER ISSUER.] "Other issuer" means any an entity other than an entitlement issuer which may issue obligations subject to an annual volume cap, including but not limited to the University of Minnesota, any a city, any town, any federally recognized American Indian tribe or subdivision thereof located in Minnesota, any a housing and redevelopment authority referred to in chapter 462, or any a body authorized to exercise the powers of a housing and redevelopment authority, any a port authority referred to in chapter 458, or any a body authorized to exercise the powers of a port authority, any an economic development authority referred to in chapter 458C, an area or municipal redevelopment agency referred to in chapter 472, any a county, or any other municipal authority or agency established pursuant to under special law, or any an entity issuing on behalf of the foregoing.

Sec. 16. Minnesota Statutes 1986, section 474A.02, is amended by adding a subdivision to read:

Subd. 20a. [PERMANENTLY ISSUED.] Obligations are "permanently

issued" if either (1) the obligations have been issued under terms and conditions such that the proceeds are available for the purpose for which they were issued, or (2) ten percent of the proceeds of the obligations, excluding costs of issuance, have been disbursed for the purpose for which they were issued.

Sec. 17. Minnesota Statutes 1986, section 474A.02, subdivision 21, is amended to read:

Subd. 21. [PRELIMINARY RESOLUTION.] "Preliminary resolution" means a resolution adopted by the governing body or board of the issuer, or in the case of the iron range resources and rehabilitation board by the commissioner. The resolution must express a preliminary intention of the issuer to issue obligations for a specific project and must identify the proposed project, and disclose the proposed amount of the obligations qualified bonds to be issued. Preliminary resolutions for mortgage bonds and student loan bonds need not identify a specific project.

Sec. 18. Minnesota Statutes 1986, section 474A.02, is amended by adding a subdivision to read:

Subd. 22a. [PUBLIC FACILITIES POOL.] "Public facilities pool" means the amount of the annual volume cap allocated under section 27, which is available for the issuance of public facility bonds or student loan bonds.

Sec. 19. Minnesota Statutes 1986, section 474A.02, is amended by adding a subdivision to read:

Subd. 23a. [QUALIFIED BONDS.] "Qualified bonds" means the specific type or types of obligations that are subject to the annual volume cap. Qualified bonds include the following types of obligations as defined in federal tax law:

(a) "public facility bonds" means "exempt facility bonds" as defined in federal tax law, except for residential rental project bonds, which are those obligations issued to finance airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electric energy or gas, local district heating or cooling facilities, and qualified hazardous waste facilities;

(b) "residential rental project bonds" which are those obligations issued to finance qualified residential rental projects;

(c) "mortgage bonds";

(d) "small issue bonds" issued to finance manufacturing projects;

(e) "student loan bonds";

(f) "redevelopment bonds"; and

(g) "governmental bonds" with a nonqualified amount in excess of \$15,000,000 as set forth in section 141(b)5 of federal tax law.

Sec. 20. Minnesota Statutes 1986, section 474A.02, subdivision 26, is amended to read:

Subd. 26. [STATE ISSUER.] "State issuer" means the state of Minnesota; the iron range resources and rehabilitation board; or other agency, department, board, or commission of the state, which that is authorized to issue obligations and has statewide jurisdiction.

Sec. 21. Minnesota Statutes 1986, section 474A.02, is amended by adding a subdivision to read:

Subd. 26a. [UNIFIED POOL.] "Unified pool" means the amount of the annual volume cap allocated under section 29 that is available for the issuance of qualified bonds.

Sec. 22. Minnesota Statutes 1986, section 474A.03, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL VOLUME CAP UNDER EXISTING FEDERAL TAX LAW; POOL ALLOCATIONS.] At the beginning of each calendar year after December 31, 1987, the ~~department~~ commissioner shall determine the aggregate dollar amount of the annual volume cap under ~~existing~~ federal tax law for the calendar year, and of this amount the ~~department~~ commissioner shall ~~determine~~ make the following amounts allocation:

(1) the amount that is allocated to entitlement issuers under section 474A.04 \$74,000,000 to the manufacturing pool;

(2) the amount initially available for allocation through the pool under section 474A.05, which is the annual volume cap determined under this subdivision less the amount determined under clause (1) \$30,000,000 to the multifamily housing pool; and

(3) the amount available for issuance of qualified mortgage bonds under section 474A.07 \$21,000,000 to the public facilities pool; and

(4) amounts to be allocated as provided in section 23, subdivision 2a.

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

Sec. 23. Minnesota Statutes 1986, section 474A.03, is amended by adding a subdivision to read:

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

(1) \$50,000,000 per year to the Minnesota housing finance agency, less any amount received in the previous year under section 29, subdivision 6;

(2) \$20,000,000 per year to the city of Minneapolis;

(3) \$15,000,000 per year to the city of Saint Paul; and

(4) \$3,000,000 to each of the cities of the first class located outside of the metropolitan area as defined in section 473.121, subdivision 2, or an amount equal to the amount of mortgage bonds or residential rental project bonds that the city permanently issued in the previous calendar year, whichever amount is less. The amount of an allocation provided under this clause is deducted from the allocations made under clauses (1), (2), and (3) in proportion to the total amount of allocations made in clauses (1), (2), and (3).

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

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

Sec. 24. Minnesota Statutes 1986, section 474A.04, is amended by adding a subdivision to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] An entitlement issuer may retain any unused portion of its entitlement allocation after the first Monday in September if it has submitted to the department before the first Monday in September a letter stating its intent to issue obligations pursuant to its entitlement allocation before the end of the calendar year or within the time permitted under federal tax law. Except as provided in section 41, subdivision 2, paragraph (a), any amount returned by an entitlement issuer before the last Monday in October shall be reallocated through the multifamily housing pool. Any amount returned on or after the last Monday in October shall be reallocated under section 29. Beginning with entitlement allocations received in 1987 under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraphs (2) and (3), there shall be deducted from an entitlement issuer's allocation for the subsequent year an amount equal to the entitlement allocation under which bonds are either not issued or carried forward under federal tax law. Except for the Minnesota housing finance agency, any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued by the end of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer for the next succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be divided equally for allocation through the manufacturing pool and the multifamily housing pool.

Sec. 25. Minnesota Statutes 1986, section 474A.04, subdivision 5, is amended to read:

Subd. 5. [NOTICE OF ENTITLEMENT ALLOCATION.] As soon as possible in each calendar year, the ~~department~~ commissioner shall provide to each entitlement issuer a written notice of the amount of its entitlement allocation ~~under this section~~.

Sec. 26. Minnesota Statutes 1986, section 474A.04, subdivision 6, is amended to read:

Subd. 6. [ENTITLEMENT TRANSFERS.] An entitlement issuer may enter into an agreement with another entitlement issuer whereby the recipient entitlement issuer issues obligations pursuant to ~~issuance~~ bonding authority allocated to the original entitlement issuer under this section.

Sec. 27. [474A.061] [ALLOCATION OF MANUFACTURING, MULTIFAMILY HOUSING, AND PUBLIC FACILITIES POOLS.]

Subdivision 1. [APPLICATION.] An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, and (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in August, or in the amount of two percent of the requested allocation on or after the last Monday in August. An entitlement issuer may not apply for an allocation from the multifamily housing pool or from the public facilities pool unless

it has permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years.

Subd. 2. [ALLOCATION PROCEDURE.] From the beginning of the calendar year until the last Monday in October, the commissioner shall allocate available bonding authority under this section on Monday of each week to applications received on or before the Monday of the preceding week.

(a) If there are two or more applications for residential rental project bonds from the multifamily housing pool and there is insufficient bonding authority to provide allocations for all projects in any one week after all eligible bonding authority has been transferred as provided in section 28, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(b) If there are two or more applications for small issue bonds from the manufacturing pool and there is insufficient bonding authority to provide allocations for all projects in any one week after all eligible bonding authority has been transferred as provided in section 28, preference shall be given to applications for projects to be located in distressed counties designated under section 297A.257. Otherwise, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(c) If there are two or more applications for public facility bonds from the public facilities pool and there is insufficient bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an allocation under this section may retain any unused portion of the allocation after the first Monday in September only if the issuer has submitted to the department before the first Monday in September a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained.

Subd. 4. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section by the end of the current year or within the time period permitted by federal tax law, the issuer must notify the department. If the issuer notifies the department prior to the last Monday in October, the amount of allocation returned must be reallocated through the pool from which it was originally allocated. If the issuer notifies the department on or after the last Monday in October, the amount of allocation returned must be reallocated through the unified pool.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section shall receive within 30 days a refund of its application deposit equal to:

(1) one-half of the amount on deposit for the amount of bonding authority returned before the first Monday in December;

(2) one-fourth of the amount on deposit for the amount of bonding authority returned before the third Monday in December; and

(3) one-eighth of the amount on deposit for the amount of bonding authority returned before the last Monday in December.

No refund shall be available for allocations returned on or after the last Monday in December.

Subd. 5. [HIGHER EDUCATION COORDINATING BOARD ALLOCATION.] *The higher education coordinating board must receive an allocation of bonding authority at the beginning of the calendar year from the public facilities pool of an amount up to \$10,000,000 per year, less any amount carried forward from the previous year for the issuance of student loan bonds. The amount of any allocation received under this subdivision, when added to the allocation received under section 29, subdivision 6, in the previous year, must not exceed \$20,000,000. The higher education coordinating board shall be treated as an entitlement issuer under section 24.*

Subd. 6. [DEADLINE FOR ISSUANCE OF SMALL ISSUE BONDS.] *If an issuer fails to notify the department before the last Monday in December of issuance of obligations pursuant to an allocation received for a manufacturing project, the allocation is canceled and the bonding authority is allocated to the department of finance for reallocation under section 29, subdivision 6.*

Sec. 28. [474A.081] [POOL TRANSFERS.]

Subdivision 1. [AUTHORITY TO TRANSFER BONDING AUTHORITY.] *If there is insufficient bonding authority in either the manufacturing pool or the multifamily housing pool to provide allocations for applications received in any one week, additional bonding authority for small issue bonds and residential rental project bonds may be obtained under this section.*

Subd. 2. [TRANSFER LIMITS.] *No transfer of bonding authority may be made from any pool for qualified bonds not eligible to receive allocations from that pool prior to June 30. No transfer may be made from a pool if, on June 30, allocations of bonding authority have been made from that pool equal to or exceeding 50 percent of the annual volume cap originally allocated to that pool. For 1987, the amount considered originally allocated to each of the pools shall be \$80,000,000 for the manufacturing pool and \$60,000,000 for the multifamily housing pool.*

Subd. 3. [TRANSFER FROM MINNESOTA HOUSING FINANCE AGENCY ALLOCATION.] *If there is insufficient bonding authority to provide allocations for all applications for residential rental projects in any one week from the multifamily housing pool, up to \$15,000,000 per year must be transferred to the multifamily housing pool from the Minnesota housing finance agency's entitlement allocation. This deduction must be made prior to transferring bonding authority to the multifamily housing pool as provided in subdivision 4.*

Subd. 4. [POOL TRANSFERS.] If there is insufficient bonding authority to provide allocations for all small issue bonds or residential rental project bonds in any one week, applications for small issue bonds may receive bonding authority from the multifamily housing pool or applications for residential rental project bonds may receive bonding authority from the manufacturing pool, except as provided in subdivision 2. If bonding authority is transferred from one pool to the other pool, applications for small issue bonds must receive priority for allocations from the manufacturing pool, and applications for residential rental project bonds must receive priority for allocations from the multifamily housing pool.

Sec. 29. [474A.091] [ALLOCATION OF UNIFIED POOL.]

Subdivision 1. [UNIFIED POOL AMOUNT.] On the day after the last Monday in October any bonding authority remaining unallocated from the manufacturing pool, the multifamily housing pool, and the public facilities pool is transferred to the unified pool and must be reallocated as provided in this section.

Subd. 2. [APPLICATION.] An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, and (4) an application deposit in the amount of two percent of the requested allocation. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years.

Subd. 3. [ALLOCATION PROCEDURE.] The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in November through and on the last Monday in December. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. Allocations shall be awarded in the following order of priority:

(1) applications for small issue bonds, with preference given to projects to be located in distressed counties designated under section 297A.257;

(2) applications for residential rental project bonds;

(3) applications for public facility bonds;

(4) applications for redevelopment bonds;

(5) applications for mortgage bonds; and

(6) applications for governmental bonds.

Allocations for mortgage bonds from the unified pool may not exceed:

(a) \$10,000,000 for any one city;

(b) \$20,000,000 for any number of cities in any one county; or

(c) 40 percent of the amount initially allocated to the unified pool.

An allocation for mortgage bonds may be used for mortgage credit certificates.

If an allocation from the unified pool is used for mortgage bonds, at least 70 percent of the proceeds from the issuance of the bonds must be used to make loans for the purchase, replacement or rehabilitation of existing housing or school buildings.

Subd. 4. [MORTGAGE BOND SUNSET.] If federal tax law is not amended to permit the issuance of tax-exempt mortgage bonds after December 31, 1988, all remaining bonding authority available for allocation under this section on December 1, 1988, is allocated to the Minnesota housing finance agency, of which at least 50 percent must be reallocated to cities for the issuance of mortgage bonds. If an issuer that receives an allocation for mortgage bonds under this subdivision fails to notify the department of energy and economic development before the last Monday in December of issuance of obligations pursuant to all or a portion of the allocation, any remaining allocation pursuant to which obligations have not been issued is canceled and the bonding authority is allocated to the department of finance for reallocation under section 29, subdivision 6.

Subd. 5. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section by the end of the current year or within the time period permitted by federal tax law, the issuer must notify the department. If the issuer notifies the department prior to the last Monday in December, the amount of allocation returned must be reallocated through the unified pool.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section shall receive within 30 days a refund of its application deposit equal to:

(1) one-half of the amount on deposit for the amount of bonding authority returned before the first Monday in December;

(2) one-fourth of the amount on deposit for the amount of bonding authority returned before the third Monday in December; and

(3) one-eighth of the amount on deposit for the amount of bonding authority returned before the last Monday in December.

No refund of the application deposit shall be available for allocations returned on or after the last Monday in December.

Subd. 6. [FINAL ALLOCATION; CARRYFORWARD.] \$20,000,000 or any bonding authority remaining unallocated from the unified pool after the last Monday in December, whichever is less, is allocated to the higher education coordinating board. Any bonding authority remaining after the deduction for the higher education coordinating board allocation is allocated to the department of finance for reallocation for qualified bonds eligible to be carried forward under federal tax law.

Sec. 30. Minnesota Statutes 1986, section 474A.13, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE OF CERTIFICATE OF ALLOCATION.] The department shall issue a certificate of allocation for any allocation granted under ~~section 474A.11~~ **sections 27 and 29**, except as provided in ~~subdivision 4 section 31.~~

Sec. 31. Minnesota Statutes 1986, section 474A.13, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON THE ISSUANCE OF CERTIFICATES.] No certificate of allocation may be granted under a federal volume limitation act under any of the following circumstances:

(1) ~~tax law~~ for the amount of the allocation requested, when the amount requested added to (i) the aggregate amount of certificates of allocation issued and not expired; (ii) amounts remaining available to be allocated pursuant to section 474A.11; and (iii) entitlement authority allocated pursuant to section 474A.08 and not returned pursuant to section 474A.10, subdivision 3, for reallocation would cause the governmental annual volume cap to be exceeded. If two or more applications for a certificate of allocation are filed with the department on the same day and there is insufficient issuance authority for the applications, certificates shall be issued first for applications made pursuant to subdivision 2 and thereafter for applications made pursuant to subdivision 1; or

(2) ~~the principal amount of the proposed allocation exceeds \$25,000,000 unless the issuer is the Minnesota housing finance agency or the Minnesota higher education coordinating board, or unless the issue is a pooled or joint issue or any issue of a joint powers board, provided that for joint or pooled issues or issues of a joint powers board the aggregate amount of the issue cannot exceed \$100,000,000.~~

Sec. 32. Minnesota Statutes 1986, section 474A.13, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATES ARE NOT TRANSFERABLE.] Certificates of allocation are not transferable. An issuer that receives an allocation of ~~issuance~~ bonding authority pursuant to sections 474A.01 1 to 474A.21 41 to finance a project within the boundaries of the issuer may allow another issuer to issue obligations pursuant to the ~~issuance~~ authority allocation received only if the boundaries of the other issuer are coterminous with the boundaries of the issuer that received the ~~authority~~ allocation.

Sec. 33. [474A.131] [NOTICE OF ISSUE AND NOTICE OF CARRYFORWARD.]

Subdivision 1. [NOTICE OF ISSUE.] Each issuer that issues bonds with an allocation received under this chapter shall provide a notice of issue to the department on forms provided by the department stating:

- (1) the date of issuance of the bonds;
- (2) the title of the issue;
- (3) the principal amount of the bonds;
- (4) the type of qualified bonds under federal tax law; and
- (5) the dollar amount of the bonds issued that were subject to the annual volume cap.

For obligations that are issued as a part of a series of obligations, a notice must be provided for each series. Any issue of obligations for which a notice of issue is not provided to the department within five days after issuance is deemed not to have received an allocation under this law or under federal tax law. Within 30 days after receipt of a notice of issue the department shall refund a portion of the application deposit equal to one percent of the amount of the bonding authority actually issued if a one percent application deposit was made, or equal to two percent of the

amount of the bonding authority actually issued if a two percent application deposit was made.

Subd. 2. [CARRYFORWARD NOTICE.] If an issuer intends to carry forward an allocation received under this chapter it must notify the department before the last Monday of December. If the notice of carryforward is not provided within the time required, one-quarter of the amount of the deposit eligible for refund upon filing of the notice of issue under this section is forfeited.

Sec. 34. Minnesota Statutes 1986, section 474A.14, is amended to read:
474A.14 [NOTICE OF AVAILABLE AUTHORITY.]

The department shall publish in the State Register at least twice monthly, a notice of the amount of ~~issuance~~ *bonding* authority, if any, available for allocation pursuant to sections ~~474A.05, 474A.11, 27 and 474A.12~~ 29.

Sec. 35. Minnesota Statutes 1986, section 474A.15, is amended to read:
474A.15 [STATE HELD HARMLESS.]

The state is not liable in any manner to any issuer, holder of obligations, or other person for carrying out the duties imposed on it under sections ~~474A.01 1 to 474A.21 41.~~

Sec. 36. Minnesota Statutes 1986, section 474A.16, is amended to read:
474A.16 [EXCLUSIVE METHOD OF ALLOCATION.]

Sections ~~474A.01 1 to 474A.21 41~~ shall be the exclusive method for allocating authority to issue obligations for the purposes of complying with the volume limitation of a ~~federal volume limitation act and existing federal tax law. An issuer of obligations may elect to obtain an allocation of authority under either existing federal tax law, a federal volume limitation act, or both.~~

Sec. 37. Minnesota Statutes 1986, section 474A.17, is amended to read:
474A.17 [ADMINISTRATIVE PROCEDURE ACT NOT APPLICABLE.]

Minnesota Statutes, chapter 14, shall not apply to actions taken by any state agency, or entity, ~~or the governor~~ under sections ~~474A.01 1 to 474A.21 41.~~

Sec. 38. Minnesota Statutes 1986, section 474A.18, is amended to read:
474A.18 [~~PROSPECTIVE OVERRIDE OF FEDERAL VOLUME LIMITATION ACT TAX LAW.~~]

Sections ~~474A.01 1 to 474A.21~~ *prospectively 41* override and replace the method of allocating the authority to issue obligations among uses and among issuers as provided in a ~~section 146 of federal volume limitation act tax law~~ to the extent allowed by a ~~federal volume limitation act tax law.~~

Sec. 39. Minnesota Statutes 1986, section 474A.20, is amended to read:
474A.20 [STATE CERTIFICATION.]

The commissioner of the ~~department~~ is designated as the state official to provide any preissuance or postissuance certification required by a ~~federal volume limitation act tax law.~~

Sec. 40. Minnesota Statutes 1986, section 474A.21, is amended to read:

474A.21 [APPROPRIATION; RECEIPTS.]

Any fees collected by the department under sections ~~474A.01 1~~ to ~~474A.21 41~~ must be deposited in the general fund. The amount necessary to refund application deposits is appropriated to the department from the general fund for that purpose.

Sec. 41. [ALLOCATION FOR REMAINDER OF 1987.]

Subdivision 1. [MINNESOTA HOUSING FINANCE AGENCY AND POOL ALLOCATION.] For the purposes of this section, the terms defined in sections 1 to 21 have the meanings given them in sections 1 to 21. The commissioner shall allocate the annual volume cap for the remainder of 1987 on the day following final enactment as follows:

(a) \$60,000,000 is allocated to the Minnesota housing finance agency less any amount that was allocated to the Minnesota housing finance agency from the department of finance in 1987 under Minnesota Statutes 1986, section 474A.09. This amount is available only for the issuance of mortgage bonds or residential rental project bonds.

(b) \$80,000,000 is allocated to the manufacturing pool, less the sum of (1) the amount of allocations for small issue bonds made from and not returned to the pool established under Minnesota Statutes 1986, section 474A.11, and (2) any amount that was allocated for small issue bonds by the department of finance in 1987 under Minnesota Statutes 1986, section 474A.09. Any allocations that were made for small issue bonds under Minnesota Statutes 1986, sections 474A.09 and 474A.11, returned on or subsequent to the date of enactment must be made available for reallocation through the manufacturing pool.

(c) \$60,000,000 is allocated to the multifamily housing pool, less the amount of allocations for residential rental project bonds made from and not returned to the pool established under Minnesota Statutes 1986, section 474A.11. Any allocations that were made for residential project bonds under Minnesota Statutes 1986, section 474A.11, returned on or subsequent to the date of enactment must be made available for reallocation through the multifamily housing pool.

(d) \$31,190,380 is allocated to the public facilities pool, less the amount of allocations for public facility bonds made from and not returned to the pool established under Minnesota Statutes 1986, section 474A.11. Any allocations that were made for public facility bonds under Minnesota Statutes 1986, section 474A.11, returned on or subsequent to the date of enactment must be made available for reallocation through the public facilities pool. Applications from the Minnesota public facilities authority must receive priority for allocations from the public facilities pool in any given week.

If the amount of bonding authority allocated under subdivision 3 when added to the allocation for public facility bonds made from and not returned to the pool under Minnesota Statutes, section 474A.11, exceeds \$31,190,380, the excess must be deducted from the allocation under paragraph (c) and be allocated to the public facilities pool.

Subd. 2. [1987 ENTITLEMENT CITY ALLOCATIONS.] (a) Cities that received entitlement allocations under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraph (2), may retain those allocations for issuance of mortgage bonds, residential rental project bonds, or public

facility bonds. These allocations shall be treated as entitlement allocations for the purpose of section 24 and any allocations returned must be reallocated through the manufacturing pool. If there is insufficient bonding authority in the manufacturing pool to provide allocations to all eligible projects on any Monday prior to the last Monday in October, 1987, after all eligible bonding authority has been transferred to the manufacturing pool as provided in section 28, additional bonding authority must be transferred to the manufacturing pool for allocation on the subsequent Monday from the entitlement city allocations as provided in this subdivision. Each city must transfer bonding authority to the manufacturing pool from its remaining bonding authority in an amount equal to the percentage of the allocation that the city received under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraph (2), in relation to the total amount of allocations made under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraph (2), multiplied by the amount necessary to provide allocations to all manufacturing projects on the subsequent Monday. No city is required to transfer more bonding authority under this subdivision than the amount of the city's allocation under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraph (2). For any week that a city transfers bonding authority to the manufacturing pool, that city shall receive a priority for allocations from the manufacturing pool up to the amount of bonding authority transferred by that city.

(b) Cities that received entitlement allocations under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraph (3), may retain those allocations for issuance of mortgage bonds, residential rental project bonds, or public facility bonds. These allocations shall be treated as entitlement allocations for the purpose of section 24 and any allocation returned must be reallocated through the multifamily housing pool.

(c) Cities that received entitlement allocations under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraph (5), may retain those allocations for issuance of mortgage bonds, residential rental project bonds, or public facility bonds. These allocations must be treated as entitlement allocations for the purpose of section 24 and any allocations returned must be reallocated through the multifamily housing pool.

Subd. 3. [HIGHER EDUCATION COORDINATING BOARD ALLOCATION.] The higher education coordinating board shall receive an allocation from the public facilities pool of an amount up to \$20,000,000 less the sum of (1) the amount carried forward from 1986, and (2) any amount allocated to it under Minnesota Statutes 1986, section 474A.09. The higher education coordinating board shall be treated as an entitlement issuer under section 24.

Sec. 42. [ALLOCATION VALIDATION.]

All allocations made under Minnesota Statutes 1986, chapter 474A, are validated and shall be governed by the provisions of sections 1 to 41.

Sec. 43. [REPEALER.]

Minnesota Statutes 1986, sections 474A.02, subdivisions 5, 9, 10, 11, 13, 15, 17, 20, 22, 23, 24, 25, 27, 28 and 29; 474A.03, subdivisions 2 and 3; 474A.04, subdivisions 1, 2, 3, and 4; 474A.05; 474A.06; 474A.07; 474A.08; 474A.09; 474A.10; 474A.11; 474A.12; 474A.13, subdivisions 2 and 3; and 474A.19 are repealed.

Laws 1981, chapter 222, section 6; and chapter 223, section 6, sub-

division 3, are repealed.

Sec. 44. [EFFECTIVE DATE.]

Sections 1 to 43 are effective the day following final enactment."

Page 297, delete lines 27 to 36 and insert:

"Section 1. Minnesota Statutes 1986, section 462C.11, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REQUIREMENTS.] Mortgage credit certificate programs adopted by the city shall comply with all of the provisions of section 25 of the Internal Revenue Code of 1954, as amended through July 18, 1984 1986.

Sec. 2. Minnesota Statutes 1986, section 462C.11, subdivision 3, is amended to read:

Subd. 3. [CORRECTION AMOUNTS.] Correction amounts determined by the secretary of the treasury because of the failure of a mortgage credit certificate program to comply with a federal statute or regulation shall be assessed pursuant to section 462C.09, subdivision 5 against the amount of qualified mortgage bonds allocated by chapter 474A to the issuer which adopted the program. Before November 1, if the issuer has no remaining allocation or if the correction amount is in excess of any remaining allocation, the correction amount in excess of any remaining allocation must be deducted from the allocations made at the beginning of the calendar year to entitlement issuers, the manufacturing pool, the multifamily housing pool, and the public facilities pool, based on the proportion that each allocation is in relation to the annual volume cap. If the deduction is made on or after November 1, the correction amount in excess of any remaining allocation must be deducted from any remaining allocations of entitlement issuers and the bonding authority remaining in the unified pool, based on the proportion that each allocation is in relation to the total amount of the remaining allocations and bonding authority."

Page 298, delete lines 1 to 6

Amend the title as follows:

Page 1, line 15, after the semicolon, insert "allocating bonding authority subject to a volume cap under federal tax law; allocating bonding authority to the city of Minneapolis, located in Hennepin county, and to the city of Saint Paul, located in Ramsey county;"

Page 1, lines 35 and 36, delete "and Laws 1986, Chapter 465, article 1, section 32;"

Page 2, line 29, delete "477A.018; and 477A.019" and insert "amending Minnesota Statutes 1986, sections 462C.11, subdivisions 2 and 3; 474A.02, subdivisions 1, 2, 3, 6, 7, 8, 12, 14, 16, 18, 19, 21, 26, and by adding subdivisions; 474A.03, subdivision 1, and by adding a subdivision; 474A.04, subdivisions 5, 6, and by adding a subdivision; 474A.13, subdivisions 1, 4, and 5; 474A.14; 474A.15; 474A.16; 474A.17; 474A.18; 474A.20; and 474A.21; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1986, sections 474A.02, subdivisions 5, 9, 10, 11, 13, 15, 17, 20, 22, 23, 24, 25, 27, 28, and 29; 474A.03, subdivisions 2 and 3; 474A.04, subdivisions 1, 2, 3, and 4; 474A.05; 474A.06; 474A.07; 474A.08; 474A.09; 474A.10; 474A.11; 474A.12; 474A.13, subdivisions 2 and 3; and 474A.19"

Page 2, line 35, after "8;" insert "Laws 1981, chapters 222, section 6; and 223, section 6, subdivision 3;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 481: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and waysides; abolishing Old Crossing Treaty State Wayside and Rice Lake State Wayside; amending Minnesota Statutes 1986, section 85.012, subdivision 57; repealing Minnesota Statutes 1986, sections 85.013, subdivisions 19 and 21a, and 138.55, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1986, section 43A.38, subdivision 2, is amended to read:

Subd. 2. [ACCEPTANCE OF GIFTS; FAVORS.] Employees in the executive branch in the course of or in relation to their official duties shall not directly or indirectly receive or agree to receive any payment of expense, compensation, gift, reward, gratuity, favor, service or promise of future employment or other future benefit from any source, except the state for any activity related to the duties of the employee unless otherwise provided by law. However, the acceptance of any of the following shall not be a violation of this subdivision:

(a) Gifts of nominal value or gifts or textbooks which may be accepted pursuant to section 15.43.

(b) Plaques or similar mementos recognizing individual services in a field of specialty or to a charitable cause.

(c) Payment of reimbursement expenses for travel or meals, not to exceed actual expenses incurred, which are not reimbursed by the state and which have been approved in advance by the appointing authority as part of the work assignment.

(d) Honoraria or expenses paid for papers, talks, demonstrations or appearances made by employees on their own time for which they are not compensated by the state.

(e) Tips received by employees engaged in food service and room cleaning at restaurant and lodging facilities in Itasca state park."

Page 1, line 16, delete "in" and insert "is"

Page 2, delete lines 10 to 23 and insert:

"Subd. 2. [85.012] [Subd. 23] [GLACIAL LAKES STATE PARK, POPE COUNTY.] *The following area is added to Glacial Lakes State Park: The Southeast Quarter, the East Half of the Southwest Quarter, the Southwest Quarter of the Southwest Quarter, and the Northeast Quarter of the Southwest Quarter, the Northwest Quarter, the Northwest Quarter of the North-*

east Quarter of Section 19; that part of the Southwest Quarter of Section 20 lying westerly of County State Aid Highway 13; the East Half and the Northwest Quarter of Section 30; all in Township 124 North, Range 38 West.

The East 8.0 chains of the Northwest Quarter of the Northwest Quarter, the Northeast Quarter of the Northwest Quarter, and the Southeast Quarter of the Northwest Quarter excepting the South 250 feet thereof of Section 25, Township 124 North, Range 39 West."

Page 4, after line 25, insert:

"Sec. 6. [85.0505] [SALE OF WINE AT DOUGLAS LODGE IN ITASCA STATE PARK.]

Wine may be sold and consumed by the drink at the restaurant in Douglas Lodge in Itasca state park, subject to other laws relating to the sale of intoxicating liquor."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "authorizing acceptance of tips by food service and room cleaning employees at Itasca state park;"

Page 1, line 5, after the semicolon, insert "authorizing sale and consumption of wine by the drink at Douglas Lodge in Itasca state park;"

Page 1, line 6, delete "section" and insert "sections 43A.38, subdivision 2; and" and after the semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 85;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 614: A bill for an act relating to natural resources; authorizing the commissioner to set the date for "Take a Kid Fishing Weekend"; amending Minnesota Statutes 1986, section 97A.445, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 940: A bill for an act relating to state lands; authorizing a private sale of certain tax-forfeited land in St. Louis county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

Notwithstanding the public sale requirements of Minnesota Statutes, section 282.01, St. Louis county may sell the land described in this section to Minnesota Sphagnum, Inc. of Floodwood, Minnesota, in the manner

provided for appraisal, sale, and conveyance of tax-forfeited land by Minnesota Statutes, chapter 282.

The land described in this section may be sold by private sale for a consideration not less than its appraised value. The conveyance must be in a form approved by the attorney general.

The land that may be sold is a tract of approximately 80 acres and is in St. Louis county and described as: The Northeast Quarter of the Northeast Quarter and the Northwest Quarter of the Northeast Quarter of Section 9, Township 51, Range 19.

The land is tax-forfeited and is needed for Minnesota Sphagnum, Inc. to construct a facility on it, allowing the company to more efficiently conduct its business in St. Louis county.

Sec. 2. [CITY OF WINTON LAND SALE.]

Notwithstanding Minnesota Statutes, section 282.018, St. Louis county may sell the tract of tax-forfeited land described in this section to the city of Winton. The sale must otherwise be conducted in accordance with Minnesota Statutes, chapter 282.

The land that may be sold is described as:

That part of the Northeast One Quarter of the Northeast One Quarter (NE 1/4 of NE 1/4) of Section 26, Township 63 North, Range 12 West of the 4th Principal Meridian, Saint Louis County, Minnesota, described as follows:

Assuming the East Line of said NE 1/4 of NE 1/4 to lie North 02 degrees 00' 00" West and from the Northeast Corner of said NE 1/4 of NE 1/4, being also the Northeast Corner of said Section 26, run South 02 degrees 00' 00" East along the section line 945 feet; to the point of beginning:

Thence South 70 degrees 00' 00" West, 225.00 feet:

Thence North 20 degrees 00' 00" West a distance of 800 feet more or less to Shagawa River;

Thence Easterly along Shagawa River 550 feet more or less to the East line of said Northeast One Quarter of the Northeast One Quarter (NE 1/4 of NE 1/4);

Thence South 02 degrees 00' 00" East along said East Line, 875 feet more or less to the Point of Beginning.

The land is needed by the city for the pond system of its wastewater treatment facility.

Sec. 3. [SALE OF TAX-FORFEITED LAND; LAKE COUNTY.]

Notwithstanding the public sale requirements of Minnesota Statutes, section 282.01, Lake county may sell certain tax-forfeited land to the city of Two Harbors, Minnesota.

The land described in this section may be sold by private sale for a consideration not less than its appraised value and in accordance with the provisions of Minnesota Statutes, chapter 282, relating to appraisal, sale, and conveyance of tax-forfeited land.

The conveyance must be in a form approved by the attorney general.

The land that may be sold is in Lake county and described as: The

Northeast Quarter of the Southwest Quarter of Section 28, Township 53, Range 11.

The land is needed by the city of Two Harbors for future expansion of its runway and for the installation of a nondirectional radio beacon, resulting in enhanced safety and facilities.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

Amend the title as follows:

Page 1, line 3, before the period, insert “; authorizing the sale of certain tax-forfeited land to the city of Winton; authorizing private sale of certain tax-forfeited land in Lake county to the city of Two Harbors”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1202: A bill for an act relating to environment; establishing a siting process for a low-level radioactive waste facility; providing for volunteer sites and an alternative site selection process; establishing a siting board; appropriating money; amending Minnesota Statutes 1986, sections 116C.832, subdivision 1, and by adding subdivisions; 116C.834, subdivision 1; and 116C.842, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116C.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 116C.832, subdivision 1, is amended to read:

Subdivision 1. [TERMS DEFINED IN COMPACT.] The terms defined in article II of the Midwest Interstate Low-Level Radioactive Waste Compact have the meanings given them for the purposes of sections 116C.833 to 116C.843 and sections 6 to 9.

Sec. 2. Minnesota Statutes 1986, section 116C.832, is amended by adding a subdivision to read:

Subd. 7. [SITE.] “Site” means a site for construction and operation of a low-level radioactive waste facility.

Sec. 3. Minnesota Statutes 1986, section 116C.832, is amended by adding a subdivision to read:

Subd. 8. [SITING BOARD.] “Siting board” means the low-level radioactive waste facility siting board established under section 7, subdivision 1.

Sec. 4. Minnesota Statutes 1986, section 116C.834, subdivision 1, is amended to read:

Subdivision 1. [COSTS.] All costs incurred by the state to carry out its responsibilities under the compact and under sections 116C.833 to 116C.843 shall be paid by generators of low-level radioactive waste in this state

through fees assessed by the pollution control agency. The agency shall assess the fees in the manner provided in section 16A.128. Fees may be reasonably assessed on the basis of volume or degree of hazard of the waste produced by a generator. Costs for which fees may be assessed include, but are not limited to:

(a) the state contribution required to join the compact;

(b) the expenses of the Commission member and costs incurred to support the work of the interstate commission;

(c) regulatory costs, including but not limited to costs of adopting and enforcing regulations if the state enters into a limited agreement with the United States Nuclear Regulatory Commission to assume state regulation of transportation and packaging, or disposal, of low-level radioactive wastes; and

(d) *siting costs of a low-level radioactive waste facility under section 116C.842 and sections 6 to 9 to the extent that the costs are reasonably attributable to waste generated in this state; and*

(e) any liability the state may incur as a party state to the compact.

Sec. 5. Minnesota Statutes 1986, section 116C.842, subdivision 3, is amended to read:

Subd. 3. [DEVELOPMENT OF A SITING PROCESS.] In the event that Minnesota is ~~designated by the interstate commission~~ to be a host state for a regional low-level radioactive waste facility, the ~~agency low-level waste facility siting board established under section 7, subdivision 1,~~ shall develop a siting process and report to the governor, the advisory committee, and the legislature ~~with~~. *The siting board shall prepare recommendations for legislation including siting criteria, procedures for public participation, licensing, regulation, and bonding requirements. The siting process which is recommended* recommendations shall include bonding requirements sufficient to cover any costs of monitoring the facility and providing for its safety and security in the event that the licensee discontinues operation, management, or supervision of the facility for so long as the materials stored or treated at the facility pose a threat to the public health.

Sec. 6. [116C.845] [SITING DETERMINATION.]

If the governor determines that a low-level radioactive waste facility should be sited in the state, the governor shall issue an executive order and notify the chair of the environmental quality board, the director, and the chair of the advisory committee. The governor must determine whether a low-level radioactive waste facility should be sited in the state by ten days after:

(1) *Minnesota is designated as a host state by the interstate commission under the compact;*

(2) *Minnesota volunteers as a host state for a regional facility under the compact; or*

(3) *Minnesota withdraws from the compact.*

Sec. 7. [116C.846] [SITING BOARD.]

Subdivision 1. [ESTABLISHMENT.] The low-level radioactive waste facility siting board is established to select a facility site when the governor issues an executive order that a facility should be sited.

Subd. 2. [MEMBERSHIP] (a) The siting board has 11 members consisting of the commissioner of natural resources, commissioner of transportation, chair of the environmental quality board, and eight citizen members representing each of the eight congressional districts.

(b) The governor must appoint the eight citizen members of the siting board by 30 days after the executive order for siting a facility is issued.

(c) The chair of the environmental quality board shall be the chair of the siting board.

Subd. 3. [STAFFING AND ADMINISTRATION.] The environmental quality board shall provide staffing and administrative assistance for the siting board.

Subd. 4. [COMPENSATION.] The citizen members of the siting board shall be compensated as provided in section 15.0575.

Subd. 5. [TERMINATION.] The siting board is terminated when the siting process is finished.

Sec. 8. [116C.847] [SITING CRITERIA.]

Subdivision 1. [HEALTH, SAFETY, AND ENVIRONMENTAL CONSIDERATIONS.] The siting board must maintain health, safety, and environmental considerations above all other siting criteria.

Subd. 2. [VOLUNTEER SITE PREFERRED.] The siting board shall attempt to select a site from an area proposed in the volunteer siting process.

Subd. 3. [SITING BOARD TO SEEK AGREEMENTS AND RESOLUTIONS OF INTEREST.] The chair shall actively solicit, encourage, and assist counties, together with developers, landowners, the local business community, and other interested parties, in developing resolutions of interest to enter an agreement to investigate the feasibility of siting a low-level radioactive waste facility.

Subd. 4. [COUNTY RESOLUTION OF INTEREST.] A county may begin to negotiate an agreement to evaluate siting a low-level radioactive facility after the county board files with the siting board a resolution of interest adopted by the county board that expresses the county board's interest in negotiations and its willingness to accept the preliminary evaluation of one or more study areas in the county for consideration as a location of a facility.

Subd. 5. [ECONOMIC DEVELOPMENT IMPACT.] The commissioner of energy and economic development must analyze the effects on businesses and the local economy and anticipated effects on local communities by a low-level radioactive waste facility.

Sec. 9. [116C.848] [NONVOLUNTEER SITING PROCESS.]

If a site is not selected from the volunteer siting process, the site selection shall proceed from the process developed under section 116C.842.

Sec. 10. [APPROPRIATIONS.]

§ _____ is appropriated from the general fund from the fees assessed to low-level radioactive waste generators under section 116C.834 to the environmental quality board to pay for costs of the siting board for expenses incurred under section 116C.842 and sections 8 and 9, to be available

until June 30, 1989.

Sec. 11. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1184: A bill for an act relating to state lands; authorizing the conveyance of certain lands in Pine county to the Amherst H. Wilder Foundation; amending Laws 1981, chapter 354, section 1, subdivisions 1 and 5; repealing Laws 1981, chapter 354, section 1, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1981, chapter 354, section 1, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Notwithstanding the provisions of Minnesota Statutes, Section 92.45, upon recommendation of the commissioner of administration, the commissioner of natural resources, and the commissioner of corrections, the governor may transfer and convey, in the name of the state of Minnesota, to the Amherst H. Wilder Foundation, for purposes of operating a ~~youth conservation camp~~ residential human service facility serving delinquent, needy, maladjusted, or emotionally disturbed individuals only, the real estate now being leased from the state and operated as a youth conservation camp by the Amherst H. Wilder Foundation ~~and situated in the~~ consisting of approximately 81 acres including all improvements located in sections 27 and 28, Wilma township, county of Pine in the St. Croix state forest. *The consideration to be paid for the property shall be \$200,000.*

Sec. 2. Laws 1981, chapter 354, section 1, subdivision 5, is amended to read:

Subd. 5. [STATE OPTION TO PURCHASE.] If the property conveyed to the Amherst H. Wilder Foundation pursuant to this section is not used for the purpose of operating a ~~youth conservation camp~~ residential human service facility serving delinquent, needy, maladjusted, or emotionally disturbed individuals, the foundation shall offer to the ~~commissioner of natural resources~~ state an option to acquire the property at the appraised value as certified pursuant to ~~subdivision 3~~ for \$200,000 or the value as appraised in the manner provided in Minnesota Statutes, Section 94.10, Subdivision 1, at the time the option is offered, whichever value is less. *The state must exercise the option to purchase within 18 months from the date upon which it receives written notice of the option.*

Sec. 3. [MILLE LACS COUNTY LAND SALE.]

Notwithstanding the provisions of Minnesota Statutes, section 92.45 or 282.018, Mille Lacs county may sell the west one-half of the west one-half of the southwest one-fourth of section 21, township 37 north, range 26 west. The county and the state shall provide a proper conveyance of

the property. The sale shall be conducted in accordance with the provisions of Minnesota Statutes, sections 282.01 to 282.132.

Sec. 4. [REPEALER.]

Laws 1981, chapter 354, section 1, subdivisions 2, 3, and 4, are repealed."

Amend the title as follows:

Page 1, line 6, delete "and 3" and insert ", 3 and 4"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1160: A bill for an act relating to state lands; providing for exchange of tax-forfeited peat lands in Aitkin county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [EXCHANGE OF TAX-FORFEITED PEAT LANDS; AITKIN COUNTY.]

Notwithstanding Minnesota Statutes, sections 92.461 and 94.347, Aitkin county may exchange certain tax-forfeited land containing peat and described in paragraph (a), for certain privately owned lands containing peat and described in paragraph (b), in accordance with this section.

The lands described in this section must be conveyed in a form approved by the attorney general.

(a) The tax-forfeited lands, consisting of approximately 120 acres, to be exchanged are described as follows:

(1) the Southeast Quarter of the Northwest Quarter of Section 33, Township 46, Range 23;

(2) the Southwest Quarter of the Southwest Quarter of Section 33, Township 46, Range 23; and

(3) the Northwest Quarter of the Northeast Quarter of Section 33, Township 46, Range 23.

(b) The privately owned lands, consisting of approximately 163 acres, are described as follows:

(1) the Northeast Quarter of the Northwest Quarter of Section 14, Township 48, Range 24;

(2) the East 80 Rods of Government Lot 3 of Section 22, Township 48, Range 24;

(3) the West 1/2 of the Northwest Quarter of the Southeast Quarter of Section 22, Township 48, Range 24;

(4) the Southeast Quarter of the Southwest Quarter lying South of the Soo Line Railroad right-of-way of Section 15, Township 48, Range 24;

(5) the Southwest Quarter of the Southeast Quarter lying South of the Soo Line Railroad right-of-way of Section 15, Township 48, Range 24;

and

(6) the Northeast Quarter of the Northeast Quarter of Section 15, Township 46, Range 23.

The lands to be exchanged contain approximately equal volumes of peat.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1012: A bill for an act relating to education; providing for due process termination or nonrenewal for licensed athletic coaches through a grievance procedure; amending Minnesota Statutes 1986, section 125.121, by adding a subdivision; repealing Minnesota Statutes 1986, section 125.121, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 911: A bill for an act relating to education; requiring school districts to teach Braille to blind pupils; proposing coding for new law in Minnesota Statutes, chapter 126.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete everything after the period

Page 1, delete line 12

Amend the title as follows:

Page 1, line 3, delete "teach" and insert "make available instruction in"

Page 1, line 3, after "Braille" insert "reading and writing"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 270: A bill for an act relating to education; requiring that income from some of the permanent university fund be used for scholarships; amending Minnesota Statutes 1986, section 137.022, subdivision 3, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 137.022, is amended by adding a subdivision to read:

Subd. 2a. [COORDINATE CAMPUS SCHOLARSHIPS.] The income from a portion of the permanent university fund must be distributed by

the regents for use at the Duluth, Morris, Waseca, and Crookston campuses of the University of Minnesota. The portion to be distributed to each campus shall equal the ratio of the number of full-time equivalent students at that campus, during the year preceding the year the distribution is made, to the number of full-time equivalent students at all campuses of the University of Minnesota, during the year preceding the year the distribution is made. Students in summer school, continuing education, or extension programs shall not be included.

The entire share for each campus may be used either to help endow professional chairs in academic discipline or for scholarships. One-half of the entire share for each campus may be used only to the extent that the administrators at each campus obtain money from nonstate sources in an equal amount. Money that is used to endow chairs at each campus may not provide more than half the sum of the endowments for all chairs endowed, with nonstate sources providing the remainder, but may provide more than half the endowment of an individual chair. Money that is used for scholarships at each campus may not provide more than half the sum of all scholarships, with nongovernmental sources providing the remainder, but may provide more than half of an individual scholarship. The regents shall determine minimum qualifications for recipients of scholarships under this subdivision. The administrators at each campus shall select individual recipients. The administrators at each campus shall obtain the additional money needed for endowed chairs and for nongovernmental scholarships. Any portion of the annual appropriation that is not used to endow chairs or for scholarships does not lapse and is available in subsequent years.

Sec. 2. Minnesota Statutes 1986, section 137.022, subdivision 3, is amended to read:

Subd. 3. [ENDOWED CHAIRS.] *The remaining income from the permanent university fund must be used to help endow professorial chairs in academic disciplines. This income must not provide more than half the sum of the endowments for all chairs endowed, with nonstate sources providing the remainder. The income may provide more than half the endowment of an individual chair. Any portion of the annual appropriation that is not used for this purpose lapses and must be added to the principal of the permanent university fund."*

Amend the title as follows:

Page 1, line 2, delete "some" and insert "a portion"

Page 1, line 3, after "for" insert "endowed chairs and"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1193: A bill for an act relating to utilities; imposing minimum requirements for coin-operated telephones; providing that free or reduced telephone rates for employees of telephone companies not be paid for by ratepayers; providing for public utilities commission to reopen telephone rate case; requiring application for rehearing before judicial review; amending Minnesota Statutes 1986, sections 237.01, subdivision 2, and by adding

a subdivision; and 237.14; proposing coding for new law in Minnesota Statutes, chapter 237.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 237.01, subdivision 2, is amended to read:

Subd. 2. [TELEPHONE COMPANY.] "Telephone company," means and applies to any person, firm, association or any corporation, private or municipal, owning or operating any telephone line or telephone exchange for hire, wholly or partly within this state, or furnishing any telephone service to the public.

A "telephone company" does not include a radio common carrier as defined in subdivision 4. A telephone company which also conforms with the definition of a radio common carrier is subject to regulation as a telephone company. However, none of chapter 237 applies to telephone company activities which conform to the definition of a radio common carrier.

A telephone company does not include a coin telephone business as defined in section 2.

Sec. 2. Minnesota Statutes 1986, section 237.01, is amended by adding a subdivision to read:

Subd. 6. [COIN TELEPHONE BUSINESS.] "*Coin telephone business*" means a person, firm, association, or corporation that furnishes telephone service to the public solely by means of a customer-owned, coin-operated telephone set connected to the lines or transmission facilities of a telephone company, or other customer-owned telephone set provided to the public that requires payment for each local call made that is connected to the lines or transmission facilities of a telephone company.

Sec. 3. [237.245] [CHANGE, AMENDMENT, RESCISSION OF ORDERS.]

The commission may at any time, on its own motion or upon motion of an interested party, and upon notice to the telephone company and after opportunity to be heard, rescind, alter or amend any order fixing rates, tolls, charges or schedules, or any other order made by the commission, and may reopen any case following the issuance of an order therein, for the taking of further evidence or for any other reason. Any order rescinding, altering, amending or reopening a prior order shall have the same effect as an original order.

Sec. 4. [237.246] [REHEARINGS BEFORE COMMISSION; CONDITION PRECEDENT TO JUDICIAL REVIEW.]

Subdivision 1. Within 20 days after the service by the commission of any decision constituting an order or determination, any party to the proceeding and any other person, aggrieved by the decision and directly affected thereby, may apply to the commission for a rehearing in respect to any matters determined in the decision. The commission may grant and hold a rehearing on the matters, or upon any of them as it may specify in the order granting the rehearing, if in its judgment sufficient reason therefor exists.

Subd. 2. The application for a rehearing shall set forth specifically the grounds on which the applicant contends the decision is unlawful or unreasonable. No cause of action arising out of any decision constituting an order or determination of the commission or any proceeding for the judicial review thereof shall accrue in any court to any person or corporation unless the plaintiff or petitioner in the action or proceeding, within 20 days after the service of the decision, shall have made application to the commission for a rehearing in the proceeding in which the decision was made. No person or corporation shall in any court urge or rely on any ground not so set forth in the application for rehearing.

Subd. 3. Applications for rehearing shall be governed by general rules which the commission may establish. In case a rehearing is granted, the proceedings shall conform as nearly as may be to the proceedings in an original hearing, except as the commission may otherwise direct. If in the commission's judgment, after the rehearing, it shall appear that the original decision, order, or determination is in any respect unlawful or unreasonable, the commission may reverse, change, modify, or suspend the original action accordingly. Any decision, order, or determination made after the rehearing reversing, changing, modifying, or suspending the original determination shall have the same force and effect as an original decision, order, or determination. Only one rehearing shall be granted by the commission; but this shall not be construed to prevent any party from filing a new application or complaint. No order of the commission shall become effective while an application for a rehearing or a rehearing is pending and until ten days after the application for a rehearing is either denied, expressly or by implication, or the commission has announced its final determination on rehearing.

Subd. 4. Any application for a rehearing not granted within 20 days from the date of filing thereof, shall be deemed denied.

Subd. 5. It is hereby declared that the legislative powers of the state, insofar as they are involved in the issuance of orders and decisions by the commission, have not been completely exercised until the commission has acted upon an application for rehearing, as provided for by this section and by the rules of the commission, or until the application for rehearing has been denied by implication, as above provided for.

Sec. 5. [237.48] [COIN TELEPHONE BUSINESS; REQUIREMENTS.]

Subdivision 1. [SCOPE.] Except as provided in this section, chapter 237 does not apply to a coin telephone business or to the provision of coin-operated telephones by a telephone company.

Subd. 2. [SERVICES PROVIDED.] A coin telephone business and a telephone company for coin-operated telephones it provides shall offer telephone service that:

- (1) provides access for local telephone calls of unlimited duration;*
- (2) permits long-distance telephone calls through any interexchange carrier; and*
- (3) without charge and without requiring the use of a coin, permits telephone calls:
 - (i) to an operator; and*
 - (ii) to 911 emergency telephone service; or**

(iii) in an area that does not have 911 emergency telephone service, to emergency telephone service.

Subd. 3. [HEIGHT LIMITATION.] Coin-operated telephones and telephone sets of a coin telephone business must be compatible with hearing aids and installed at a height above the ground not exceeding 54 inches to the highest working component.

Subd. 4. [MAXIMUM CHARGE.] The commission may by order establish a maximum per-call rate for telephone service provided by coin telephone businesses and for coin-operated telephones.

Subd. 5. [REQUIRED INFORMATION DISPLAYED.] On or near the coin-operated telephone and telephones operated by coin telephone businesses must be a statement conveying the following information:

- (1) the owner of the telephone;*
- (2) the procedure for reporting service difficulties;*
- (3) the method of obtaining customer refunds; and*
- (4) a statement comparing the owner's charges for long-distance calls to those of the largest interstate long-distance telephone company doing business in Minnesota. The statement must either declare that the owner's charges are the same or less than those of the largest interstate long-distance telephone company, or must state the percentage by which the owner's charges exceed that company's charges.*

Subd. 6. [INTEREXCHANGE CARRIER ACCESS.] A coin-operated telephone and telephones operated by a coin telephone business must provide access to all interexchange carriers that are available locally.

Subd. 7. [LOCAL TELEPHONE COMPANIES.] The commission may require a telephone company to provide coin-operated telephones in certain locations within the areas served by the telephone company, and provide for a maximum per-call rate for those coin-operated telephones.

Subd. 8. [PENALTY.] A coin telephone business or telephone company that violates subdivisions 1 to 5 is guilty of a petty misdemeanor."

Delete the title and insert:

"A bill for an act relating to utilities; imposing minimum requirements for coin-operated telephones; providing for public utilities commission to reopen telephone rate case; requiring application for rehearing before judicial review; amending Minnesota Statutes 1986, section 237.01, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 691: A bill for an act relating to financial institutions; regulating incorporations and operations of banks; requiring approval of certain insider agreements; regulating acquisitions by bank holding companies; authorizing the commissioner to borrow money to satisfy obligations of certain closed institutions; regulating claims against liquidated institutions; providing for the organization of credit unions; regulating interest and

dividends paid on deposits; regulating industrial loan and thrifts; providing for the submission of certain reports; requiring the periodic examination of collection agencies; regulating consumer deficiency judgments; modifying the examination requirement for safe deposit companies and insurance premium finance companies; regulating motor vehicle installment sales; regulating bank applications; amending Minnesota Statutes 1986, sections 46.041; 46.042; 46.07, subdivision 2; 46.131, subdivision 9; 47.10, by adding a subdivision; 47.205, subdivision 2; 48.055, subdivision 5; 48.15, subdivision 2; 48.51; 48.92, subdivision 10; 48.97, subdivision 2; 48.98, subdivision 1; 48.99, subdivisions 1 and 2; 49.04, subdivision 1; 49.05, by adding a subdivision; 49.24, subdivision 5; 52.01; 52.02, subdivision 3; 52.09, subdivision 2; 52.18; 53.04, subdivision 5; 53.09, subdivision 2; 55.095; 55.15; 59A.06, subdivision 3; 168.66, subdivisions 5 and 9; 168.705; 168.71; 168.72, subdivision 1; 168.73; 168.74; 332.29, subdivision 1; 325G.22, subdivision 1; repealing Minnesota Statutes 1986, sections 48.60 and 55.13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SUPERVISORY CLARIFICATION ACT

Section 1. Minnesota Statutes 1986, section 46.042, is amended to read:

46.042 [NOTICE AND HEARING, WHEN NOT GIVEN.]

The commissioner of commerce may dispense with the notice and hearing provided for by section 46.041 if application is made for the incorporation of a new bank to take over the assets of one or more existing banks or if the application contemplates the reorganization of a national bank into a state bank in the same locality, *or where the application is made for the incorporation of a new bank in the same locality coincidental with the closing of an existing bank by the commissioner or federal authorities. This section does not increase the number of banks in the community affected.*

Sec. 2. Minnesota Statutes 1986, section 46.07, subdivision 2, is amended to read:

46.07 [RECORDS.]

Subd. 2. [CONFIDENTIAL RECORDS.] The commissioner shall divulge facts and information obtained in the course of examining financial institutions under the commissioner's supervision only when and to the extent required or permitted by law to report upon or take special action regarding the affairs of an institution, or ordered by a court of law to testify or produce evidence in a civil or criminal proceeding, except that the commissioner may furnish information as to matters of mutual interest to an official or examiner of the federal reserve system, the federal deposit insurance corporation, the federal savings and loan insurance corporation, the national credit union administration, *comptroller of the currency*, a legally constituted state credit union share insurance corporation approved under section 52.24, the issuer of a commitment for insurance or guarantee of the certificates of an industrial loan and thrift company approved under section 53.10, or state and federal law enforcement agencies. The commissioner shall not be required to disclose the name of a debtor of a financial

institution under the commissioner's supervision, or anything relative to the private accounts, ownership, or transactions of an institution, or any fact obtained in the course of an examination thereof, except as herein provided. For purposes of this subdivision, a subpoena is not an order of a court of law. These records are classified confidential or protected non-public for purposes of the Minnesota government data practices act and their destruction, as prescribed in section 46.21, is exempt from the provisions of chapter 138 and Laws 1971, chapter 529, so far as their deposit with the state archives.

Sec. 3. Minnesota Statutes 1986, section 46.131, subdivision 9, is amended to read:

Subd. 9. These assessments or fees shall be paid by the institution examined within 20 days after a statement of the amount has been submitted to the institution examined by the commissioner of commerce and, if not so paid, shall bear interest at the ~~discount rate charged member banks for borrowing from the Federal Reserve Bank~~ of interest provided for by section 549.09. The penalty shall be payable to the commissioner on request.

Sec. 4. [46.34] [CERTAIN SECURITIES DEPOSITED WITH THE STATE TREASURER.]

All securities required or permitted by law to be assigned to and deposited with the commissioner of commerce for any purpose must, after the effective date of this section, be assigned to and deposited with the state treasurer, who shall give a receipt therefor. This receipt must be filed with the commissioner, in lieu of the securities, and in this case neither the commissioner nor the commissioner's bonding agents are responsible for the safekeeping of these securities. The state treasurer shall perform all the duties with regard to the safekeeping of these securities which the commissioner is now required to perform. The state treasurer is subject to the same obligations and under the same liability, with reference to the safekeeping of these securities, as the commissioner. The state treasurer shall accept, release, surrender, and permit substitutions of securities assigned to and deposited with the state treasurer under the provisions of Laws 1923, chapter 155, upon order of the commissioner.

Sec. 5. Minnesota Statutes 1986, section 47.10, subdivision 3, is amended to read:

Subd. 3. [LEASEHOLD PLACE OF BUSINESS; APPROVAL OF CERTAIN LEASE AGREEMENTS.] No bank, trust company, savings bank, or building and loan association may acquire property and improvements of any nature for its place of business by lease agreement if the lessor has an existing direct or indirect interest in the management or ownership of the bank, trust company, savings bank, or building and loan association ~~unless approved without prior written approval~~ by the commissioner. This includes subsequent amendments and associated ~~personal property leases leasehold improvements~~.

Sec. 6. Minnesota Statutes 1986, section 47.10, is amended by adding a subdivision to read:

Subd. 4. [APPROVAL OF CERTAIN INSIDER AGREEMENTS.] *No bank, trust company, savings bank, or savings association may purchase or sell real property, personal property, improvements or equipment of a value of \$25,000 or more if the purchaser or seller other than the bank, trust company, savings bank, or savings association has an existing direct*

or indirect interest in the institution without prior written approval by the commissioner.

Sec. 7. Minnesota Statutes 1986, section 47.204, subdivision 1, is amended to read:

Subdivision 1. [NO USURY LIMITS.] Notwithstanding any law to the contrary, no limitation on the rate or amount of interest, discount points, finance charges or other charges shall apply to a loan, mortgage, credit sale or advance which would have been exempt from the laws of this state pursuant to Public Law Number 96-221, title V, part A, section 501, as amended as of June 2, 1981, but for section 47.203 and which is made in this state after June 2, 1981 and before August 1, 1987.

Sec. 8. Minnesota Statutes 1986, section 47.205, subdivision 2, is amended to read:

Subd. 2. [ASSIGNMENT OR SALE OF MORTGAGE LOANS.] If the servicing of mortgage loans financing one-to-four family owner occupied residences located in this state is sold or assigned to another person:

(1) the selling lender shall notify the mortgagor of the sale no less more than ten days after the actual date of transfer. The notification must include the name, address, and telephone number of the person who will assume responsibility for servicing and accept payments for the mortgage loan and the notification must also include a detailed written financial breakdown, including but not limited to, interest rate, monthly payment amount, and current escrow balance;

(2) the purchasing lender shall issue corrected coupon or payment books, if used, and shall provide notification to the mortgagor within 20 days after the first payment to the purchasing lender is due, of the name, address, and telephone number of the person from whom the mortgagor can receive information regarding the servicing of the loan, and shall inform the mortgagor of any changes made regarding the mortgage escrow accounts or servicing requirements including, but not limited to, interest rate, monthly payment amount, and current escrow balance; and

(3) the purchasing lender shall respond within 15 business days to a written request for information from a mortgagor. A written response must include the telephone number of the company representative who can assist the mortgagor.

Sec. 9. Minnesota Statutes 1986, section 47.205, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] If a lender fails to comply with the requirements of subdivisions 2 and 3, the lender is liable to the mortgagor for \$500 per occurrence, in addition to actual damages caused by the violation. *In addition, the lender is liable to the mortgagor for \$500 per occurrence if the violation of subdivision 2 or 3 was due to the lender's failure to exercise reasonable care.*

Sec. 10. Minnesota Statutes 1986, section 47.69, subdivision 3, is amended to read:

Subd. 3. Every financial institution using an electronic financial terminal shall maintain reasonable procedures to minimize losses from unauthorized withdrawals from its customers' accounts by use of an electronic financial terminal. After a customer makes a bona fide deposit or payment at an

electronic financial terminal and has received a receipt, any loss due to theft or other reason shall not be borne by the customer; provided, loss due to the nonpayment or dishonor of a check, or other order for payment, deposited at an electronic financial terminal shall be governed by the applicable provisions of chapter 336. A financial institution shall be liable for all unauthorized withdrawals unless the unauthorized withdrawal was (a) (1) due to the negligent conduct or the intentional misconduct of the operator of an electronic financial terminal or that operator's agent in which case the operator of an electronic financial terminal or the agent shall be liable, or (b) (2) due to the loss or theft of the customer machine readable card in which case the customer shall be liable, subject to a maximum liability of \$50, for those unauthorized withdrawals made prior to the time the financial institution is notified of the loss or theft. *The limitation on liability contained in clause (2) is effective only if the issuer is notified of unauthorized charges contained in a bill within 60 days of receipt of the bill by the person in whose name the card is issued.* For purposes of this subdivision, "unauthorized withdrawal" means a withdrawal by a person other than the customer who does not have actual, implied, or apparent authority for such withdrawal, and from which withdrawal the customer or a member of the customer's family or household receives no benefit.

Sec. 11. [47.76] [TRANSFER OF ACCOUNTS PROHIBITED; NOTICE ON CLOSING.]

(a) *No financial institution shall transfer a deposit account to another deposit account bearing different identification information or which is subject to different terms without first obtaining the written consent of at least one of the deposit account holders.*

(b) *No financial institution shall close a deposit account without first sending at least one of the deposit account holders by certified mail a notice of intent to close the deposit account. The notice must be sent to the deposit account holder's last known address on file with the financial institution at least 60 days before the financial institution closes the deposit account.*

(c) *As used in this section, the following terms have the meanings given them. "Deposit account" means a contract of deposit of funds between a depositor and a financial institution, and includes a checking account, savings account, certificate of deposit share account, and other like arrangement. "Financial institution" means any organization authorized to do business under state or federal laws relating to financial institutions, including, without limitation, banks and trust companies, savings banks, savings and loan associations, industrial loan and thrift companies, and credit unions.*

Sec. 12. Minnesota Statutes 1986, section 48.055, subdivision 5, is amended to read:

Subd. 5. Any preferred stock issued by a state bank shall be part of its capital stock structure, and the terms "capital stock" or "capital" in any laws of this state pertaining to state banks shall be deemed to also include and apply to preferred stock; ~~except that only stock issued with or having succeeded to voting rights shall qualify a director under the provisions of section 48.06.~~

Sec. 13. Minnesota Statutes 1986, section 48.15, subdivision 2, is amended to read:

Subd. 2. The department of commerce may, by majority vote of its members, which shall include the affirmative vote of the commissioner of commerce, may authorize banks organized under the laws of this state to engage in any banking activity in which banks subject to the jurisdiction of the federal government may hereafter be authorized to engage by federal legislation, ruling, or regulation. The commission may not authorize state banks as defined by section 48.01, to engage in any banking activity prohibited by the laws of this state.

Sec. 14. Minnesota Statutes 1986, section 48.21, is amended to read:

48.21 [REAL ESTATE; RESTRICTIONS ON HOLDING.]

Subdivision 1. A bank may purchase, carry as an asset, and convey real estate only:

- (1) As provided for in section 47.10;
- (2) If acquired through foreclosure of a mortgage given to it in good faith as security for loans made by or money due to it;
- (3) If conveyed to it in satisfaction of debts previously contracted in good faith in the course of its dealings;
- (4) If acquired by sale on execution or judgment of a court in its favor; or
- (5) If reasonably necessary to mitigate or avoid loss on a loan or investment theretofore made.

Real estate acquired under clauses (2) to (5) shall be carried as an asset only in accordance with rules the commissioner prescribes.

Subd. 2. Real estate owned by a bank as a result of actions authorized in clauses (2) to (5) of subdivision 1 and subsequently sold to any buyer on a contract for deed may not be considered creating a liability to a bank for purposes of section 48.24.

Subd. 3. Notwithstanding any rules of the commissioner to the contrary, if real estate owned by a bank pursuant to clauses (2) to (5) of subdivision 1 is not sold or otherwise disposed of within the maximum period established by rule by the commissioner, the bank may write off any remaining balance at a rate not less than one-fifth of that balance each subsequent calendar year.

Sec. 15. Minnesota Statutes 1986, section 48.24, subdivision 7, is amended to read:

Subd. 7. Obligations of any person, co-partnership, association or corporation in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering feeder livestock which is free from all other encumbrances, when the market value of the livestock securing the obligation at the time of the making of the loan is not less than 115 percentum of the face amount of the notes covered by such documents, shall be subject under this subdivision to a limitation of 20 percent of capital and surplus in addition to 20 percent of capital and surplus as included in provisions of subdivision 1. Feeder livestock loans as referred to in this subdivision is defined to include only obligations secured by liens or giving title to cattle, sheep, goats, ~~or~~ hogs or poultry being fattened for market, but excluding dairy cattle, milk goats, poultry used for production of eggs, or barnyard or work animals.

Sec. 16. Minnesota Statutes 1986, section 48.51, is amended to read:

48.51 [DEMAND DEPOSITS DEFINED.]

For the purpose of this section and section 48.50, all deposits are payable on demand except:

(1) Those deposits which are evidenced by a negotiable or nonnegotiable instrument which provides on its face that the amount of the deposit is payable:

(a) on a certain date, specified in the instrument, not less than 14 days after the date of the deposit; or (b) at the expiration of a specified period not less than 14 days after the date of the instrument; or (c) upon written notice to be given not less than 14 days before the date of repayment.

(2) Those deposits which may not be withdrawn within 14 days of the making thereof.

(3) Those deposits which may not be withdrawn within 14 days of the giving of notice of an intended withdrawal.

(4) Those deposits in which the above 14-day minimums are in conflict with ~~instruments authorized by the depository institutions deregulation committee's regulations authorized by title II, Depository Institutions Deregulation and Monetary Control Act of 1980, Public Law Number 96-221 federal law or regulations.~~

Sec. 17. Minnesota Statutes 1986, section 48.61, subdivision 3, is amended to read:

Subd. 3. The bank or trust company may invest not to exceed ten percent of its capital and surplus in shares of stock in any banks or bank holding companies wherein the ownership of stock in the banks or bank holding companies is restricted to *bank holding companies* or banks authorized to do business in the state of Minnesota.

Sec. 18. Minnesota Statutes 1986, section 48.61, subdivision 5, is amended to read:

Subd. 5. In the absence of an express provision to the contrary, whenever any statute, rule, charter, trust indenture, authorizing resolution, or other instrument governing the investment of funds of a banking institution, as defined in section 48.01, subdivision 2, directs, requires, authorizes, or permits *direct* investment in *certain obligations of the United States or obligations, the payment of the principal of and interest on which is unconditionally guaranteed by the United States*, investment in these obligations may be made either directly or in the form of securities of, or other interests in, an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933; and (2) ~~whose investments are limited to these obligations and repurchase agreements fully collateralized by these obligations; if the repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks.~~

Investment company shares authorized pursuant to this subdivision shall Shares of investment companies whose portfolios contain investments which are subject to limits under other state law or rule as direct investments may only be held in an amount not in exceed excess of 20 percent of the banks' capital stock and paid in surplus in each such investment company.

These obligations shall be carried at the lower of cost or market on the banks' books and adjusted to market on a quarterly basis.

Sec. 19. Minnesota Statutes 1986, section 48.92, subdivision 10, is amended to read:

Subd. 10. [EQUITY CAPITAL.] "Equity capital" means the sum of common stock, preferred stock, ~~and paid in surplus, reserves for loss loans and undivided profits.~~

Sec. 20. Minnesota Statutes 1986, section 48.97, subdivision 2, is amended to read:

Subd. 2. [INVESTMENT; REPORTING REQUIREMENTS.] Each financial institution located in this state owned by an interstate bank holding company shall fully and accurately disclose in an annual report to the commissioner of commerce *for each calendar year* the dollar value and volume of loans by zip code *census tract beginning with the year ending December 31, 1987*, approved in the previous year in nonreal estate commercial and farm lending categories established by the commissioner. Lending categories must be delineated in sufficient detail to evaluate the lender's loan performance. Loan categories may include: demand or accrual notes, installment loans, equipment loans, inventory or accounts receivable loans, small business administration loans, and FmHA guaranteed loans. Housing loans must be disclosed statewide in the same manner and form as required by the Federal Home Mortgage Disclosure Act. The annual report must also disclose by zip code *or census tract* the dollar value and volume of deposits received during the previous year. The annual report must also disclose information by the categories required in section 48.991 demonstrating that developmental loans of a sufficient quantity are being made. The report must be accompanied by a copy of the most recent disclosures required under the Federal Community Reinvestment Act and the most recent Quarterly Statement of Income and Conditions.

Sec. 21. Minnesota Statutes 1986, section 48.98, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC INFORMATION.] *Notwithstanding the Minnesota government data practices act, chapter 13, and consistent with federal law, the commissioner shall make available to the public at reasonable cost copies of all applications, including supporting documents and any other information required to be submitted to the commissioner.*

Sec. 22. Minnesota Statutes 1986, section 48.99, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION CRITERIA FOR APPROVAL.] Pursuant to the present requirement of the United States Code, title 12, section 1842(d) and notwithstanding any other provision of state law, a reciprocating state bank holding company, or any subsidiary of ~~the~~ a bank holding company, may acquire a bank located in this state where the commissioner has determined that a merger, consolidation, or purchase of assets and assumption of liabilities is necessary and in the public interest to prevent the probable failure of a bank *or is made for the incorporation of a new bank in the same locality coincidental with the closing of an existing bank by the commissioner or federal authorities and does not increase the number of banks in the community affected.* The acquisition is subject to the prior written approval of the commissioner of an application submitted under this section and after the following considerations:

- (1) the financial and managerial resources of the applicant;
- (2) the future prospects of the applicant and the state bank or its subsidiary whose assets, interest in, or shares it will acquire;
- (3) the financial history of the applicant;
- (4) whether the acquisition or holding may result in undue concentration of resources or substantial lessening of competition in this state;
- (5) the convenience and needs of the public of this state; and
- (6) whether the acquisition or holding will strengthen the financial condition of the state bank.

Sec. 23. Minnesota Statutes 1986, section 49.04, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER TAKING POSSESSION; GROUNDS FOR; RIGHTS OF THIRD PARTIES.] When it shall appear to the commissioner that any financial institution has violated its charter, or any law of the state, or is conducting its business in an unsafe or unauthorized manner, or that its capital is impaired, or if it or any of its controlling officers shall refuse to submit its books, papers, and concerns to the inspection of the commissioner, or any duly authorized assistant, or if any of its officers shall refuse to be examined upon oath touching its concerns, or if it shall suspend payment of its obligations, or furnish reason for the commissioner concluding that it is in an unsound or unsafe condition to transact the business for which it was organized, or that it is unsafe and inexpedient for it to continue business, or if it shall neglect or refuse to observe a proper order of the commissioner, the commissioner may forthwith take possession of its property and business *including forfeiture of its certificate of authorization* and retain this possession until it shall resume business or its affairs be finally liquidated, as herein provided. On taking possession of the property and business of any such financial institution, the commissioner shall forthwith give notice of that fact to any and all financial institutions or other corporations, associations, partnerships, and individuals holding, or in possession of, any of its assets. No financial institution or other corporation, association, partnership, or individual knowing of such taking possession by the commissioner, or notified, as aforesaid, shall have a lien or charge for any payment, advance, or clearance thereafter made, or liability thereafter incurred against any of the assets of the financial institution of whose property and business the commissioner shall have taken possession, as aforesaid. The financial institution may, with the consent of the commissioner, resume business upon such conditions as may be approved by the commissioner. Upon taking possession of the property and business of the financial institution, the commissioner is authorized to collect moneys due to it and to do such other acts as are necessary to conserve its assets and business, and shall proceed to liquidate the affairs thereof, if in the commissioner's opinion it cannot safely resume business, as hereinafter provided.

Sec. 24. Minnesota Statutes 1986, section 49.05, is amended by adding a subdivision to read:

Subd. 7. [COMMISSIONER MAY BORROW MONEY.] With respect to a banking institution which is or may be closed on account of inability to meet the demands of its depositors or by action of the commissioner or of a court or by action of its directors, or, in the event of its insolvency or

suspension, the commissioner may borrow from the Federal Deposit Insurance Corporation and furnish any part or all of the assets of the institution to the corporation as security for a loan from same. The order of a court of record of competent jurisdiction shall be first obtained approving this loan. The commissioner or receiver or liquidator appointed by the commissioner upon the order of a court of record of competent jurisdiction may sell to the corporation any part or all of the assets of the institution.

The provisions of this subdivision shall not be construed to limit the power of any banking institution, or the commissioner, to pledge or sell assets in accordance with any other law of this state.

Sec. 25. Minnesota Statutes 1986, section 49.24, subdivision 5, is amended to read:

Subd. 5. [REJECTION OF CLAIMS; ACTIONS; LIMITATIONS.] If the commissioner doubts the justice or validity of any claim, the commissioner may reject the same in whole or in part and serve notice of such rejection upon the claimant, either by mail or personally. An affidavit of the service of such notice made according to law shall be filed with the commissioner. An action upon a claim so rejected must be brought within 60 days after such service and the filing of proof thereof. The venue of such action shall be in the county in which such financial institution had its principal place of business prior to liquidation, and such action shall be brought jointly against the financial institution and the commissioner or receiver or liquidator appointed by the commissioner as statutory liquidator thereof. Any person having a claim against such financial institution which is not presented and filed within the time fixed in the notice to creditors may thereafter present the same and the commissioner shall allow or reject the same in whole or in part and give notice of any rejection, as hereinbefore provided. Suit on any such claim not filed within the time fixed by the notice which is rejected must be brought within 30 days after the service and filing of proof of such rejection. Any claim not filed within the time fixed in the notice to creditors but later received and filed as by this section provided and duly allowed, shall participate and share in such dividends only as shall be paid from the proceeds of those assets remaining undistributed at the time of filing of such claim, and any claim not filed prior to the declaration of a final dividend shall be barred. No action shall be commenced against any such financial institution after possession of the business and property thereof has been taken by the commissioner on any claim until such claim has been filed with and rejected, in whole or in part, by the commissioner. As to any action pending at the time the commissioner takes possession of the business and property of such financial institution which has been stayed by order of the court, a claim may be filed for the subject matter of said action. If the claim be allowed, the action shall terminate and be dismissed without costs and disbursements, but, if rejected in whole or in part, the stay order shall be vacated, and the action may continue. No interest shall be allowed or paid on any deposit or other claim from and after the closing of the financial institution and the taking over of the same by the commissioner for purposes of liquidation.

Sec. 26. Minnesota Statutes 1986, section 51A.58, is amended to read:

51A.58 [INTERSTATE BRANCHING.]

An association may, by acquisition, merger, or consolidation, establish or operate branch offices in any reciprocating state, and a savings and loan

association chartered in ~~the~~ *any reciprocating state* may establish branch offices in this state. *A savings and loan holding company with its headquarters in this state may acquire by direct or indirect ownership or control the voting shares of a savings and loan association or savings bank located in any reciprocating state.* For the purposes of this section, "reciprocating state" is: (1) a state that authorizes the establishment of branch offices in that state by an association located in this state, *or the acquisition of savings and loan associations and savings banks located in that state by a savings and loan holding company with its headquarters in this state*, under conditions no more restrictive than those imposed by the laws of Minnesota as determined by the commissioner of commerce; and (2) limited to the states specifically enumerated as reciprocating states in section 48.92, subdivision 7.

The commissioner of commerce shall adopt rules to provide that procedural requirements equivalent to those contained in sections 48.90 to 48.991 apply to reciprocal interstate branching *and acquisitions* by savings and loan associations.

Sec. 27. Minnesota Statutes 1986, section 52.01, is amended to read:
52.01 [ORGANIZATION.]

Any seven residents of the state may apply to the commissioner of commerce for permission to organize a credit union.

A credit union is a cooperative society, incorporated for the two-fold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes.

A credit union is organized in the following manner:

(1) The applicants execute, in duplicate, a certificate of organization by the terms of which they agree to be bound, which shall state:

(a) the name and location of the proposed credit union;

(b) the names and addresses of the subscribers to the certificate and the number of shares subscribed by each;

(2) The applicants submit the following in the form prescribed by the commissioner of commerce:

(a) a statement of the common bond of the proposed credit union;

(b) the number of potential members;

(c) the geographic dispersion of the potential members;

(d) evidence of interest, including willingness of potential members to assume responsibility for leadership and service;

(e) a two-year forecast of probable levels of assets, shares and deposits, and income and expense;

(f) the availability of other credit union services to the potential members;

(g) other information the commissioner requires;

(3) They next prepare and adopt bylaws for the general governance of the credit union consistent with the provisions of this chapter, and execute them in duplicate;

(4) The certificate and the bylaws, both executed in duplicate, are for-

warded to the commissioner of commerce with a \$100 application fee;

(5) The commissioner of commerce shall, within 60 days of the receipt of the certificate, the information required by paragraph (2), *and the by-laws, and a commitment for insurance of accounts as required by section 52.24, subdivision 2,* determine whether they comply with the provisions of this chapter, and whether or not the organization of the credit union in question would benefit its members, be economically feasible, and be consistent with the purposes of this chapter;

(6) Thereupon the commissioner of commerce shall notify the applicants of the decision. If it is favorable, the commissioner shall *upon receipt of a commitment for insurance of accounts as required by section 52.24, subdivision 2,* issue a certificate of approval, attached to the duplicate certificate of organization, and return them with the duplicate bylaws to the applicants. If it is unfavorable, the applicants may, within 60 days after the decision, appeal for a review in a court of competent jurisdiction;

(7) The applicants shall thereupon file the duplicate of the certificate of organization, with the certificate of approval attached thereto, with the secretary of state, who shall make a record of the certificate and return it, with a certificate of record attached thereto, to the commissioner of commerce for permanent records; and

(8) Thereupon the applicants shall be a credit union incorporated in accordance with the provisions of this chapter.

In order to simplify the organization of credit unions, the commissioner of commerce shall prepare approved forms of certificate of organization and bylaws, consistent with this chapter, which may be used by credit union incorporators for their guidance, and on written application of seven residents of the state, shall supply them without charge with a blank certificate of organization and a copy of the form of suggested bylaws.

Sec. 28. Minnesota Statutes 1986, section 52.02, subdivision 3, is amended to read:

Subd. 3. [APPROVAL.] Amendments to the certificate of organization or bylaws must be approved by the commissioner of commerce before they become operative. The commissioner shall not unreasonably withhold approval if the amendments do not violate any provision of this chapter or other state law. In any event, the commissioner shall approve or disapprove the proposed amendment within 60 days of the date the proposed amendment is submitted to the commissioner by the credit union. In case of disapproval the credit union shall have the right to appeal to a court of competent jurisdiction within the time limits stated in section 52.01, clause ~~(5)~~ (6). In case any amendment to the certificate of organization is adopted, the resolution, containing a full text of the amendment and verified by its president or treasurer and approved by the commissioner of commerce, shall be recorded in the office of the secretary of state.

Sec. 29. Minnesota Statutes 1986, section 52.09, subdivision 2, is amended to read:

Subd. 2. [PARTICULAR DUTIES.] The directors shall manage the affairs of the credit union and shall:

(1) act on applications for membership. This power may be delegated to a membership chair who serves at the pleasure of the board of directors and is subject to its rules. An application must contain a certification signed

by the membership chair or a member of the board showing the basis of membership;

(2) determine interest rates on loans and on deposits. The interest period on deposits may be on a daily, monthly, quarterly, semiannual or annual basis, and may be paid on all deposits whether or not the deposits have been withdrawn during the interest period. Interest may be computed on a daily basis. ~~At the discretion of the board of directors, interest need not be paid on deposit accounts of less than \$10;~~

(3) fix the amount of the surety bond required of all officers and employees handling money;

(4) declare dividends and transmit to the members recommended amendments to the bylaws;

(5) fill vacancies in the board and in the credit committee until successors are chosen and qualify at the next annual meeting;

(6) limit the number of shares and deposits which may be owned by a member, not to exceed ten percent of the outstanding shares and deposits, or \$2,000, whichever is larger, and the maximum individual loan which can be made with and without security, including liability indirectly as a comaker, guarantor, or endorser to ten percent of outstanding shares and deposits. The ten percent share and deposit limitation is not applicable to the Minnesota corporate credit union, or to credit unions insured by the National Credit Union Administration;

(7) have charge of investments including loans to members, unless a credit committee is established pursuant to section 52.08 or paragraph (13) of this subdivision;

(8) fix the salaries of the treasurer and other employees, which must be on a fixed monthly or annual basis, in dollars (not percentage);

(9) designate the depository institution in which the funds of the credit union will be deposited;

(10) authorize the officers of the credit union to borrow money from any source, as provided in section 52.15;

(11) with the permission of the commissioner of commerce, suspend any member of the credit committee or supervisory committee if it deems this action necessary to the proper conduct of the credit union, and call the members together to act on the suspension within a reasonable time after the suspension. The members at the meeting may, by majority vote of those present, sustain the suspension and remove the committee members permanently or may reinstate the committee members;

(12) provide financial assistance to the supervisory committee in carrying out its audit responsibilities;

(13) if the bylaws so provide and no credit committee has been elected pursuant to section 52.08, appoint a credit manager or a credit committee of not less than three members; and

(14) to establish different classes of shares.

Sec. 30. Minnesota Statutes 1986, section 52.18, is amended to read:
52.18 [DIVIDENDS.]

The directors of a credit union may, on a daily, monthly, quarterly, sem-

annual, or annual basis as its board of directors may determine, declare and pay a dividend from net earnings or accumulated net undivided profits remaining after statutory reserve has been set aside, which dividend may be paid on all shares whether or not they have been withdrawn during the dividend period. Dividends may be computed on a daily basis. The board of directors may classify its share accounts according to character, amount and duration and declare dividends which may be at variable rates with due regard to the conditions that pertain to each class of shares, or pay no dividend at all. A dividend shall be uniform within a classification. ~~At the discretion of the board of directors dividends may not be declared or paid on share accounts of less than \$10.~~ Shares which become fully paid up during a dividend period shall be entitled to a proportional part of the dividend calculated from the first day of the month following the payment in full. For the purpose of this section, shares which become fully paid up by the fifteenth day of any month may be treated as being paid up from the first day of the month.

Sec. 31. Minnesota Statutes 1986, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56. Loans made under the authority of section 56.125 must be in amounts in compliance with section 53.05, clause (7). All other loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (7), or 56.131, subdivision 1, paragraph (a), whichever is less. The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum, including the right to contract for, charge, and collect all other charges including discount points, fees, late payment charges, and insurance premiums on the loans to the same extent permitted on loans made under the authority of chapter 56, regardless of the amount of the loan. The provisions of sections 47.20 and 47.21 do not apply to loans made under this subdivision, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or amend any provision of section 53.05. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

(b) Loans made under this subdivision at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. ~~If the proceeds of a loan made after August 1, 1987 are used in whole or in part to satisfy the balance owed on a contract for deed, the rate of interest charged on the loan must not exceed the rate provided in section 47.20, subdivision 4a.~~ If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) A loan made under this subdivision that is secured by real estate and that is in a principal amount of \$7,500 or more and a maturity of 60 months or more may contain a provision permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this subdivision. Loan yield means the annual rate of return obtained by a licensee computed as the annual percentage rate is computed under Federal Regulation Z. If the loan is prepaid in full, the licensee must

make a refund to the borrower to the extent that the loan yield will exceed the maximum rate of interest provided by this subdivision when the prepayment is taken into account.

(d) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage loans from persons holding a certificate of authorization under this chapter.

Sec. 32. Minnesota Statutes 1986, section 53.04, subdivision 5, is amended to read:

Subd. 5. The right, with the consent of the department of commerce, to (1) sell and issue for investment certificates of indebtedness, under any descriptive name, which may bear interest, if any, as their terms provide, and which may require the payment to the company of amounts, from time to time as their terms provide, and permit the withdrawal of amounts paid on them, in whole or in part, from time to time, and the credit of amounts thereon upon conditions set forth therein; and (2) receive savings accounts or savings deposits. ~~No certificate of indebtedness shall have a surrender value which is less than the total amount paid to the company therefor.~~

Sec. 33. Minnesota Statutes 1986, section 53.09, subdivision 2, is amended to read:

Subd. 2. [REPORT TO COMMISSIONER.] (1) Each industrial loan and thrift company shall annually on or before the first day of February file a report with the commissioner stating in detail, under appropriate heads, its assets and liabilities at the close of business on the last day of the preceding calendar year. This report shall be made under oath in the form prescribed by the commissioner and published once, at the expense of the industrial loan and thrift company, in a newspaper of the county of its location, and proof thereof filed immediately with the commissioner of commerce.

(2) Each industrial loan and thrift company which holds authority to accept accounts pursuant to section 53.04, subdivision 5, shall in place of the requirement in clause (1) submit the reports and make the publication required of state banks pursuant to section 48.48.

(2) (3) Within 30 days following a change in controlling ownership of the capital stock of an industrial loan and thrift company, it shall file a written report with the commissioner stating in detail the nature of such change in ownership.

Sec. 34. Minnesota Statutes 1986, section 55.15, is amended to read:

55.15 [APPLICATION.]

This chapter shall not be held or construed as limiting, restricting, or in any way affecting the operation or management of safe deposit boxes or

vaults, or a safe deposit business, by any savings bank, bank, or trust company. If any bank, savings bank, or trust company elects to transact the business of a safe deposit company under the provisions of this chapter, it shall so notify the commissioner of commerce and thereafter the provisions of sections 55.02 and 55.10 to ~~55.13~~ 55.12 shall apply to such safe deposit business and said bank, savings bank, or trust company shall have the benefit thereof. The provisions of sections 55.03 to 55.09 and the provisions of section 55.095 shall not apply to a bank, savings bank, or trust company carrying on the business of a safe deposit company.

Sec. 35. Minnesota Statutes 1986, section 56.12, is amended to read:

56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which the commissioner shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the commissioner may deem necessary to prevent misunderstanding thereof by prospective borrowers. In lieu of the disclosure requirements of this section and section 56.14, a licensee may give the disclosures required by the federal Truth-in-Lending Act.

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

(1) the proceeds of the loan are used to finance the purchase of a manufactured home; or

(2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed. ~~The rate of interest charged on such a loan made after August 1, 1987, shall not exceed the rate provided in section 47.20, subdivision 4a.~~

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-

tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail.

Sec. 36. Minnesota Statutes 1986, section 325G.04, is amended by adding a subdivision to read:

Subd. 3. For purposes of subdivisions 1 and 2, "unauthorized use" means a use by a person other than the customer who does not have actual, implied, or apparent authority for the use.

Sec. 37. Minnesota Statutes 1986, section 332.29, subdivision 1, is amended to read:

Subdivision 1. The commissioner ~~may from time to time~~ shall examine the books and records of every licensee hereunder and of any person engaged in the business of debt prorating service as defined in section 332.13 *at least once every 18 calendar months*. The commissioner once during any calendar year, may require the submission of an audit prepared by a certified public accountant of the books and records of each licensee hereunder. If the licensee has, within one year previous to the commissioner's demand, had an audit prepared for some other purpose, this audit may be submitted to satisfy the requirement of this section. The commissioner may investigate any complaint concerning violations of sections 332.12 to 332.29 and may require the attendance and sworn testimony of witnesses and the production of documents.

Sec. 38. [REPEALER.]

Minnesota Statutes 1986, sections 48.60 and 55.13, are repealed.

Sec. 39. [EFFECTIVE DATE.]

Sections 1, 2, 4, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 25, 26, 27, and 28 are effective the day following final enactment. Sections 3 and

37 are effective July 1, 1987.

ARTICLE 2

REGULATORY REDUCTION ACT

Section 1. Minnesota Statutes 1986, section 55.095, is amended to read:
55.095 [DUTIES OF COMMISSIONER OF COMMERCE.]

Every safe deposit company is at all times under the supervision and subject to the control of the commissioner of commerce. ~~The commissioner's examiners shall visit at least once each year each commissioner~~ *may at any time examine a licensed safe deposit company licensed by the commissioner* to ascertain whether the safe deposit company is complying with the provisions of this chapter and whether its methods and systems are in accordance with law and designed to protect the property of persons doing business with it. For each examination the commissioner shall charge the actual expenses of examination. If the commissioner of commerce determines that the safe deposit company is violating the provisions of this chapter, any law of the state, or has engaged or the commissioner has reason to believe that a licensee is about to engage in an unlawful, unsafe, or unsound practice in the conduct of its business, the commissioner may proceed pursuant to sections 46.24 to 46.33 or serve notice on the safe deposit company of intention to revoke the license, stating in general the grounds therefor and giving reasonable opportunity to be heard. If for a period of 15 days after the notice, the violation continues, the commissioner of commerce may revoke the license and take possession of the business and property of the safe deposit company and maintain possession until the time the commissioner permits it to continue business, or its affairs are finally liquidated. The liquidation must proceed pursuant to sections 49.04 to 49.32.

Sec. 2. Minnesota Statutes 1986, section 59A.06, subdivision 3, is amended to read:

Subd. 3. The commissioner ~~shall~~ *may at any time* make an examination of the affairs, business, office and records of each licensee ~~at least once each year~~. Each licensee shall pay to the commissioner the actual costs of examination as well as amounts required under section 46.131, and the commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

Sec. 3. Minnesota Statutes 1986, section 168.66, subdivision 3, is amended to read:

Subd. 3. "Retail installment sale" means any sale evidenced by a retail installment contract wherein retail buyer agrees to buy and retail seller agrees to sell a motor vehicle at a ~~time~~ sale price payable in one or more installments *with the payment of a finance charge*.

Sec. 4. Minnesota Statutes 1986, section 168.66, subdivision 4, is amended to read:

Subd. 4. "Retail installment contract" means any agreement, entered into in this state, evidencing a retail installment sale of a motor vehicle, other than for the purpose of resale, when purchased primarily for personal, family or household use, pursuant to which title to, or a lien upon the motor vehicle is retained by the retail seller as security for the retail buyer's obligation. This term includes a mortgage, conditional sale contract, or any

contract for the bailment or leasing of a motor vehicle by which the bailee or lessee contracts to pay as compensation for its use a sum substantially equivalent to the ~~time~~ *retail installment* sale price of the motor vehicle and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner of such motor vehicle *for no additional consideration or for nominal additional consideration*. "Retail installment contract" does not include any agreement, entered into in this state, evidencing an installment sale of a motor vehicle purchased primarily for use in business. For purposes of this subdivision, "business" means a commercial or industrial enterprise which is carried on for the purpose of active or passive investment or profit.

Sec. 5. Minnesota Statutes 1986, section 168.66, subdivision 5, is amended to read:

Subd. 5. "Motor vehicle" means any device propelled or drawn by any power other than muscular power, in, upon, or by which any person or property is, or may be transported or drawn upon a highway, excepting building and road construction equipment not subject to motor vehicle registration fees, snowmobiles, *three-wheel off-road vehicles, boat, snowmobile, and other utility trailers*, farm tractors, and agricultural machinery not designed primarily for highway transportation, but which may incidentally transport persons or property on a public highway, *or any other device which may not be lawfully operated upon a highway at the time of sale*.

Sec. 6. Minnesota Statutes 1986, section 168.66, subdivision 9, is amended to read:

Subd. 9. "Cash sale price" means the price at which the seller would in good faith sell to the buyer, and the buyer would in good faith buy from the seller, the motor vehicle which is the subject matter of the retail installment contract, if such sale were a sale for cash, instead of a retail installment sale. The cash sale price may include any taxes, charges for delivery, servicing, repairing or improving the motor vehicle, including accessories and their installation, and any other charges agreed upon between the parties. *The cash price may not include a documentary fee or document administration fee in excess of \$25 for services actually rendered to, for, or on behalf of, the retail buyer in preparing, handling, and processing documents relating to the motor vehicle and the closing of the retail sale.*

Sec. 7. Minnesota Statutes 1986, section 168.66, subdivision 10, is amended to read:

Subd. 10. "~~Time sale price~~" "*Total of payments*" means the amount which the buyer contracts to pay under a retail installment contract, *excluding any down payment*.

Sec. 8. Minnesota Statutes 1986, section 168.66, subdivision 11, is amended to read:

Subd. 11. "~~Time price differential~~" means the amount by which the ~~seller's total time sale price exceeds the aggregate of the cash sale price,~~ "*Finance charge*" means any charge payable directly or indirectly by the buyer and imposed directly or indirectly by the seller as a condition of the extension of credit under a retail installment contract, and includes a *time price differential*. *The term does not include the cost of any insurance and other benefits included in the retail installment contract and any other permissible cost or expense incidental to the retail installment sale or any*

charge of a type payable in a comparable cash transaction, or any taxes, fees, or charges that actually are or will be paid to public officials or government agencies for determining the existence of or for perfecting, releasing, or satisfying a security interest. The term also does not include premiums for insurance against loss of or damage to property, or against liability arising out of the ownership or use of property if the insurance coverage may be obtained from a person of the buyer's choice.

Sec. 9. Minnesota Statutes 1986, section 168.705, is amended to read:

168.705 [EXAMINATIONS, SPECIAL INVESTIGATIONS, COSTS.]

For the purpose of discovering violations of sections 168.66 to 168.77 or securing information lawfully required by the administrator hereunder, the administrator may, at any time, either personally or by a person or persons duly designated by the administrator, investigate the conditional sales contracts and business related to the conditional sales contracts and examine the books, accounts, records, and files used therein, of every licensee and of every person who shall be engaged in the business of a sales finance company, whether the person shall act as principal or agent, or under or without the authority of sections 168.66 to 168.77. For that purpose, the administrator and the administrator's duly designated representative shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all these persons. The administrator and all persons duly designated by the administrator shall have authority to require the attendance of and to examine, under oath, all persons whomsoever whose testimony the administrator may require relative to the conditional sales contract or the business or to the subject matter of any examination, investigation, or hearing.

The administrator ~~shall~~ may make an examination of the affairs, business, office, and records of each licensee at least once every two calendar years. ~~Each licensee shall pay to the administrator an amount as may be required under section 46.131, and the administrator licenses as often as considered necessary. The commissioner may assess a fee covering the necessary costs of an examination or special investigation under this section, section 168.69, or reports filed under section 168.706. The fee is payable to the commissioner on the commissioner's request for payment. The commissioner may maintain an action for the recovery of the costs in any court of competent jurisdiction.~~

Sec. 10. Minnesota Statutes 1986, section 168.71, is amended to read:

168.71 [RETAIL INSTALLMENT CONTRACTS.]

(a) (1) Every retail installment contract shall be in writing, shall contain all the agreements of the parties, shall be signed by the retail buyer and seller, and a copy thereof shall be furnished to such retail buyer at the time of the execution of the contract.

(2) No provisions for confession of judgment or power of attorney therefor contained in any retail installment contract or contained in a separate agreement relating thereto, shall be valid or enforceable.

(3) The holder of a *precomputed* retail installment contract may, if the contract so provides, collect a delinquency and collection charge on each installment in arrears for a period not less than ten days in an amount not in excess of five percent of each installment or \$5, whichever is the less. In addition to such delinquency and collection charge, the retail installment

contract, *whether interest-bearing or precomputed*, may provide for the payment of attorneys' fees not exceeding 15 percent of the amount due and payable under such contract where such contract is referred to an attorney not a salaried employee of the holder of the contract for collection plus the court costs.

(4) Unless written notice has been given to the retail buyer of actual or intended assignment of a retail installment contract, payment thereunder or tender thereof made by the retail buyer to the last known holder of such contract shall be binding upon all subsequent holders or assignees.

(5) Upon written request from the retail buyer, the holder of the retail installment contract shall give or forward to the retail buyer a written statement of the dates and amounts of payments and the total amount unpaid under such contract. A retail buyer shall be given a written receipt for any payment when made in cash.

(b) The retail installment contract shall contain the following items:

(1) The cash sale price of the motor vehicle which is the subject matter of the retail installment contract;

(2) The *total* amount of the retail buyer's down payment, whether made in money or goods, or partly in money or partly in goods;

(3) The difference between items one and two;

(4) The charge, if any, included in the transaction for any insurance and other benefits *not included in clause (1)*, specifying the types of coverage and *benefits taxes, fees, and charges that actually are or will be paid to public officials or government agencies, including those for perfecting, releasing, or satisfying a security interest if such taxes, fees, or charges are not included in clause (1)*;

(5) Principal balance, which is the sum of item three and item four;

(6) ~~The amount of the time price differential;~~ *disclosures required by the Federal Truth-in-Lending Act.*

~~(7) The time balance payable by the retail buyer to the retail seller and the number of installment payments required and the amount of each installment expressed in dollars or percentages, and date of each payment necessary finally to pay the time balance which is the sum of item five and item six.~~

Provided, however, that said items one to seven inclusive need not be stated in the sequence or order set forth above and that additional items may be included which serve to explain the calculations involved in determining the stated time balance to be paid by the retail buyer.

(c) Every retail seller or sales finance company, if a charge for insurance on the motor vehicle is included in a retail installment contract shall within 30 days after execution of the retail installment contract send or cause to be sent to the retail buyer a policy or policies or certificate of insurance, which insurance shall be written by a company authorized to do business in this state, clearly setting forth the amount of the premium, the kind or kinds of insurance and the scope of the coverage and all the terms, exceptions, limitations, restrictions and conditions of the contract or contracts of the insurance. The buyer of a motor vehicle under a retail installment contract shall have the privilege of purchasing such insurance from an agent or broker of the buyer's own selection and selecting an insurance company

mutually acceptable to the seller and the buyer; provided, however, that the inclusion of the cost of the insurance premium in the retail installment contract when the buyer selects the agent, broker or company, shall be optional with the seller.

(d) Any sales finance company hereunder may purchase or acquire from any retail seller any retail installment contract on such terms and conditions as may be mutually agreed upon between them.

(e) An acknowledgment by the retail buyer of the delivery of any such copy or notice as required in subsection (a) of this section contained in the body of the statement or contract shall be conclusive proof of delivery in any action or proceeding by or against any assignee of a retail installment contract.

Sec. 11. Minnesota Statutes 1986, section 168.72, subdivision 1, is amended to read:

Subdivision 1. (a) ~~The time price differential finance charge~~ authorized by sections 168.66 to 168.77 in a retail installment sale may not exceed the following *simple interest annual percentage* rates:

Class 1. Any motor vehicle designated by the manufacturer by a year model of the same or not more than one year prior to the year in which the sale is made - ~~\$10 per \$100~~ *18 percent* per year.

Class 2. Any motor vehicle designated by the manufacturer by a year model of two or three years prior to the year in which the sale is made - ~~\$11 per \$100~~ *19.75 percent* per year.

Class 3. Any motor vehicle not in Class 1 or Class 2 - ~~\$13 per \$100~~ *23.25 percent* per year ~~plus a flat charge of \$3 for each retail installment sale.~~

(b) ~~The time price differential finance charge~~ must be computed on the principal balance *outstanding from time to time as originally determined* under section 168.71, clause (b) ~~and must be computed at the rate indicated on contracts payable in successive monthly installment payments substantially equal in amount extending for a period of one year. For purposes of this subdivision and section 168.73, contracts payable in successive monthly installment payments include those where the first installment is scheduled for not less than 15 days nor more than one month and 15 days from the date of the contract. On contracts providing for installment payments extending for a period less than or greater than one year, the time price differential must be computed proportionately.~~

(c) ~~When a retail installment contract provides for unequal or irregular installment payments, the time price differential is at the effective rate provided in clause (a) hereof, having due regard for the irregular schedule of payment. Retail installment contracts may be interest-bearing or pre-computed, and fixed-rate or variable rate. For precomputed retail installment contracts, the finance charge may be calculated in advance on the assumption that all scheduled payments will be made when due and the effect of prepayment in full is governed by section 168.73. To compute time for the purpose of calculating interest under this section and section 168.73, a day may be considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same-~~

numbered date, to the last day of the following month. When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month. In the alternative, for interest-bearing retail installment contracts, a retail seller may charge finance charges not to exceed 1/365th of the simple interest annual percentage rate permitted in this section for each actual day elapsed from the date of the retail installment contract through and including the date of payment in full.

(d) (c) The ~~time price differential~~ finance charge is inclusive of all charges incident to investigating and making the contract, and for the extension of the credit provided for in the contract and no fee, commission, expense or other charge whatsoever may be taken, received, reserved or contracted for *except taxes, fees, and charges that actually are or will be paid to public officials or government agencies for determining the existence of or for perfecting, releasing, or satisfying a security interest, and except as provided in sections 168.66 to 168.77.*

Sec. 12. Minnesota Statutes 1986, section 168.72, subdivision 4, is amended to read:

Subd. 4. A sale of a manufactured home made after July 31, 1983, is governed by the provisions of subdivision 1 for purposes of determining the lawful ~~time price differential~~ finance charge rate, except that the maximum ~~time differential~~ finance charge for a class I manufactured home may not exceed ~~\$8 per \$100~~ 14.5 percent per year. A retail installment sale of a manufactured home that imposes a time price differential rate that is greater than the rate permitted by this subdivision is lawful and enforceable in accordance with its terms until the indebtedness is fully satisfied if the rate was lawful when the sale was made.

Sec. 13. Minnesota Statutes 1986, section 168.73, is amended to read:

168.73 [PREPAYMENT IN FULL, REFUND CREDITS, ALLOWANCE.]

Notwithstanding the provisions of any retail installment contract to the contrary, any retail buyer may pay in full at any time before maturity the debt of any retail installment contract ~~and without penalty~~. In ~~so~~ paying ~~such debt~~ a precomputed retail installment contract in full, the retail buyer shall receive a refund credit thereon for such anticipation of payments. For contracts which substantially equal scheduled monthly payments remaining after the date of prepayment in full, the refund must be calculated for all fully unexpired monthly payment periods following the date of payment in full. For all other contracts, the refund must be calculated as of the date in the month following prepayment which corresponds to the original contract date. The ~~amount of such~~ refund shall ~~represent at least as great a proportion of the time price differential after first deducting from such time price differential~~ be calculated according to the actuarial method, less an acquisition cost of \$15; as the sum of the periodic time balances after the month in which date prepayment is made; bears to the sum of all the periodic time balances under the schedule of payments in the original contract which may be deducted from the refund so calculated.

Where the amount of the credit for anticipation of payment is less than \$1, no refund need be made.

The actuarial method means the method of allocating payments on a contract between the principal amount and finance charge at the contract rate charged under section 168.72, whereby a payment is applied first to

the accumulated finance charge and then to the unpaid principal balance based on the original terms of the contract and based on the assumption that all payments are made on the due date as originally scheduled or deferred.

Sec. 14. Minnesota Statutes 1986, section 168.74, is amended to read:
168.74 [EXTENSION OF SCHEDULES, PAYMENTS.]

The holder of a *precomputed* retail installment contract, may, upon written agreement with the retail buyer, extend the ~~schedules~~ *scheduled* due date, or defer the ~~schedules~~ *scheduled* payment of all or part of any installment payment or payments, or renew the balance of such contract. In any such case the holder may restate the amount of the installments and the time schedule therefor, and collect as a refinance charge for such extension, deferment or renewal, a flat service fee not to exceed \$5 and a total additional charge not exceeding ~~an amount equal to one percent per month~~ *the simple interest annual percentage rate under the original retail installment contract* calculated on the respective descending balances computed from the date of such extension, deferment or renewal.

Sec. 15. [EFFECTIVE DATE.]

Sections 1, 2, 5, and 9 of this article are effective July 1, 1987. Sections 6, 7, 8, 10, 11, 12, and 14 are effective January 1, 1988. Section 13 is effective January 1, 1988, and applies to contracts entered into on or after that date.

ARTICLE 3

APPLICATION PARITY ACT

Section 1. Minnesota Statutes 1986, section 46.041, is amended to read:
46.041 [BANK APPLICATIONS.]

Subdivision 1. [FILING; FEE; ~~HEARING~~ *PUBLIC INSPECTION.*] The incorporators of a bank proposed to be organized under the laws of this state shall execute and acknowledge a written application in the form prescribed by the commissioner of commerce. The application must be signed by two or more of the incorporators and request a certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. The applicant shall file the application with the department with a \$1,000 filing fee and a \$500 investigation fee. The fees must be turned over by the commissioner to the state treasurer and credited to the general fund. ~~Thereupon the applicant shall within 30 days of the receipt of the form prescribed by the commissioner, publish a notice of the filing of the application in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice shall be in the form prescribed by the commissioner and, in addition to the publication, the applicant shall mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the bank. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, must be paid by the applicant and 50 percent equally by the intervening parties. The application file must be public, with the exception of financial data on individuals which is private under the Minnesota gov-~~

ernment data practices act.

Subd. 2. [UNCONTESTED NOTICE OF FILING APPLICATION APPROVAL ORDER; PUBLICATION.] If no objection is received by the commissioner within 21 days after the publication and mailing of the notices, the commissioner may issue an order approving the application without a hearing if it is found that the applicant meets the conditions in section 46.044. Otherwise the commissioner must deny the application. Upon notice of acceptance of an application as complete in all respects for filing, the applicant shall within 30 days of the receipt of the form prescribed by the commissioner, publish a notice of the filing of the application, in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice must be in the form prescribed by the commissioner and, in addition to the publication, the applicant shall mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the bank.

Subd. 3. [OBJECTIONS; COMMENTS, REQUESTS FOR HEARING.] If the application is contested, the commissioner shall fix a time, within 60 days after the filing of the objection for a hearing, and the record of the hearing shall be considered by the commissioner in deciding whether or not the application shall be granted. A notice of the hearing must be published in the form prescribed by the commissioner in some newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice shall be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and such witnesses as may appear in favor of or against the granting of the application of the proposed bank. The hearing shall be conducted by the commissioner in accordance with the provisions of sections 14.01 to 14.70. Within 21 days after the notice of application has been published, any person may submit to the commissioner either or both written comments on an application and a written request for a hearing on the application. The request must state the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the commissioner. Comments challenging the legality of an application should be submitted separately in writing.

Written requests for hearing must be evaluated by the commissioner who may grant or deny the request. A hearing must generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the commissioner.

If a request for a hearing has been denied, the commissioner shall notify the applicant and all interested persons stating the reasons for denial. Interested parties may submit to the commissioner with simultaneous copies to the applicant additional written comments on the application within 14 days after the date of the notice of denial. The applicant shall be provided an additional seven days after the 14-day deadline has expired within which to respond to any comments submitted within the 14-day period. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested parties. The commissioner may waive the additional seven-day comment period if so requested by the

applicant.

Subd. 4. [HEARING.] *In any case in which the commissioner grants a request for a hearing, the commissioner shall fix a time for a hearing conducted pursuant to chapter 14 to decide whether or not the application will be granted. A notice of the hearing must be published by the applicant in the form prescribed by the commissioner in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and witnesses that appear in favor of or against the granting of the application of the proposed bank. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.*

Subd. 5. [APPROVAL, DISAPPROVAL, AFTER HEARING.] *If, upon the hearing or upon other information submitted, it appears to the commissioner that the application should be granted, the commissioner shall, not later than 90 days after the hearing, and after the applicants have otherwise complied with the provisions of law applicable to the organization of a bank, including the provisions herein contained, make and file in the commissioner's office a written order directing the issuance of a certificate of authorization as provided by law. If the certificate of authorization is not activated within a period of 12 months from date of issuance, the commissioner may upon written notice to the applicants request a new hearing. If the commissioner decides that the application should not be granted, the commissioner shall deny the application and make a written order to that effect, file it in the commissioner's office, and forthwith give notice thereof by certified mail to one of the incorporators named in the application for the proposed bank, addressed to the incorporator at the address stated in the application. Thereupon the commissioner shall refuse to issue the certificate of authorization to the proposed bank.*

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment, and applies to pending applications at that time if any notice of the filing of the application has not been fully published."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating incorporations and operations of banks; requiring prior written approval by the commissioner for certain lease arrangements; requiring certain securities to be deposited with the state treasurer; requiring approval of certain insider agreements; providing penalties against certain lenders; regulating transfer and closing of deposit accounts; regulating real estate holdings by a bank; providing for exclusions to certain usury limits; regulating acquisitions by bank holding companies; revising the definition of feeder livestock loans for bank lending limit purposes; authorizing the commissioner to borrow money to satisfy obligations of certain closed institutions; authorizing indirect investments in eligible securities for state banks; regulating bank or trust company investments; regulating claims against liquidated institu-

tions; providing for the organization of credit unions; regulating interest and dividends paid on deposits; regulating industrial loan and thrifts; regulating interstate branch banking; providing for the submission of certain reports; modifying the maximum allowable interest rate on certain loans used to satisfy the balances owed on contracts for deed; requiring the periodic examination of debt prorated companies; modifying the examination requirement for safe deposit companies and insurance premium finance companies; regulating motor vehicle installment sales; regulating bank applications; regulating electronic financial terminals and unauthorized use of financial transaction cards; amending Minnesota Statutes 1986, sections 46.041; 46.042; 46.07, subdivision 2; 46.131, subdivision 9; 47.10, subdivision 3, and by adding a subdivision; 47.204, subdivision 1; 47.205, subdivisions 2 and 4; 47.69, subdivision 3; 48.055, subdivision 5; 48.15, subdivision 2; 48.21; 48.24, subdivision 7; 48.51; 48.61, subdivisions 3 and 5; 48.92, subdivision 10; 48.97, subdivision 2; 48.98, subdivision 1; 48.99, subdivision 1; 49.04, subdivision 1; 49.05, by adding a subdivision; 49.24, subdivision 5; 51A.58; 52.01; 52.02, subdivision 3; 52.09, subdivision 2; 52.18; 53.04, subdivisions 3a and 5; 53.09, subdivision 2; 55.095; 55.15; 56.12; 59A.06, subdivision 3; 168.66, subdivisions 3, 4, 5, 9, 10, and 11; 168.705; 168.71; 168.72, subdivisions 1 and 4; 168.73; 168.74; 325G.04, by adding a subdivision; 332.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 46 and 47; repealing Minnesota Statutes 1986, sections 48.60 and 55.13."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 801: A bill for an act relating to waters; changing the posting and publication of notice requirements for aeration operations by a permittee of the commissioner of natural resources; providing an exclusion from government tort liability; amending Minnesota Statutes 1986, sections 3.736, subdivision 3; and 378.22, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 30, insert:

"Sec. 4. Minnesota Statutes 1986, section 378.22, is amended by adding a subdivision to read:

Subd. 5. [WATER AERATION RULES.] The commissioner of natural resources shall, by September 1, 1988, adopt rules relating to the issuance of permits for aeration, bubbler, water circulation, and similar systems used to increase dissolved oxygen or to maintain open water on the ice of public waters."

Amend the title as follows:

Page 1, line 8, before the period, insert " , and by adding a subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred the following appointment as reported in the Journal for March 12, 1987:

DEPARTMENT OF REVENUE
COMMISSIONER

Tom Triplett

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1: A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; appropriating money; amending Minnesota Statutes 1986, sections 41A.01; 41A.02, subdivisions 3, 4, 6, and 11; 41A.05, subdivisions 1 and 2; 116.16, subdivisions 2, 5, 9, and 10, and by adding subdivisions; 116.18, subdivision 3a; 116J.955, subdivisions 1 and 2; 116L.03, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; and 462.398; proposing coding for new law in Minnesota Statutes, chapters 41A; 93; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; amending Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, sections 41A.06, subdivision 2; 116J.951; 116J.961; and 116J.965.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

RURAL DEVELOPMENT BOARD

Section 1. [116N.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 7, the following terms have the meaning given them.

Subd. 2. [BOARD.] "Board" means the rural development board.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of energy and economic development.

Subd. 4. [LOW INCOME.] "Low income" means equal to or below the nonmetropolitan median household income.

Subd. 5. [PRINCIPALLY.] "Principally" means at least 51 percent.

Subd. 6. [REGIONAL ORGANIZATION.] "Regional organization" or "organization" means an organization selected under section 7, subdivision 3.

Subd. 7. [RURAL.] "Rural" means the area of Minnesota located outside of the metropolitan area as defined in section 473.121, subdivision 2.

Sec. 2. [116N.02] [RURAL DEVELOPMENT BOARD.]

Subdivision 1. [MEMBERSHIP.] The rural development board consists of the commissioner of energy and economic development, the commissioner of jobs and training, the commissioner of agriculture, the chair of the greater Minnesota corporation board, the state director of vocational technical education, the chancellor of the state university board, the chancellor of the state board for community colleges, the president of the University of Minnesota or the president's designee, and seven members from the general public appointed by the governor, with at least one public member from each of the regions established in section 7. Two of the public members must be local elected officials. Two of the public members must be members of farm organizations. One public member must represent the interests of business, and one public member must represent the interests of organized labor.

Subd. 2. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575.

Subd. 3. [CHAIR; OTHER OFFICERS.] The commissioner of energy and economic development shall serve as chair of the board. The board may elect other officers as is necessary from its members.

Subd. 4. [ADVISORY TASK FORCES.] The board may establish advisory task forces under section 15.014 to advise or assist the board in identifying and working with rural development issues.

Subd. 5. [STAFF] The commissioner of energy and economic development shall provide staff, consultant support, materials, and administrative services necessary for the board's activities from the community development division of the department of energy and economic development. The services must include personnel, budget, payroll, and contract administration. The board may request staff support from other agencies of state government as needed for the execution of the responsibilities of the board, and the other agencies shall furnish the staff support upon request.

Subd. 6. [EXPENSES.] The commissioner shall pay the expenses of the board and the costs of the board's programs from the rural rehabilitation revolving fund established in section 116J.955.

Sec. 3. [116N.03] [POWERS.]

Subdivision 1. [CONTRACTS.] The board may enter into contracts and grant agreements necessary to carry out its responsibilities.

Subd. 2. [GIFTS; GRANTS.] The board may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the

state, private foundations, or any other source. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, loan, or agreement. Money received by the board under this subdivision must be deposited in the state treasury. The amount deposited is appropriated to the board to carry out its duties.

Sec. 4. [116N.04] [DUTIES.]

Subdivision 1. [GENERAL DUTIES.] The board shall investigate and evaluate new methods to enhance rural development, particularly methods relating to economic diversification through private enterprises, including technologically innovative industries, value-added manufacturing, agri-processing, information industries, and agricultural marketing.

Subd. 2. [ESTABLISH PROGRAMS.] The board shall establish and administer a rural rehabilitation pilot project program to award grants to public, nonprofit, or private organizations to support farm-related pilot projects for rural development. Projects must be designed to principally benefit low-income persons.

Subd. 3. [TECHNICAL ASSISTANCE.] The board shall provide technical assistance and rural development information services to state agencies, regional agencies, special districts, local governments, and the public.

Subd. 4. [BUDGET.] The board shall adopt an annual budget and work program and a biennial budget.

Subd. 5. [LEGISLATIVE REPORT.] The board shall submit an annual report to the legislature by January 31 of each year. The report must include a review of rural development in the state, an accounting of all loans made under the challenge grant program, an evaluation of rural development initiatives, and recommendations concerning state support for rural development.

Sec. 5. [116N.056] [RURAL INVESTMENT GUIDE.]

The board, after appropriate study and public hearings as necessary, shall adopt a comprehensive state rural investment guide consisting of policy statements, objectives, standards, and program criteria to guide state agencies in establishing and implementing programs relating to rural development. The guide must: (1) recognize the community and economic needs, the food and agricultural policy, and the resources of rural Minnesota; and (2) provide a plan to coordinate and allocate public and private resources to the rural areas of the state. The board shall submit the guide to the appropriate committees of the legislature.

Sec. 6. [116N.06] [BOARD REVIEW.]

The board may require state agencies to submit for review any state program relating to rural development. The board may comment on any such program and may recommend changes consistent with the rural development guide.

Sec. 7. [116N.07] [CHALLENGE GRANT PROGRAM.]

Subdivision 1. [ORGANIZATION.] The challenge grant program must make challenge grants to regional organizations selected by the board to encourage private investment, to provide jobs for low-income persons, and to promote economic development in the rural areas of the state. The board shall administer the program as provided in this section.

Subd. 2. [FUNDING REGIONS.] The board shall divide the part of the state located outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the development regions established under section 462.385. The board shall designate up to \$_____ for each region, to be awarded over a period of three years. The money designated to each region must be used for revolving loans and equity investments authorized under this section.

Subd. 3. [SELECTION OF ORGANIZATIONS TO RECEIVE CHALLENGE GRANT FUNDS.] The board shall select the organizations to receive the challenge grant funds and shall enter into grant agreements with the organizations. An organization must be a nonprofit corporation and must demonstrate that:

(1) its board of directors includes citizens experienced in rural development and representatives from all geographic areas in a challenge grant program region;

(2) it has the technical skills to analyze projects;

(3) it is familiar with other available public and private funding sources and economic development programs;

(4) it can initiate and implement economic development projects; and

(5) it can establish and administer a revolving loan fund.

Subd. 4. [REVOLVING LOAN FUND.] A regional organization shall establish a board certified revolving loan fund to provide loans to new and expanding businesses in rural Minnesota to promote economic development. Eligible business enterprises include technologically innovative industries, value-added manufacturing, agriprocessing, information industries, and agricultural marketing. Loan applications given preliminary approval by the organization must be forwarded to the commissioner for final approval. The amount of state money allocated for each revolving loan is appropriated from the rural rehabilitation revolving fund established in section 116J.955 to the organization's regional revolving loan fund when the commissioner gives final approval for each loan. The amount of money appropriated from the rural rehabilitation revolving fund may not exceed 50 percent for each loan. The amount of nonpublic money must equal at least 50 percent for each loan.

Subd. 5. [LOAN CRITERIA.] The following criteria apply to loans made under the challenge grant program:

(a) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program.

(b) A loan must be used for a project designed principally to benefit low-income persons through the creation of job opportunities for such persons. Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving loan.

(c) The minimum revolving loan is \$5,000 and the maximum is \$100,000.

(d) With the approval of the commissioner, a revolving loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery fund.

(e) A revolving loan may not exceed 50 percent of the total cost of an individual project.

(f) A revolving loan may not be used for a retail development project.

(g) A business applying for a loan must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located. For purposes of this paragraph, "local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area, a county when the project is located in an unincorporated area, or an American Indian tribal council when the project is located within a federally recognized American Indian reservation or community.

Subd. 6. [REVOLVING FUND ADMINISTRATION.] (a) The board shall establish a minimum interest rate for revolving loans to ensure that necessary management costs are covered.

(b) Money repaid to a revolving loan fund must be deposited in the fund for further distribution by the regional organization, consistent with the loan criteria specified in subdivisions 4 and 5.

(c) Administrative expenses of each organization may be paid out of the interest earned on revolving loans.

Subd. 7. [RULES.] The board shall adopt rules to implement the duties specified in this section.

Subd. 8. [GRANTS TO NONPROFITS.] The board may use a portion of the money designated for a region to make challenge grants to nonprofit regional investment corporations or nonprofit venture capital funds located in that region. A grant under this subdivision may be made only if the nonprofit investment corporation or the nonprofit venture capital fund can demonstrate that at least two individuals or organizations other than the board will each make a grant or investment equal to the amount of the challenge grant made by the board.

Subd. 9. [USE OF OTHER RESOURCES.] An organization that receives challenge grant funds shall use the resources of other regional organizations in carrying out all or part of its duties.

Subd. 10. [REPORTING REQUIREMENTS.] The organization shall:

(1) submit an annual report to the board by February 15 of each year that includes a description of projects supported by the challenge grant program, an account of all loans made during the calendar year, the source and amount of all money collected and distributed by the challenge grant program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the board.

Sec. 8. [116N.08] [CERTIFIED STATE DEVELOPMENT COMPANY.]

Subdivision 1. [PURPOSE; OBJECTIVES.] The board may create, promote, and assist a state development company, also known as a "503" certified development company, that will qualify as a certified development company for the purposes of United States Code, title 15, section 697, and Code of Federal Regulations, title 13, section 108.503.

The board shall utilize the development company program to stimulate the state's economic activity.

The development company and its directors and officers shall comply with the organizational, operational, regulatory, and reporting requirements as promulgated by the United States Small Business Administration and the guidelines contained in the bylaws, articles of incorporation, and standard operating procedure prescribed by the Small Business Administration.

Subd. 2. [CAPITAL, LOAN LIMITS; MEMBERSHIP REQUIREMENTS.] The capital for a certified state development company must be derived from corporate holders or members, each of whom must not have more than ten percent of the voting control of the certified state development company. The company must have a minimum of ten members. Membership must be, to the greatest extent practicable, in proportion to the population of each economic development region to the total population of the state. The loan limit of each member must be established at the time of its acceptance as a member and must be computed on the basis of the financial information contained in or made a part of its application for membership. All loan limits must be established at the thousand dollar amount nearest the amount computed in accordance with the provisions of the articles of incorporation and this section.

Subd. 3. [MEMBERS.] Members must be representatives of local government, community organizations, financial institutions, and businesses in Minnesota and must, upon application, have been accepted for membership by a majority vote of the members of the board of directors present at any regular or special meeting of the board at which there is a quorum. A "financial institution" is a business organization recognized under Minnesota or federal law as a banking institution, trust company, savings and loan association, insurance company, or a corporation, partnership, foundation or other institution licensed to do business in the state of Minnesota and engaged primarily in lending or investing money.

Subd. 4. [MEMBERSHIP APPLICATIONS.] Applications for membership must be submitted to the development company's board of directors on forms provided by the corporation and accompanied by additional information as the form may require. Application forms must provide that if the application is approved, and the applicant accepted for membership by the development company's board of directors prior to withdrawal of the application, the applicant agrees to become a member upon the acceptance and to assume all of the rights and obligations of a member. Notice of approval or rejection of an application must be forwarded, by certified or registered United States mail, to the applicant for the attention of the person signing the application, within 15 days following the date upon which the approval or rejection is made. Approval of the application constitutes acceptance of the applicant as a member of the corporation.

Subd. 5. [OFFICERS.] The executive officers of the corporation are a president, one or more vice presidents including the executive vice president, a secretary, and a treasurer. None of the officers, except the president, need be directors. One person may hold the offices and perform the duties of any two or more of the offices. The development company's board of directors by majority vote may leave unfilled for any period it may fix any office except that of president, treasurer, or secretary.

Subd. 6. [ASSISTANCE.] The commissioner of energy and economic

development shall make available the professional staff of the department to provide services to the certified state development company including, but not limited to, accounting, legal, and business assistance services. The staff must have the capability to package, process, close and service loans made through the development company.

Subd. 7. [REPORTS.] The development company shall submit to the Small Business Administration annual reports on its operation. When requested by the Small Business Administration, interim reports of a similar nature must be provided. The reports must be provided in accordance with the instructions and attachments set forth by the Small Business Administration. The development company shall comply with all regulations issued under the small business investment act of 1958, as amended, as well as applicable state and federal laws affecting its operation.

Subd. 8. [REVOLVING ACCOUNT.] The certified state development company may charge a one time processing fee up to the maximum allowed by the Small Business Administration on a debenture issued for loan purposes. In addition, a fee for servicing loans may be imposed up to the maximum allowed by the Small Business Administration based on the unpaid balance of each debenture. These fees must be deposited into a dedicated fund in the state treasury. Money in the dedicated fund is appropriated to the department of energy and economic development to pay the costs of administration of the program, compensate members of the board of directors pursuant to section 15.0575, subdivision 3, and to create and operate a pool of money for investment in projects which further the purposes of this section.

Sec. 9. [REPEALER.]

Minnesota Statutes 1986, sections 116J.951; 116J.961; and 116J.965, are repealed.

ARTICLE 2

GREATER MINNESOTA CORPORATION

Section 1. [116P01] [CITATION.]

Sections 1 to 9 may be cited as the "greater Minnesota corporation act."

Sec. 2. [116P02] [DEFINITIONS.]

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

Subd. 2. [BOARD.] "Board" means the board of directors of the greater Minnesota corporation.

Subd. 3. [CORPORATION.] "Corporation" means the greater Minnesota corporation.

Subd. 4. [FUND.] "Fund" means the greater Minnesota fund.

Sec. 3. [116P03] [CORPORATION; BOARD OF DIRECTORS; POWERS.]

Subdivision 1. [NAME.] The greater Minnesota corporation is a public corporation of the state and is not a state agency. All business of the corporation must be conducted under the name "greater Minnesota corporation."

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors. The board may determine the compensation of its members.

Subd. 3. [ARTICLES AND BYLAWS.] The board of directors shall adopt bylaws necessary for the conduct of the business of the corporation, consistent with the provisions of this chapter.

Subd. 4. [PLACES OF BUSINESS.] The board shall locate and maintain the corporation's places of business within the state.

Subd. 5. [MEETINGS AND ACTIONS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving notice in accordance with the bylaws of the corporation. Board meetings are subject to section 471.705, except when information or data described in subdivision 7 is discussed.

Subd. 6. [CLOSED MEETINGS; RECORDING.] The board of directors may by a majority vote in a public meeting decide to hold a closed meeting authorized under subdivision 5. The time and place of the closed meeting must be announced at the public meeting. A written roll of members present at the closed meeting must be made available to the public after the closed meeting. The proceedings of a closed meeting must be tape recorded at the expense of the board and must be preserved by the board for two years. The data on the tape is considered nonpublic data pursuant to section 13.02, subdivision 9.

Subd. 7. [APPLICATION AND INVESTIGATIVE DATA.] The following data is classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever is applicable:

(1) financial data, statistics, and information furnished in connection with assistance or proposed assistance under section 6, including credit reports, financial statements, statements of net worth, income tax returns, either personal or corporate, and any other business and personal financial records;

(2) correspondence between members of the corporation board or employees of the corporation and applicants or other persons or entities regarding assistance or proposed assistance, and any investigative data obtained by the corporation board or employees of the corporation in relation to the assistance under section 6;

(3) security information, trade secret information, or labor relations information, as defined in section 13.37, subdivision 1, disclosed to members of the corporation board or employees of the corporation pursuant to section 6.

Subd. 8. [ADVISORY COMMITTEES.] The board shall establish a research advisory committee and a finance advisory committee and may establish other advisory committees it considers necessary. Committee members are compensated as provided in section 15.059, subdivision 3.

(a) The research advisory committee must consist of five members who have extensive experience in science and technology research. The research advisory committee shall review all research grant proposals submitted to the board. The board shall not give final approval to a research grant until it has received the research advisory committee's evaluation and recommendations or until 30 days have elapsed since the proposal was

submitted to the research advisory committee, whichever occurs first.

(b) The finance advisory committee must consist of five members who have extensive experience in business development, finance, banking, or venture capital investments. The finance advisory committee shall advise the board on equity investments.

Subd. 9. [CONFLICT OF INTEREST.] A director of the corporation may not participate in or vote on any decision of the board relating to an organization in which the director has either a direct or indirect financial interest.

Sec. 4. [116P04] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] (a) The board shall appoint and set the compensation for a president, who serves as chief executive officer of the corporation, and who may appoint subordinate officers. The president's salary may not exceed 95 percent of the governor's salary. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees, consultants, and agents the president considers necessary.

(b) The board shall define the duties and designate the titles of the employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans.

Sec. 5. [116P05] [POWERS OF THE CORPORATION.]

(a) Except as otherwise provided in this article, the corporation has the powers granted to a business corporation by section 302A.161, subdivisions 3, 4, 5, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, and 22.

(b) The state is not liable for any obligations of the corporation.

Sec. 6. [116P06] [ACTIVITIES.]

Subdivision 1. [GRANTS.] The corporation may make dollar-for-dollar matching grants for applied research and development to the University of Minnesota, a state university, a community college, a Minnesota private college or university, or an area vocational technical institute.

Subd. 2. [EQUITY INVESTMENTS.] Subject to the limitations in section 11, except as otherwise provided in this subdivision, the corporation may acquire an interest in a product or a private business entity. The corporation may enter into joint venture agreements with other private corporations to promote economic development and job creation. The corporation may not acquire an interest in a business entity engaged in a trade or industry whose profits are directly regulated by the state.

Subd. 3. [CONSULTING AND TECHNICAL SERVICES.] The corporation may provide general consulting and technical services to colleges or universities or to businesses and may set fees or charges for the services.

Subd. 4. [RESEARCH.] The corporation may identify opportunities for scientific research and technological innovation and advise colleges and universities of the research private business.

Subd. 5. [REGIONAL FINANCE CENTERS.] The corporation may contract with the regional organizations selected in article 1, section 7, subdivision 3, to establish up to six regional finance centers.

Subd. 6. [ON-SITE RESEARCH.] The corporation may construct, acquire, lease, own, or operate one or more on-site research facilities in Minnesota.

Sec. 7. [116P07] [GREATER MINNESOTA FUND.]

(a) The greater Minnesota fund is a fund in the state treasury. The board may create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund may be deposited in an institution designated as a depository for state funds under section 9.031. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund may be used as provided in this chapter.

(b) The fund consists of:

- (1) appropriations made to the corporation;*
- (2) fees and charges collected by the corporation;*
- (3) income from investments and purchases;*
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and*
- (5) gifts, donations, and bequests made to the corporation.*

Sec. 8. [116P08] [AUDITS.]

The legislative auditor shall audit the corporation at least once a year and oftener if considered necessary or as directed by the legislature or the legislative audit commission. The corporation is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the corporation either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund.

Sec. 9. [116P09] [REPORTS.]

The board shall report to the appropriate committees of the legislature and the governor on the activities of the corporation by January 1 of each year. The report must include, at least, a description of projects supported by the fund, an account of all loans and grants made by the fund during the calendar year, the source and amount of all money collected and distributed by the fund, the fund's assets and liabilities, an explanation of administrative expenses, and any amendments to the operational plan. Reports must be made to the legislature as required by section 3.195.

Sec. 10. [INITIAL APPOINTMENTS.]

Notwithstanding section 3, subdivision 2, the governor shall appoint the initial members of the board of directors of the greater Minnesota corporation, subject to the advice and consent of the senate, as follows: four to six-year terms, four to four-year terms, and three to two-year terms. As the terms of the initial appointments expire, appointments must be made by the board, subject to the advice and consent of the senate.

Sec. 11. [OPERATIONAL PLAN.]

The board of directors of the greater Minnesota corporation shall prepare a comprehensive operational plan and submit the plan to the governor and the legislature by November 15, 1987. The operational plan must include at least the following:

- (1) operating procedures;*
- (2) accounting procedures;*
- (3) grant procedures;*
- (4) loan procedures;*
- (5) personnel procedures;*
- (6) investment procedures; and*
- (7) board conduct and ethics.*

If the board proposes to make equity investments under section 6, subdivision 2, the board shall explain in the report how the investments will be made, how much money will be invested in them, how much private money is expected to be invested in the same investments, and why equity investments would be more desirable and effective than the other means of promoting development that are available to the board. No equity investments may be made unless the board has first submitted the information required by this section. In addition, the operational plan must include a budget proposal and a five-year strategic plan setting out its objectives and general strategy for achieving those objectives. It must identify sources and amounts of available nongovernmental money and the purposes for which that money may be used.

Sec. 12. [APPROPRIATION.]

§ _____ is appropriated from the general fund to the greater Minnesota corporation established by section 3. This appropriation is available until expended.

Sec. 13. [EFFECTIVE DATE.]

Section 6, subdivision 2, is effective April 1, 1988. Sections 1; 2; 3; 4; 5; 6, subdivisions 1, 3, 4, 5, and 6; 7; 8; 9; 10; and 11 are effective the day following final enactment.

ARTICLE 3

MINNESOTA PUBLIC FACILITIES AUTHORITY

Section 1. Minnesota Statutes 1986, section 116.16, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section and sections 116.17 and 116.18:

(1) Agency means the Minnesota pollution control agency created by this chapter;

(2) Municipality means any county, city, and town, the metropolitan waste control commission established in chapter 473 and the metropolitan council when acting under the provisions of that chapter or an Indian tribe or an authorized Indian tribal organization, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state;

(3) Pollution control fund means the Minnesota state water pollution control fund created by subdivision 1;

(4) Bond account means the Minnesota state water pollution control bond account created in the state bond fund by section 116.17, subdivision 4;

(5) Terms defined in section 115.01 have the meanings therein given them;

(6) The eligible cost of any municipal project, except as otherwise provided in clauses (7) and (8), includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension of disposal systems; (e) inspection and supervision of construction; and (f) all other expenses of the kinds enumerated in section 475.65.

(7) For state independent grant and matching grant purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal Water Pollution Control Act, ~~as amended~~, United States Code, title 33, ~~section 1314~~, ~~et seq~~ *sections 1281 to 1299*.

(8) Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost includes the acquisition of land for stabilization ponds, the construction of collector sewers for totally unsewered statutory and home rule charter cities and towns described under section 368.01, subdivision 1 or 1a, that are in existence on January 1, 1985, and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost does not include the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs.

(9) *Authority means the Minnesota public facilities authority established in section 10.*

Sec. 2. Minnesota Statutes 1986, section 116.16, subdivision 5, is amended to read:

Subd. 5. [RULES.] (a) The agency shall promulgate permanent rules and may promulgate emergency rules for the administration of grants and loans authorized to be made from the fund or from federal funds under the Federal Water Pollution Control Act, ~~as amended~~, which rules, however, shall not be applicable to the issuance of bonds by the commissioner of finance as provided in section 116.17. The rules shall contain as a minimum:

- (1) procedures for application by municipalities;
- (2) conditions for the administration of the grant or loan;
- (3) criteria for the ranking of projects in order of priority for grants or loans, based on factors including the extent and nature of pollution, tech-

nological feasibility, assurance of proper operation, maintenance and replacement, and participation in multimunicipal systems; and

(4) such other matters as the agency and the director find necessary to the proper administration of the grant program.

(b) Except as otherwise provided in sections 116.16 to 116.18, the rules for the administration of state independent grants must comply, to the extent practicable, with provisions relating directly to protection of the environment contained in the Federal Water Pollution Control Act, as amended, and regulations and guidelines of the United States environmental protection agency promulgated under the act, except provisions regarding allocation contained in section 205 of the act and regulations and guidelines promulgated under section 205 of the act. This provision does not require approval from federal agencies for the issuance of grants or for the construction of projects under the state independent grants program.

(c) *For purposes of awarding independent state grants, the agency may exempt municipalities with a population of less than 1,500 from state and federal regulations and guidelines relating to facilities planning and procurement under sections 116.16 to 116.18, except regulations and guidelines applicable to the issuance of a national pollutant discharge elimination system permit or state disposal system permit.*

Sec. 3. Minnesota Statutes 1986, section 116.16, subdivision 9, is amended to read:

Subd. 9. [APPLICATIONS.] Applications by municipalities for grants or loans from the fund shall be made to the ~~director of the agency authority~~ on forms requiring information prescribed by rules of the agency. *The authority shall send the application to the agency within ten days of receipt.* The director shall certify to the ~~agency authority~~ those applications which appear to meet the criteria set forth in sections 116.16 to 116.18 and the rules promulgated hereunder, and the ~~agency authority~~ shall award the grants or loans on the basis of the criteria and priorities established by the ~~agency~~ in its rules and in sections 116.16 to 116.18. A municipality that is designated under agency rules to receive state or federal funding for a project and that does not make a timely application for or that refuses the funding is not eligible for either state or federal funding for that project in that fiscal year or the subsequent year.

Sec. 4. Minnesota Statutes 1986, section 116.16, is amended by adding a subdivision to read:

Subd. 11. [AWARDS OF GRANTS AND LOANS.] Upon certification by the state pollution control director, the authority shall notify the municipalities that are to receive a grant or loan and advise the municipality of the grant agreement or loan form or other document that must be executed to complete the grant or loan. Upon certification from the state pollution control director that the work has been completed and that payment is proper, the authority shall pay to the municipality the periodic grant or loan payment.

Sec. 5. Minnesota Statutes 1986, section 116.16, is amended by adding a subdivision to read:

Subd. 12. [AMENDMENTS.] A municipality that seeks an amendment to a previously awarded grant or loan shall follow the same procedure contained in subdivision 9 for applying to the authority. The request for a

grant or loan amendment must be forwarded by the authority to the agency for consideration, and the authority shall process a grant or loan amendment that is approved by the agency.

Sec. 6. Minnesota Statutes 1986, section 116.18, subdivision 2a, is amended to read:

Subd. 2a. [STATE MATCHING GRANTS PROGRAM BEGINNING OCTOBER 1, 1984.] For projects tendered, on or after October 1, 1984 1987, a grant of federal money under section 201(g), section 202, 203, or 206(f) of the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1251 to 1376, at 55 percent or more of the eligible cost for construction of the treatment works, state money appropriated under subdivision 1 must be expended for up to 30 50 percent of the nonfederal share of the eligible cost of construction for municipalities for which the construction would otherwise impose significant financial hardship; provided, that not less than ten percent of the eligible cost must be paid by the municipality or agency constructing the project. If a municipality is tendered federal and state grants in a percentage cumulatively exceeding 90 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to ensure that not less than ten percent of the eligible cost will be paid by the municipality. The amounts of the matching grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation with populations of 25,000 or less.

Sec. 7. Minnesota Statutes 1986, section 116.18, subdivision 3a, is amended to read:

Subd. 3a. [STATE INDEPENDENT GRANTS PROGRAM.] (a) The agency Minnesota public facilities authority established in section 10 may award independent grants for projects certified by the state pollution control director for 50 percent or, if the agency requires advanced treatment, 65 population of the municipality is 25,000 or less, 80 percent of the eligible cost of construction. The agency may award independent grants for up to an additional 30 percent or, if the agency requires advanced treatment, up to an additional 25 percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship; the amounts of the additional grants shall be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

(b) Up to ten percent of the money to be awarded as grants under this subdivision in any single fiscal year shall be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the commissioner of energy and economic development authority at the beginning of each fiscal year, and the commissioner authority shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with agency priorities, the set-aside shall be used by the agency

authority to award grants to remaining municipalities that have been identified.

(c) Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. **The maximum amount of the reimbursement the agency may commit in any single fiscal year is equal to the amount newly appropriated to the state grants programs for that year.**

(d) *A municipality that applies for a state independent grant to be reimbursed for a project must receive an additional five percent of the total eligible cost of construction beyond the normal percentage to which the municipality is entitled under paragraph (a).*

Sec. 8. [446A.01] [MINNESOTA PUBLIC FACILITIES AUTHORITY ACT.]

Sections 1 to 22 may be cited as the "Minnesota public facilities authority act."

Sec. 9. [446A.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 22, the terms in this section have the meanings given them.

Subd. 2. [AUTHORITY.] "Authority" means the Minnesota public facilities authority.

Subd. 3. [FEDERAL WATER POLLUTION CONTROL ACT.] "Federal Water Pollution Control Act" means the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1281 to 1299.

Subd. 4. [GOVERNMENTAL UNIT.] "Governmental unit" means a state agency, home rule charter or statutory city, county, sanitary district, or other governmental subdivision.

Subd. 5. [INFRASTRUCTURE CAPITAL PROJECT.] "Infrastructure capital project" or "project" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of any structure, facility, or equipment necessary for a wastewater treatment system, water supply system, or any system which may be authorized and designated by the legislature as an infrastructure capital project.

Subd. 6. [TREATMENT WORKS.] "Treatment works" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of any structure, facility, or equipment necessary for a wastewater treatment or water supply system.

Sec. 10. [446A.03] [MINNESOTA PUBLIC FACILITIES AUTHORITY.]

Subdivision 1. [MEMBERSHIP] The Minnesota public facilities authority consists of the commissioner of energy and economic development, the commissioner of finance, the director of public service, the director of the pollution control agency, and three additional members appointed by the governor from the general public with the advice and consent of the senate.

Subd. 2. [CHAIR; OTHER OFFICERS.] The commissioner of energy and economic development shall serve as the chair and chief executive officer of the authority. The authority may elect other officers as necessary from its members.

Subd. 3. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of public members of the authority are as provided in section 15.0575.

Subd. 4. [BOARD ACTIONS.] A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

Subd. 5. [ADMINISTRATIVE SERVICES.] The community development division of the department of energy and economic development shall provide administrative services to the authority.

Subd. 6. [PERSONAL LIABILITY.] Members and officers of the authority are not liable personally for any debt or obligation created or incurred by the authority.

Sec. 11. [446A.04] [POWERS; DUTIES.]

Subdivision 1. [BYLAWS; RULES.] The authority shall adopt bylaws for its organization and internal management and may adopt rules covering its operations, properties, and facilities.

Subd. 2. [POWER TO SUE; ENTER CONTRACTS.] The authority may sue and be sued. The authority may make and enter into contracts, leases, and agreements necessary to perform its duties and exercise its powers.

Subd. 3. [GIFTS; GRANTS.] The authority may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private sources, or any other source for any of its purposes. Money received by the authority under this subdivision must be deposited in the state treasury. The amount deposited is appropriated to the authority to carry out its duties.

Subd. 4. [CONTRACT FOR SERVICES.] The authority may retain or contract for the services of attorneys, accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.

Subd. 5. [FEES.] The authority may set and collect fees for costs incurred by the authority for its financings and the establishment and maintenance of reserve funds.

Sec. 12. [446A.05] [INFRASTRUCTURE CAPITAL PROJECT LOANS.]

Subdivision 1. [LOANS.] The authority may make and contract to make loans to governmental units to finance infrastructure capital projects that the governmental unit may construct or acquire. A loan may not be used to pay current expenses or obligations, except for temporary financing. A loan must be secured by notes or bonds of the borrowing governmental unit.

Subd. 2. [RULES.] The authority may adopt rules governing loans awarded under this section.

Sec. 13. [446A.06] [INDEPENDENT WASTEWATER TREATMENT GRANTS.]

Subdivision 1. [AWARD OF GRANTS.] The authority shall award independent state grants to municipalities selected by the pollution control agency upon certification by the agency that the municipal projects and applications have been reviewed and approved by the agency in accordance with sections 116.16 to 116.18 and agency rules.

Subd. 2. [RULES.] The authority shall adopt rules containing procedures for the administration of its duties as provided in subdivision 1.

Sec. 14. [446A.07] [WATER POLLUTION CONTROL REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT OF FUND.] The authority shall establish a water pollution control revolving fund to provide loans for the purposes and eligible costs authorized under title VI of the Federal Water Pollution Control Act. The fund must be credited with repayments.

Subd. 2. [STATE ACCOUNT.] A state matching fund is established to be used in compliance with federal matching requirements specified in the Federal Water Pollution Control Act. A state grant and loan fund is established to provide grants and loans to governmental units for the planning and construction of treatment works, the acquisition of land for stabilization ponds, and the provision of reserve capacity sufficient to serve the reasonable needs of the governmental unit for 20 years in the case of treatment works and 40 years in the case of sewer systems.

Subd. 3. [CAPITALIZATION GRANT AGREEMENT.] The authority shall enter an agreement with the administrator of the United States Environmental Protection Agency to receive capitalization grants. The authority may exercise powers necessary to comply with the requirements specified in the agreement which must be in compliance with the Federal Water Pollution Control Act.

Subd. 4. [INTENDED USE PLAN.] The pollution control agency shall annually prepare and submit to the United States Environmental Protection Agency an intended use plan. The plan must identify the intended uses of the amounts available to the water pollution control revolving fund, including a list of wastewater treatment projects and other eligible activities to be funded during the fiscal year. The agency may not submit the plan until it has received the review and comment of the authority or until 30 days have elapsed since the plan was submitted to the authority, whichever occurs first.

Subd. 5. [APPLICATIONS.] Applications by municipalities and other entities identified in the annual intended use plan for loans from the water pollution control revolving fund must be made to the authority on forms requiring information prescribed by the rules of the agency adopted under this section. The authority shall send the applications to the agency within ten days of receipt. The director shall certify to the authority those applications that appear to meet the criteria set forth in the Federal Water Pollution Control Act, this section, and rules of the agency.

Subd. 6. [AWARD AND TERMS OF LOANS.] The authority shall award loans to those municipalities and other entities certified by the agency. The terms and conditions of the loans must be in conformance with the Federal Water Pollution Control Act, this section, and rules of the agency, and authority adopted under this section.

Subd. 7. [LOAN CONDITIONS.] When making loans from the revolving fund, the authority shall comply with the conditions of the Federal Water Pollution Control Act, including:

(a) Loans must be made at or below market interest rates, including interest-free loans, at terms not to exceed 20 years.

(b) *The annual principal and interest payments must begin no later than one year after completion of a project. Loans must be fully amortized no later than 20 years after project completion.*

(c) *A loan recipient shall establish a dedicated source of revenue for repayment of the loan.*

(d) *The fund must be credited with all payments of principal and interest on all loans.*

Subd. 8. [OTHER USES OF REVOLVING FUND.] *The water pollution control revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:*

(1) *to buy or refinance the debt obligation of governmental units for treatment works incurred after March 7, 1985, at or below market rates;*

(2) *to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;*

(3) *to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;*

(4) *to provide loan guarantees for similar revolving funds established by a governmental unit other than state agencies;*

(5) *to earn interest on fund accounts; and*

(6) *for the reasonable costs incurred by the authority and the agency of administering the fund and conducting activities required under the Federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act.*

Amounts spent under clause (6) may not exceed the amount allowed under the Federal Water Pollution Control Act. Five percent of the revolving loan fund repayments may be used by the agency and the authority for the purposes listed in clause (6).

Subd. 9. [DISBURSEMENTS.] *Disbursements from the revolving fund must be made in accordance with the applicable state and federal law governing the disbursements; except that no disbursement for any project may be made to any governmental unit until and unless the authority has determined the total estimated cost of the project and ascertained that financing of the project is assured by:*

(1) *a loan authorized by state law or the appropriation of proceeds of bonds or other money of the governmental unit to a fund for the construction of the project; and*

(2) *an irrevocable undertaking, by resolution of the governing body of the governmental unit, to use all money made available for the project exclusively for the project, and to pay any additional amount by which the cost of the project exceeds the estimate by the appropriation to the construction fund of additional funds or the proceeds of additional bonds to be issued by the governmental unit.*

Subd. 10. [RULES OF THE AUTHORITY.] *The authority shall adopt rules containing procedures for the administration of its duties as provided in this section, including loan interest rates, the amounts of loans, and municipal financial need.*

Subd. 11. [RULES OF THE AGENCY.] The agency shall adopt permanent rules and may adopt emergency rules relating to the procedure for and preparation of the annual intended use plan and other matters that the agency considers necessary for proper loan administration.

Sec. 15. [446A.08] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 16 to 21, each term defined in this section has the meaning given it.

Subd. 2. [CONSERVATION.] "Conservation" means a product or system designed to reduce the amount of energy needed for an energy-consuming activity or process. Conservation includes thermal insulation and air infiltration control in buildings, products, or methods that reduce energy consumption for transportation or soil tillage practices, improvements in combustion efficiency or heat transfer efficiency in boilers, furnaces, or direct-fired process heaters, and changes to industrial production equipment that result in lower energy use per unit of output.

Subd. 3. [MUNICIPALITY.] "Municipality" means a city, town, county, school district, special taxing district, or a municipal power agency governed by chapter 453, or a group of those units operating under an agreement to jointly undertake projects.

Subd. 4. [ALTERNATIVE ENERGY RESOURCE.] "Alternative energy resource" means a source of energy available from indigenous Minnesota resources including peat, biomass, solar energy, wind, municipal wastes, agricultural or forestry wastes, hydropower, and agricultural crops suitable for conversion to an energy fuel.

Subd. 5. [RENEWABLE ENERGY RESOURCE.] "Renewable energy resource" means a source of energy occurring in Minnesota which, when consumed for energy purposes, is replaced within a matter of days, months, or years by new or additional supplies of the energy source. Renewable energy resources include forestry products and forest harvest residues, solar energy, wind energy, water power, and agricultural wastes.

Subd. 6. [ENERGY RECOVERY.] "Energy recovery" means the extraction of energy from materials, components, or processes which would normally represent wasted energy resources. Municipal solid wastes, volatile sewer gases, and power plant waste heat offer the potential for energy recovery.

Subd. 7. [RESOURCE RECOVERY.] "Resource recovery" means the cost effective collection, extraction, or reuse of resources from materials, components, or processes which would normally represent wasted resources or energy, such collection, extraction or reuse to result in a lesser energy intensity than would be required to produce the same product from any nonwaste materials.

Subd. 8. [QUALIFIED ENERGY IMPROVEMENTS.] "Qualified energy improvements" means any capital improvements to public land or buildings, including the installation of equipment, undertaken by a municipality for the principal purpose of energy conservation or to reduce usage of conventional energy sources, as provided by rules adopted by the authority.

Subd. 9. [COST-EFFECTIVE.] "Cost-effective" means that the present value of a project's benefits exceeds the present value of its costs over the

life of the project. Only the costs and benefits that can be quantified in dollars may be included in determining whether a project is cost-effective. The discount rate used in determining present value must include the time value and incremental carrying cost of money. For qualified energy projects for conservation of energy, a project is cost-effective when it has a payback period of ten years or less and the payback period is less than the useful life of the project.

Sec. 16. [446A.09] [HEALTH CARE EQUIPMENT LOANS.]

Subdivision 1. [AUTHORITY.] The authority may make or participate in making health care equipment loans. The loans may be made only from the proceeds of bonds or notes issued pursuant to subdivision 2. Before making a commitment for a loan, the authority shall forward the application to the commissioner of health for review under subdivision 3. The authority may not approve or enter into a commitment for a loan unless the application has been approved by the commissioner of health.

Subd. 2. [BONDS AND NOTES.] The authority may issue its bonds and notes to provide money for the purposes specified in subdivision 1. The principal amount of bonds and notes issued and outstanding under this subdivision at any time may not exceed \$95,000,000. The bonds and notes issued to make the loans may not be insured by the authority but must be insured by a letter of credit or bond insurance issued by a private insurer.

Subd. 3. [ADMINISTRATION.] (a) The commissioner of health shall review each loan application received from the authority to determine whether the application is an eligible application. An application is eligible if the following criteria are satisfied:

(1) the hospital is owned and operated by a county, district, municipality or nonprofit corporation;

(2) the loan would not be used to refinance existing debt;

(3) the hospital was unable to obtain suitable financing from other sources;

(4) the loan is necessary to establish or maintain patient access to an essential health care service that would not otherwise be available within a reasonable distance from that facility; and

(5) the project to be financed by the loan is cost-effective and efficient.

(b) The authority shall determine whether the allocation available for the health care equipment loan program is sufficient for all eligible applications received during a specified period of time. If the allocations are sufficient, the authority shall approve all eligible applications. If the allocations are not sufficient, the authority shall compare the relative merits of the eligible applications with respect to the criteria in clauses (4) and (5), rank the applications in order of priority, and approve the applications in order of priority to the extent possible within the available allocation.

(c) The authority may charge a reasonable fee under section 16A.128 to an applicant for the costs of review of the application. The authority shall transfer to the commissioner of health from the fees collected an amount sufficient to pay the costs of the commissioner of health in the review of applications. The commissioner of health may adopt permanent rules to implement subdivisions 1 to 3. The authority may adopt permanent rules to implement subdivisions 1 to 3.

Sec. 17. [446A.10] [ENERGY LOANS.]

The authority may make, purchase, or participate with financial institutions in making or purchasing energy loans. The authority shall obtain the best available security for all loans. The authority may provide for or require the insurance or guaranteeing of the loans or authority participations in whole or in part. Loans or participations may be serviced by financial institutions or other persons designated by the authority.

Sec. 18. [446A.11] [ENERGY FUND.]

The energy fund is a separate fund in the state treasury under the control of the authority. Money in the fund is appropriated to the authority to accomplish the authority's purposes.

Sec. 19. [446A.12] [ENERGY LOAN INSURANCE PROGRAM.]

Subdivision 1. [ENERGY LOAN INSURANCE ACCOUNT.] The energy loan insurance account is part of the energy fund. The account must be used by the authority as a revolving account, and all money in the account is appropriated to the authority, for carrying out the provisions of this section with respect to loans insured under subdivision 2.

Subd. 2. [INSURANCE OF LOANS.] The authority is authorized, upon application by a financial institution, to insure loans for cost-effective qualified energy projects as provided in this section; and under terms as the authority may prescribe by rule, to make commitments for the insuring of loans prior to the date of their execution or disbursement. If the authority determines that the energy loan insurance account is or will be depleted, the authority may by resolution transfer money from the energy development account.

Subd. 3. [REQUIREMENTS.] The authority may by rule establish requirements for energy loans to be eligible for insurance under this section, relating to:

- (1) maximum principal amount, amortization schedule, interest rate, delinquency charges, and other terms;*
- (2) the portion of the loan to be insured;*
- (3) acceleration and other remedies;*
- (4) covenants regarding insurance, repairs, and maintenance of the project;*
- (5) conditions regarding subordination of the loan security, if any, of the project to other liens against the property;*
- (6) the aggregate principal amount of loans to be insured in relation to the reserves from time to time on hand in the insurance account, and priorities as to the loans to be insured; and*
- (7) any other matters determined by the authority.*

The authority shall by rule establish criteria for analyzing the cost-effectiveness of projects.

Subd. 4. [CONCLUSIVE EVIDENCE OF INSURABILITY.] Any contract of insurance executed by the authority under this section is conclusive evidence of the eligibility of the loan for insurance, and the validity of any contract of insurance properly executed and in the hands of any approved lender is not contestable, except for fraud or misrepresentation on the part of the financial institution.

Subd. 5. [PREMIUMS.] The authority is authorized to fix premium charges for the insurance of loans under this section at levels that in its judgment, taking into consideration other amounts available in the account, will be sufficient to cover and maintain a reserve for loan losses.

Subd. 6. [PROCEDURES UPON DEFAULT.] The authority may establish procedures to be followed by financial institutions and to be taken by the authority in the event of default upon an energy loan, including:

(1) time for filing claims;

(2) rights and interests to be assigned and documents to be furnished by the financial institution;

(3) principal and interest to be included in the claim; and

(4) conditions, if any, upon which the authority will pay the entire principal amount in default, after foreclosure and receipt of marketable title to the property.

Subd. 7. [INVESTMENT INTEREST.] All interest and profits accruing from investment of the account's money must be credited to and be a part of the account, and any loss incurred in the principal of the investments of the account must be borne by the account.

Subd. 8. [MAXIMUM AUTHORIZED INSURANCE.] The authority may not at any time issue insurance under this section aggregating in excess of an amount equal to the current balance contained in the account multiplied by ten.

Sec. 20. [446A.13] [REVENUE BOND LOAN PROGRAM.]

Subdivision 1. [REVENUE BONDS.] The authority may borrow money and may issue bonds, notes, or other obligations as evidence of the borrowing as provided in sections 462A.08 to 462A.17. The authority may sell any of its obligations at public or private sale, at the price or prices as the authority determines are appropriate, notwithstanding the limitations on sale price in section 462A.09.

Subd. 2. [ENERGY DEVELOPMENT ACCOUNT.] The energy development account is part of the energy fund and is eligible to receive appropriations. The authority may irrevocably pledge and appropriate all or a segregated portion of the energy development account to make principal and interest payments when due on all or one or more series of its obligations for which other money is not available. If the energy development account is or will be depleted, the authority may by resolution transfer money from the energy loan insurance account.

Subd. 3. [INVESTMENT INCOME.] All interest and profits accruing from investment of the energy development account's money must be credited to and be part of the energy development account, and any loss incurred in the principal of the investment of the reserve account must be borne by the energy development account. Assets of the energy development account may be invested only in direct obligations or obligations of agencies of the United States or in insured depository accounts, up to the amount of the insurance, in any institution insured by an agency of the United States government, or in other obligations or depository accounts referred to in section 11A.24, subdivision 4, except clause (d) of that subdivision. Other money of the authority must be invested or deposited in the manner and with the security provided in bond or note resolutions or indentures under

which obligations of the authority are issued for the program.

Subd. 4. [ADDITIONAL POWERS.] The authority has corporate powers necessary to the implementation and operation of the revenue bond loan program authorized by this section.

Subd. 5. [FUNDING.] All proceeds of the authority's bonds, notes, and other obligations, any amounts granted or appropriated to the authority to make, purchase, or insure loans, or for bond reserves, all income from the investment thereof, and all revenues from loans, fees, and charges of the authority are annually appropriated to the authority to accomplish its purposes and may be expended, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the authority.

Sec. 21. [446A.14] [LOANS TO MUNICIPALITIES.]

Subdivision 1. [APPLICATIONS.] Municipalities may apply for loans to finance the acquisition or construction of qualified energy improvements on applications provided by the authority.

Subd. 2. [LOANS TO MUNICIPALITIES.] The authority shall approve applications from municipalities for loans to finance improvements to public buildings for the purpose of energy conservation, reduction of the use of conventional energy sources, or the use of alternative energy resources, and make recommendations on the applications to the commissioner of finance, in the event of the authorization and issuance of bonds of the state for this purpose. This program includes the district heating loan program established under section 116J.36 and the program of energy improvement loans to schools established under section 116J.37.

Subd. 3. [MUNICIPAL OBLIGATION.] A loan may not be made to a municipality until it has entered into an agreement with the state providing that the municipality shall make payments of principal and interest at least equal in the aggregate to the principal amount of the loan plus interest at the rate payable on the state bonds. The commissioner of finance shall determine the annual amounts of the payments. The amounts due each year are payable prior to the times transfers are required to be made pursuant to section 16A.641. The agreement must obligate the municipality to levy an ad valorem property tax equal to the amounts necessary to make the payments. The amount required to be levied may be reduced by any other available amounts contained in a special fund dedicated to payment of the loan obligation.

Subd. 4. [RECEIPTS.] The principal and interest in repayment of the loans authorized by this section must be deposited in the state treasury and credited to the state bond fund and are appropriated to the commissioner of finance for the purpose of that fund.

Sec. 22. [446A.15] [REPORT; AUDIT.]

The authority shall report to the legislature and the governor by January 1 of each year. The report must include a complete operating and financial statement covering the authority's operations during the year, including amounts of income from all sources. Books and records of the authority are subject to audit by the legislative auditor in the manner prescribed for state agencies.

Sec. 23. [GOVERNOR'S ACTION.]

The governor may request the administrator of the environmental protection agency to make available to the state, capitalization grants to be deposited in the water pollution control revolving fund established under section 14, for the fiscal year beginning October 1, 1987. The governor may request that up to 75 percent of the amount allotted to the state for the fiscal year beginning October 1, 1987, be made available for deposit in the water pollution control revolving fund.

Sec. 24. [TRANSFER OF AUTHORITY.]

(a) Any continuing obligation with respect to grants made before September 30, 1984, under Minnesota Statutes 1984, section 116.18, subdivision 2, remains with the pollution control agency.

(b) The pollution control agency shall continue to administer the combined sewer overflow program under Minnesota Statutes, section 116.162, and the appropriations for the program.

Sec. 25. [REPEALER.]

Minnesota Statutes 1986, section 116.167, is repealed.

Sec. 26. [EFFECTIVE DATE.]

Sections 1, 2, 3, 4, 5, 6, 7, 13, 14, 15, 16, and 17 are effective on July 1, 1988.

ARTICLE 4

EDUCATION AND TRAINING PROGRAMS

Section 1. Minnesota Statutes 1986, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] Members shall be appointed as follows: four members appointed by the speaker of the house; one member appointed by the minority leader of the house; four members appointed by the majority leader of the senate; one member appointed by the minority leader of the senate; eight members appointed by the governor; and the ~~commissioners of the departments~~ commissioner of energy and economic development, ~~education, and jobs and training~~ the commissioner of jobs and training, and the state director of vocational technical education.

Sec. 2. [116L.06] [RURAL TRAINING PROGRAM.]

Subdivision 1. [DEFINITIONS.] *For the purposes of this section, "low-income" means equal to or below the nonmetropolitan median household income. "Principally" means at least 51 percent. "Rural Minnesota" means the part of the state outside the metropolitan area as defined in section 473.121, subdivision 2.*

Subd. 2. [TRAINING PROGRAM.] *The partnership may provide grants to educational or other nonprofit institutions for training for new or expanding businesses located in rural Minnesota. Grants may be awarded only for training projects designed principally to benefit low-income persons. The partnership shall follow the criteria and guidelines in sections 116L.02 and 116L.04 to establish and administer the program.*

Subd. 3. [NEW BUSINESS SET-ASIDE.] *The partnership may set aside up to 50 percent of the amount available for the rural training program to provide grants for new businesses locating in rural Minnesota. A set-aside grant may not be made for an existing business located in the met-*

ropolitan area as defined in section 473.121, subdivision 2, that relocates to rural Minnesota. The partnership shall use the guidelines in section 116L.04 to establish and administer the program, except that a committee consisting of the commissioner of energy and economic development, the executive director of the Minnesota job skills partnership board, and the state director of vocational technical education may give final approval for training applications by a majority vote of the committee. Any amount left in the set-aside program at the end of the 1988 fiscal year may be used for the rural training program established by subdivision 2.

Sec. 3. [136A.134] [GRANTS TO DISLOCATED RURAL WORKERS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] *The higher education coordinating board shall develop policies and procedures for the administration of a dislocated rural worker grant program and the allocation of the program funds to eligible institutions and shall supervise the operation of the program.*

Subd. 2. [ELIGIBLE INSTITUTIONS.] *For purposes of this section, "eligible institution" has the meaning given it in section 136A.101.*

Subd. 3. [APPLICANTS.] *An applicant may be considered for a dislocated rural worker grant if the applicant:*

(1) *is a resident of the area of the state located outside of the metropolitan area defined in section 473.121, subdivision 2;*

(2) *is enrolled in an adult farm management program or a program designed to provide preparation for available employment within the local labor market or in an area to which the individual is willing to relocate;*

(3) *has met the financial need criteria established by the board; and*

(4) *can demonstrate that one of the following criteria has been met:*

(i) *the applicant or applicant's spouse has been separated from employment or has received a notice of separation from employment as a result of job obsolescence, plant shutdown, regional decline in the applicant's customary occupation, or industry slowdown, and the applicant or the applicant's spouse is unlikely to return to work for that employer or in that occupation within 12 months following separation from employment;*

(ii) *the applicant is a displaced homemaker; or*

(iii) *the applicant or the applicant's spouse is a farmer who can demonstrate severe household financial need.*

Subd. 4. [PROGRAM RECIPIENTS.] *An eligible institution shall select a recipient of a dislocated rural worker grant in accordance with guidelines, policies, and rules established by the board. The board may adopt emergency rules for awarding grants only for the fiscal year beginning July 1, 1987.*

Subd. 5. [PROGRAM COORDINATION; INFORMATION.] *The board shall develop and provide information to dislocated workers in rural areas about post-secondary education opportunities and student financial aid programs. The board shall also provide for the coordination of dislocated rural worker grants with other available student financial aid programs. Dislocated rural worker grants must be awarded in a manner that maximizes the use of existing federal and state student financial aid programs.*

Sec. 4. Laws 1983, chapter 334, section 7, is amended to read:

Sec. 7. [REPEALER.]

Sections 1 to 6 are repealed June 30, 1987 1989.

Sec. 5. [APPROPRIATION.]

\$_____ is appropriated from the rural rehabilitation revolving fund to the Minnesota job skills partnership board for the customized rural training program established in section 2. This appropriation is available until expended.

Sec. 6. [SUPPLEMENTAL EDUCATION GRANT PROGRAM FUNDING.]

\$_____ is appropriated from the general fund and \$_____ is appropriated from the rural rehabilitation revolving fund to the higher education coordinating board for the dislocated rural worker grant program established in section 3, to be available until June 30, 1988.

ARTICLE 5

MISCELLANEOUS

Section 1. [93.001] [POLICY FOR MINERAL DEVELOPMENT.]

It is the policy of the state to provide a long-term commitment to mineral exploration evaluation, development, production, and commercialization to provide a diversified mineral economy in the state.

Sec. 2. [93.002] [MINERAL COORDINATING COMMITTEE.]

Subdivision 1. [ESTABLISHMENT.] The mineral coordinating committee is established to provide planning and assistance for diversified mineral development. The mineral coordinating committee consists of the director of the minerals division of the department of natural resources, the director of the Minnesota geological survey, the director of the University of Minnesota mineral resources research center, and the director of the natural resources research institute. The director of the minerals division of the department of natural resources shall serve as chair. A member of the committee may designate another person of the member's organization to act in the member's place. The commissioner of natural resources shall provide staff and administrative services necessary for the committee's activities.

Subd. 2. [MINERAL DIVERSIFICATION PLAN.] The mineral coordinating committee shall prepare and adopt a ten-year plan for mineral diversification. The plan must include a strategy to:

- (1) increase the knowledge of the state's mineral potential;*
- (2) stimulate the development of mineral resources in the state;*
- (3) provide for basic minerals research; and*
- (4) the plan must also prioritize minerals programs under subdivision 3.*

Subd. 3. [MINERALS PROGRAMS.] The mineral diversification plan must address at least the following: aeromagnetic surveys, glacial till geochemistry surveys, geologic drilling and mapping, LMIC minerals data base, drill core examination and assay, industrial minerals characterization and research, bedrock geochemistry, nonferrous minerals research, reclamation studies, economic evaluation of mineral resources, improved

geophysical and remote sensing base, acquisition of sampling equipment and analyses, determination of mineral rights ownership, ferrous minerals research, evaluation of mineral resource occurrence, evaluation of value added processes, ore deposit modeling, and basic mineral research.

Subd. 4. [SUBMISSION OF PLAN AND FUNDING PRIORITIES.] (a) The minerals coordinating committee shall submit the minerals diversification plan to the legislature by December 31, 1987.

(b) By January 15 of each odd-numbered year, the minerals coordinating committee shall submit recommendations for funding priorities of the minerals diversification plan to the chairs of the house appropriations and environment and natural resources committees and the chairs of the senate finance and environment and natural resources committees.

Sec. 3. [116J.874] [COMMUNITY DEVELOPMENT DIVISION.]

Subdivision 1. [DUTIES.] The community development division is a division within the department of energy and economic development. It shall:

(1) be responsible for administering all state community development and assistance programs, including the economic recovery fund, the outdoor recreation grant program, the rural development board programs, and the Minnesota public facilities authority loan and grant programs;

(2) be responsible for state administration of federally funded community development and assistance programs, including the small cities development grant program and land and water conservation program;

(3) be responsible for state administration of the regional development commissions;

(4) provide technical assistance to rural communities with respect to community development;

(5) coordinate the development and review of state rural development policies;

(6) provide staff and consultant services to the rural development board; and

(7) be responsible for coordinating community assistance and development programs.

Sec. 4. Minnesota Statutes 1986, section 116J.955, subdivision 1, is amended to read:

116J.955 [RURAL REHABILITATION REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT.] The rural rehabilitation revolving fund is established as an account in the state treasury. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation revolving fund. ~~The principal amount of the rural rehabilitation revolving fund, \$9,300,000, may not be spent and must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the activities of the rural development council.~~

Sec. 5. Minnesota Statutes 1986, section 116J.955, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURE OF INVESTMENT INCOME FUND.] The commissioner may ~~only use the income from the investment of the rural rehabilitation revolving fund for the purposes that are allowed under the Minnesota rural rehabilitation corporation's charter and agreement with the United States Secretary of Agriculture as provided in Public Law Number 499, 81st Congress, enacted May 3, 1950 and as allowed under section 116J.961, subdivision 8 article 1, sections 2 and 7, and article 4, sections 5 and 6.~~ Not more than three percent of the book value of the Minnesota rural rehabilitation corporation's assets may be used for administrative purposes in a year without approval of the United States Secretary of Agriculture. *The commissioner may create separate accounts within the fund for use in accordance with the fund's purposes.*

Sec. 6. Minnesota Statutes 1986, section 462.384, subdivision 7, is amended to read:

Subd. 7. ~~"Director"~~ "Commissioner" means the ~~director commissioner of state planning agency exercising the authority conferred by sections 116K.01 to 116K.13 energy and economic development.~~

Sec. 7. Minnesota Statutes 1986, section 462.385, subdivision 1, is amended to read:

Subdivision 1. Development regions for the state shall be those regions so designated by the governor by executive order. The order shall provide for public hearings within each proposed region after which any county may request assignment to a region other than that proposed by the order. If a request for reassignment is unacceptable to the ~~director commissioner~~, the county shall remain in the originally designated region until the next session of the legislature for its review and final assignment.

Sec. 8. Minnesota Statutes 1986, section 462.385, subdivision 3, is amended to read:

Subd. 3. The ~~director commissioner~~ shall conduct continuous studies and analysis of the boundaries of regions and shall make recommendations for their modification where necessary. Modification may be initiated by a county, a commission, or by the ~~director commissioner~~ and will be accomplished in accordance with this section as in the case of initial designation.

Sec. 9. Minnesota Statutes 1986, section 462.386, subdivision 1, is amended to read:

Subdivision 1. All coordination, planning, and development regions assisted or created by the state of Minnesota or pursuant to federal legislation shall conform to the regions designated by the executive order except where, after review and approval by the ~~director commissioner~~, nonconformance is clearly justified. The ~~director commissioner~~ shall develop working agreements with state and federal departments and agencies to insure conformance with this subdivision.

Sec. 10. Minnesota Statutes 1986, section 462.387, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Any combination of counties or municipalities representing a majority of the population of the region for which a commission is proposed may petition the ~~director commissioner~~ by formal resolution setting forth its desire to establish, and the need for, the establishment of a regional development commission. For purposes of this section the population of a county does not include the population of a mu-

nicipality within the county.

Sec. 11. Minnesota Statutes 1986, section 462.387, subdivision 3, is amended to read:

Subd. 3. [ESTABLISHMENT.] Upon receipt of a petition as provided in subdivision 1 a regional development commission shall be established by the ~~director~~ *commissioner* and the notification of all local government units within the region for which the commission is proposed. The notification shall be made within 60 days of the director's receipt of a petition under subdivision 1.

Sec. 12. Minnesota Statutes 1986, section 462.387, subdivision 4, is amended to read:

Subd. 4. [SELECTION OF MEMBERSHIP.] The ~~director~~ *commissioner* shall call together each of the membership classifications except citizen groups, defined in section 462.388, within 60 days of the establishment of a regional development commission for the purpose of selecting the commission membership.

Sec. 13. Minnesota Statutes 1986, section 462.39, subdivision 2, is amended to read:

Subd. 2. [FEDERAL PROGRAMS.] The commission is the authorized agency to receive state and federal grants for regional purposes from the following programs:

(1) Section 403 of the Public Works and Economic Development Act of 1965 (economic development districts);

(2) Section 701 of the Housing Act of 1954, as amended (multicounty comprehensive planning);

(3) Omnibus Crime Control Act of 1968;

and for the following to the extent feasible as determined by the governor:

(a) Economic Opportunity Act of 1964;

(b) Comprehensive Health Planning Act of 1965;

(c) Federal regional manpower planning programs;

(d) Resource, conservation, and development districts; or

(e) Any state and federal programs providing funds for multicounty planning, coordination, and development purposes. The ~~director~~ *commissioner* shall, where consistent with state and federal statutes and regulations, review applications for all state and federal regional planning and development grants to a commission.

Sec. 14. Minnesota Statutes 1986, section 462.39, subdivision 3, is amended to read:

Subd. 3. [PLANNING.] The commission shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development plan for the region. The plan shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for an orderly and economic development, public and private, of the region. The comprehensive development plan shall recognize and encompass physical, social, or economic needs of the region, and those future developments which will have an impact on the entire region in-

cluding but not limited to such matters as land use, parks and open space land needs, access to direct sunlight for solar energy systems, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, public and private, housing, and other public buildings. In preparing the development plan the commission shall use to the maximum extent feasible the resources studies and data available from other planning agencies within the region, including counties, municipalities, special districts, and subregional planning agencies, and it shall utilize the resources of the ~~director~~ commissioner to the same purpose. No development plan or portion thereof for the region shall be adopted by the commission until it has been submitted to the ~~director~~ commissioner for review and comment and a period of 60 days has elapsed after such submission. When a development plan has been adopted, the commission shall distribute it to all local government units within the region.

Sec. 15. Minnesota Statutes 1986, section 462.391, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF INDEPENDENT AGENCIES.] The commission shall review all long term comprehensive plans of each independent commission, board, or agency prepared for its operation and development within the region but only if the plan is determined by the commission to have a regional effect, a multicomunity effect, or to have a substantial effect on regional development. Each plan shall be submitted to the commission before any action is taken to place the plan or any part thereof, into effect. No action shall be taken to place any plan or any part thereof into effect until 60 days have elapsed after the date of its submission to the commission or until the commission finds and notifies the submitting commission, board, or agency that the plan is consistent with its development plan for the region and the orderly and economic development of the region, whichever first occurs. If, within 60 days after the date of submission, the commission finds that a plan, or any part thereof, is inconsistent with its comprehensive plan for the region or detrimental to the orderly and economic development of the region, or any part thereof, the plan shall be indefinitely suspended. An affected independent commission, board, or agency may appeal the decision of the commission suspending a plan, or part thereof, to the commission, and if the commission and the affected independent commission, board, or agency are unable to agree as to an adjustment of the plan, so that it may receive the commission's approval, then a record of the disagreeing positions shall be made and presented for consideration and disposition by the ~~director~~ commissioner.

Sec. 16. Minnesota Statutes 1986, section 462.391, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF FEDERAL AND STATE AID PROGRAMS.] The commission shall review all applications of governmental units, independent commissions, boards, or agencies operating in the region for a loan or grant from the United States of America or any agency, including state agencies and colleges or universities, for public facilities, studies, or any other purpose if the application clearly is related to the region, whether or not the review is required by the federal government. The review shall advise the granting authority as to relationship of the application to the comprehensive plans and priorities of the region as established by the region. All review actions together with copies of applications shall be submitted on a regular basis for informational purposes to the ~~director~~ commissioner. The requirements of this subdivision do not apply to ap-

plications of governmental units or other political subdivisions which have been reviewed by a subregion or subdistrict which has been designated by the United States government as an authorized areawide review agency under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. All review actions, together with copies of applications, shall be submitted by the subregion on a regular basis to the commission for informational purposes.

Sec. 17. Minnesota Statutes 1986, section 462.391, subdivision 4, is amended to read:

Subd. 4. [REVIEW PROCEDURES.] The commission shall develop, in consultation with the ~~director~~ *commissioner*, formal procedures for the review of plans, applications, and other matters required to be submitted to it by sections 462.381 to 462.398. The procedures shall be embodied in a formal resolution adopted after public hearing. After adoption the resolution shall be transmitted to each governmental unit and independent agency, board, or commission within the region.

Sec. 18. Minnesota Statutes 1986, section 462.395, is amended to read:

462.395 [DUTIES OF STATE AGENCIES.]

All state departments and agencies shall cooperate with regional development commissions established under sections 462.381 to 462.398 and shall make available to them studies, reports, data, and other informational and technical assistance within financial and personnel limitations. The ~~director~~ *commissioner* shall coordinate the state's assistance programs to regional planning and development commissions.

Sec. 19. Minnesota Statutes 1986, section 462.396, subdivision 1, is amended to read:

Subdivision 1. The ~~director~~ *commissioner* shall determine the amount of and make grants to any commission created under sections 462.381 to 462.398 from appropriations made available for those purposes, provided a work program is submitted acceptable to the ~~director~~ *commissioner*. Any regional commission may levy a tax on all taxable property in the region to provide money for the purposes of sections 462.381 to 462.398.

Sec. 20. Minnesota Statutes 1986, section 462.398, is amended to read:

462.398 [TERMINATION OF COMMISSION.]

Subdivision 1. Any combination of counties or municipalities representing a majority of the population of the region for which a commission exists may petition the ~~director~~ *commissioner* by formal resolution stating that the existence of the commission is no longer in the public welfare and interest and is not needed to accomplish the purposes of the regional development act of 1969. For purposes of this section the population of a county does not include the population of a municipality within the county. Any formal resolution adopted by the governing body of a county or municipality for the termination of a commission shall be effective for a period of one year for the purpose of determining the requisite population of the region needed to petition the ~~director~~ *commissioner*.

Subd. 2. Within 35 days of the receipt of the petition, the ~~director~~ *commissioner* shall fix a time and place within the region for a hearing. The ~~director~~ *commissioner* shall give notice of the hearing by publication once each week for two successive weeks before the date of the hearing in a

legal newspaper in each of the counties which the commission represents. The hearing shall be conducted by members of the commission. If the commission determines that the existence of the commission is no longer in the public welfare and interest and that it is not needed to accomplish the purposes of the regional development act of 1969, the commission shall recommend to the ~~director~~ *commissioner* that the ~~director~~ *commissioner* terminate the commission. Within 60 days after receipt of the recommendation, the ~~director~~ *commissioner* shall terminate the commission by giving notice of the termination to all government units within the region for which the commission was established. Unless otherwise provided by this subdivision, the hearing shall be in accordance with sections 14.01 to 14.70.

Subd. 3. The ~~director~~ *commissioner* shall not accept a petition for termination more than once in 30 months for each regional development commission.

Sec. 21. [APPROPRIATION.]

Subdivision 1. [MINERALS PROGRAMS.] \$_____ is appropriated from the general fund to the commissioner of natural resources for acceleration of geological mapping of the state, acceleration of the evaluation of the state's mineral potential and other natural resources, and provide analytical support for the minerals industry according to the mineral diversification plan or a minerals industry acceleration plan developed by the minerals coordinating committee.

Subd. 2. [COUNTY FORESTRY ASSISTANCE PROGRAMS.] \$_____ is appropriated from the general fund to the commissioner of natural resources for grants to counties or groups of counties for county forestry assistance programs. The commissioner of natural resources shall make the appropriation available to counties with the amount proportional to the acreage of forested tax-forfeited land managed by the county. As a condition of receiving funds, the commissioner of natural resources shall require work plans, semiannual progress reports, and final project reports.

Subd. 3. [FORESTRY MANAGEMENT.] \$_____ is appropriated from the general fund to the commissioner of natural resources for implementation of the forestry management plan required in Minnesota Statutes, section 89.011, on land that is not managed for the school trust fund.

Sec. 22. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the words "commissioner of energy and economic development" and "department of energy and economic development" whenever they appear in Minnesota Statutes to "commissioner of trade and economic development" and "department of trade and economic development" in Minnesota Statutes 1988, and subsequent editions of the statutes.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 6

MINNESOTA DEVELOPMENT PROGRAM

Section 1. Minnesota Statutes 1986, section 41A.01, is amended to read:

41A.01 [PURPOSE.]

Sections 41A.01 to 41A.06 41A.08 provide a framework for an agricultural resource loan guaranty program, the purposes of which are to further the development of the state's agricultural resources and improve the market for its agricultural products and rural small business development in the state. All credit advanced pursuant to loan guaranty commitments is to be secured by subrogation of the state to mortgage security and other security interests granted to the private lender, in proportion to the amount advanced by the state. A loan guaranty board is established to investigate the feasibility of each project, its conformity to public policy and to environmental standards, the qualifications of the owners, operators, and lenders, and the nature and extent of the security, prior to commitment. The board shall also seek to secure financial participation by private persons not supported by the guaranty, to assure that in these respects each project satisfies and will continue to satisfy criteria which are adequate in the judgment of the board.

Sec. 2. Minnesota Statutes 1986, section 41A.02, subdivision 3, is amended to read:

Subd. 3. [~~AGRICULTURAL RESOURCE LOAN GUARANTY MINNESOTA DEVELOPMENT BOARD; BOARD.~~] "~~Ag~~ricultural resource loan guaranty Minnesota development board" or "board" means consists of the commissioner of finance as chair, the commissioner of agriculture, ~~the commissioner of commerce,~~ the commissioner of energy and economic development, and the director of the pollution control agency, *the chair of the greater Minnesota corporation, and two public members with extensive experience in finance, appointed by the governor.*

Sec. 3. Minnesota Statutes 1986, section 41A.02, subdivision 4, is amended to read:

Subd. 4. [~~AGRICULTURAL RESOURCE LOAN GUARANTY MINNESOTA DEVELOPMENT FUND; GUARANTY DEVELOPMENT FUND.~~] "~~Ag~~ricultural resource loan guaranty Minnesota development fund" or "~~guaranty development fund~~" means the fund created by section 41A.05.

Sec. 4. Minnesota Statutes 1986, section 41A.02, subdivision 6, is amended to read:

Subd. 6. [~~AGRICULTURAL RESOURCE PROJECT; PROJECT.~~] "Agricultural resource project" or "project" means (1) any facility, or portion of a facility, located in the state which is operated or to be operated primarily for the production from agricultural resources of marketable products, (2) *buildings, equipment, and land used for the commercial production of turkeys or turkey products, or (3) a facility or portion of a facility used for the commercial production of fish or of products made from commercially-produced fish. The land in clause (2) is limited to land on which buildings and equipment are situated and immediately surrounding land used for storage, waste disposal, or other functions directly related to the commercial production of turkeys or turkey products at that project site.* A project includes a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Sec. 5. Minnesota Statutes 1986, section 41A.02, subdivision 11, is amended to read:

Subd. 11. [~~LENDER.~~] "Lender" means *a corporation or any investment or commercial banking institution, savings and loan institution, insurance*

company, investment company, or other financial institution or institutional investor making, purchasing, or participating in a loan or any part of a loan, or a public entity authorized to make agricultural loans.

Sec. 6. Minnesota Statutes 1986, section 41A.02, is amended by adding a subdivision to read:

Subd. 16. [ELIGIBLE SMALL BUSINESS.] "Eligible small business" means an enterprise determined by the board to constitute a small business concern as defined in regulations of the United States Small Business Administration pursuant to United States Code, title 15, sections 631 to 647, as amended from time to time.

Sec. 7. Minnesota Statutes 1986, section 41A.02, is amended by adding a subdivision to read:

Subd. 17. [SMALL BUSINESS DEVELOPMENT LOAN.] "Small business development loan" means a loan to a business that is an "eligible small business" for the financing of (a) capital expenditures on an interim or long-term basis for the acquisition or improvement of land, acquisition, construction, rehabilitation, removal, or improvement of buildings, or the acquisition and installation of fixtures and equipment useful to conduct a small business, including all facilities of a capital nature useful or suitable for any business engaged in any enterprise promoting employment including, without limitation, those facilities included within the meaning of the term "project" as defined in section 474.02, subdivisions 1 to 1f, and section 474.03, subdivision 4; or (b) short-term costs of conducting a small business.

Sec. 8. [41A.021] [SUCCESSOR STATUS.]

The board is the legal successor in all respects of the agricultural resource loan guaranty board established by Laws 1984, chapter 502, article 10, and all bonds, resolutions, contracts, and liabilities of the agricultural resource loan guaranty board are the bonds, resolutions, contracts, and liabilities of the board as renamed and reconstituted by section 41A.02, subdivision 3.

Sec. 9. [41A.022] [MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY; SUCCESSOR STATUS.]

The board is the legal successor in all respects of the Minnesota energy and economic development authority with regard to the small business finance agency loan program established by Laws 1980, chapter 547. All bonds, resolutions, contracts, and liabilities of the Minnesota energy and economic development authority relating to the program are the bonds, resolutions, contracts, and liabilities of the board.

Sec. 10. [41A.023] [POWERS.]

In addition to other powers granted by this chapter, the board may:

- (1) sue and be sued;*
- (2) acquire, hold, lease, and transfer any interest in real and personal property for its corporate purposes;*
- (3) sell at public or private sale any instrument or obligation evidencing a loan;*
- (4) obtain insurance on its property;*

- (5) obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions;
- (6) enter into other agreements or transactions, without regard to chapter 16B, that the board considers necessary or appropriate to carry out the purposes of this chapter with federal or state agencies, political subdivisions of the state, or other persons, firms, or corporations;
- (7) establish and collect fees;
- (8) accept appropriations, gifts, grants, and bequests;
- (9) use money received from any source for any legal purpose or program of the board;
- (10) participate in loans for agricultural resource projects in accordance with section 11;
- (11) provide small business loans in accordance with section 12; and
- (12) guarantee or insure bonds or notes issued by the board.

Sec. 11. [41A.035] [AGRICULTURAL RESOURCES LOAN PARTICIPATION.]

The board may participate in loans made to finance agricultural resource projects by purchasing from a lender up to 75 percent of the amount of each eligible loan. If the participation loan is in an amount of \$500,000 or less, the loan may be for 100 percent of the cost of the project. If the participation loan exceeds \$500,000, the loan may not exceed 80 percent of the cost of the project. The lender shall service the loan or cause it to be serviced in a manner that equally protects the lender's and the board's interests.

Sec. 12. [41A.036] [RURAL SMALL BUSINESS DEVELOPMENT LOANS.]

Subdivision 1. [LOANS; LIMITATIONS.] (a) The board may make, purchase, or participate with financial institutions in making or purchasing small business loans not exceeding \$1,000,000 in principal amount with respect to small business loans made or purchased by the board and not exceeding \$1,000,000 principal amount with respect to the board's share when the board participates in making or purchasing small business loans.

(b) With respect to loans that the board makes or purchases or participates with, the board may determine or provide for their servicing, the percentage of board participation, if any, the times the loans or participations are payable and the amounts of payment, their amount and interest rates, their security, if any, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The board may enter into commitments to purchase or participate with financial institutions or other persons upon the terms, conditions, and provisions determined by it. Loans or participations may be serviced by financial institutions or other persons designated by the board.

(c) The board shall obtain the best available security for all loans. The board may provide for or require the insurance or guaranteeing of the loans or board participations in whole or in part by the federal government or a department, agency, or instrumentality of it, by an appropriate board account, or by a private insurer.

Subd. 2. [SMALL BUSINESS DEVELOPMENT LOANS; PREFERENCES.] The following eligible small businesses have preference among all business applicants for small business development loans:

(1) businesses located in rural areas of the state that are experiencing the most severe unemployment rates in the state;

(2) businesses that are likely to expand and provide additional permanent employment in rural areas of the state;

(3) businesses located in border communities that experience a competitive disadvantage due to location;

(4) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;

(5) businesses that utilize state resources and reduce state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state; and

(6) businesses located in designated enterprise zones, as described in section 273.1312, subdivision 4.

Sec. 13. Minnesota Statutes 1986, section 41A.05, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF FUND.] For the purpose of developing the state's agricultural resources by extending credit on real estate security, the agricultural resource loan guaranty *The Minnesota development fund* is established as a special and dedicated separate account in the general fund to be held and invested separately from all other funds of the state. All money appropriated to the fund, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the fund pursuant to law or pursuant to the terms of grants, contributions, or contracts are appropriated and shall remain available for the purposes of the fund until those purposes have been fully accomplished to the board to carry out the purposes of this chapter. The board may establish within the guaranty Minnesota development fund reserve funds, project accounts, or other restrictions it determines necessary or appropriate to carry out the purposes of this chapter. Except as otherwise provided in this section, the fund may be used only for paying amounts due under loan guaranties and principal and interest assistance contracts entered into by the state, pursuant to the agricultural resource loan guaranty program.

Sec. 14. Minnesota Statutes 1986, section 41A.05, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] (a) Subject to section 16A.80, upon application pursuant to section 41A.04, The board by resolution may exercise the powers of a rural development authority under sections 362A.01 to 362A.05 and the powers of a municipality under chapter 474 for the purposes of providing money to pay the costs of financing a project, including the issuance of bonds and the loan application of the bond proceeds pursuant to a lease, loan, loan guaranty, loan participation, or other agreement. The bonds must be issued, sold, and secured on the terms and conditions and in the manner determined by resolution of the board. Sections Section 16A.80 and 474.23 do does not apply to the bonds. Not-

withstanding subdivision 1, a reserve established for the bonds provided by the borrower, including out of bond proceeds, may be deposited and held in a separate account in the ~~guaranty~~ *Minnesota development* fund and applied to the last installments of principal or interest on the bonds, subject to the reserves being withdrawn for any purpose permitted by subdivision 1. The board may by resolution or indenture pledge any or all amounts in the ~~guaranty~~ fund, including any reserves and investment income on amounts in the fund, to secure the payment of principal and interest on any or all series of bonds, upon the terms and conditions as provided in the resolution or indenture. To the extent the board deems necessary or desirable to prevent interest on bonds from becoming subject to federal income taxation, (1) the amounts in the ~~guaranty~~ fund shall be invested in obligations or securities with restricted yields and (2) the investment income on the amounts are released from the pledge securing the bonds or loan guaranty and appropriately applied to prevent taxation.

(b) Bonds issued pursuant to this chapter are not general obligations of the state or the board. The full faith and credit and taxing powers of the state and the board are not and may not be pledged for the payment of the bonds. No person may compel the levy of a tax for the payment or compel the appropriation of money of the state or the board for the payment of the bonds, except as specifically provided in this chapter.

(c) The issuance of bonds pursuant to this subdivision is subject to sections ~~474.18 to 474.25~~ *474A.11 and 474A.13*. For purposes of sections ~~474.16 474A.01 to 474.20~~ *474A.21*, the board is a local issuer and may apply for allocations of authority to issue private activity obligations and may enter into an agreement for the issuance of obligations by another issuer.

Sec. 15. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the phrase "agricultural resource loan guaranty board" wherever it appears in Minnesota Statutes to "Minnesota development board" in the next and subsequent editions of the statutes.

Sec. 16. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the phrase "agricultural resource loan guaranty fund" wherever it appears in Minnesota Statutes to "Minnesota development fund" in the next and subsequent editions of the statutes.

Sec. 17. [REPEALER.]

Minnesota Statutes 1986, section 41A.06, subdivision 2, is repealed.

ARTICLE 7

MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT
AUTHORITY

Section 1. Minnesota Statutes 1986, section 16A.80, subdivision 2a, is amended to read:

Subd. 2a. [EXEMPT AGENCIES.] This section does not apply to:

- (1) the housing finance agency;
- (2) the state board of investment;

- (3) the iron range resources and rehabilitation board;
- (4) the higher education coordinating board; *and*
- (5) the higher education facilities authority; *and*
- (6) ~~the energy and economic development authority.~~

Sec. 2. Minnesota Statutes 1986, section 116J.36, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section:

(a) "Authority" means the Minnesota public facilities authority established in article 3, section 10.

~~(a)~~ (b) "Construction costs" means all costs associated with the construction, modification or expansion of a district heating system except for preliminary planning costs and detailed design costs. Construction costs include the cost of debt service from the time a construction loan is made until five years after the beginning of the operation of the district heating system constructed or the part of the system being modified or expanded.

~~(b)~~ (c) "District heating" means the use of a central energy conversion facility to produce hot water or steam for a district heating system. District heating facilities may also produce electricity in addition to hot water or steam.

~~(c)~~ (d) "Municipality" means any county, city, town, school district or a municipal power agency formed pursuant to sections 453.53 to 453.62. Municipality also means a public utility, as defined in section 452.01, subdivision 3, owned and operated by a city, however organized. For purposes of a district heating system only, municipality also means a nonprofit corporation organized pursuant to the provisions of chapter 317 whose membership is limited to the mayor and governing body of the city in which the district heating system is located.

~~(d)~~ (e) "District heating system" means any existing or proposed facility for (1) the production, through cogeneration or otherwise, of hot water or steam to be used for district heating, or (2) the transmission and distribution of hot water or steam for district heating either directly to heating consumers or to another facility or facilities for transmission and distribution, or (3) any part or combination of the foregoing facilities.

~~(e)~~ (f) "Qualified energy improvement" means a cost-effective capital improvement to public land, buildings, or energy using systems, other than a district heating system, including the purchase or installation of equipment to reduce the usage of conventional energy sources or to use alternative energy resources. Qualified energy improvements also include waste-to-energy facilities that meet the criteria specified in subdivision 8a and any rule adopted under that subdivision. Qualified energy improvements shall meet all environmental and permitting standards established by state and federal law.

Sec. 3. Minnesota Statutes 1986, section 116J.36, subdivision 3b, is amended to read:

Subd. 3b. [GRANT ELIGIBILITY, DISTRICT HEATING.] ~~The commissioner of energy and economic development authority~~ may provide planning grants to municipalities for planning related to the development of district heating systems. The municipality must demonstrate that a com-

munity heatload survey and map have been successfully completed, that potential district heating load is sufficiently large to justify further consideration, and that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include project definition, development of preliminary financing and distribution system plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of the grant to a municipality is limited to 90 percent of eligible planning costs and shall not exceed \$70,000 as established by rule or emergency rule.

Sec. 4. Minnesota Statutes 1986, section 116J.36, subdivision 3c, is amended to read:

Subd. 3c. [GRANT ELIGIBILITY, QUALIFIED ENERGY IMPROVEMENTS.] The ~~commissioner of energy and economic development authority~~ may provide planning grants to municipalities for planning related to the development of qualified energy improvements. The municipality must demonstrate that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include definition of the improvement, development of preliminary financing plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of a grant to a municipality is limited to 90 percent of eligible planning costs and must not exceed \$100,000 as established by rule or emergency rule.

Sec. 5. Minnesota Statutes 1986, section 116J.36, subdivision 8, is amended to read:

Subd. 8. [LOAN APPROVAL.] The ~~commissioner of energy and economic development authority~~ shall prepare and submit to the energy and economic development authority separate lists of loan requests for district heating systems and qualified energy improvements. The list for district heating loans shall contain the supporting information required by subdivisions 3, 4, 5, 6, and 7. The list for qualified energy improvements shall contain the supporting information required by subdivisions 3a, 3c, 4a, 5, and 6. The recommendation of the authority shall be transmitted to the commissioner of finance. The commissioner of finance shall sell bonds and make loans for district heating projects and qualified energy improvements only upon the recommendation of the authority.

Sec. 6. Minnesota Statutes 1986, section 116J.36, subdivision 8a, is amended to read:

Subd. 8a. [CRITERIA FOR QUALIFIED ENERGY IMPROVEMENTS.] Qualified energy improvements eligible for loans must meet criteria established in rule by the ~~commissioner of energy and economic development authority~~. Rules shall include criteria for analyzing the cost-effectiveness of improvements. Rules relating to qualified energy improvements involving a waste-to-energy facility must be adopted in consultation with the waste management board and the pollution control agency. An improvement involving a waste-to-energy facility must be part of a solid waste management plan approved by the pollution control agency or a plan approved under section 473.803.

Sec. 7. Minnesota Statutes 1986, section 116J.36, subdivision 11, is amended to read:

Subd. 11. [RULES.] The ~~commissioner of energy and economic development authority~~ shall adopt rules necessary to carry out the programs of

this section. The commissioner of energy and economic development authority may adopt emergency rules pursuant to sections 14.29 to 14.36, meeting the requirements of this section. The rules shall contain as a minimum:

- (a) Procedures for application by municipalities; and
- (b) Criteria for reviewing grant and loan applications.

Sec. 8. Minnesota Statutes 1986, section 116J.37, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] In this section:

(a) "Commissioner" means the commissioner of energy and economic development. Upon passage of legislation creating a body known as the Minnesota energy public facilities authority, the duties assigned to the commissioner in this section are delegated to the authority.

(b) "Maxi-audit" has the meaning given in section 116J.06, subdivision 12.

(c) "Energy conservation investments" mean all capital expenditures that are associated with conservation measures identified in a maxi-audit and that have a ten-year or less payback period. Public school districts that received a federal institutional building grant in 1984 to convert a heating system to wood, and that apply for an energy conservation investment loan to match a federal grant for wood conversion, shall be allowed to calculate payback of conservation measures based on the costs of the traditional fuel in use prior to the wood conversion.

Sec. 9. [116J.970] [COMMUNITY DEVELOPMENT CORPORATIONS.]

Subdivision 1. [TERMS.] *For the purposes of this section, the following terms shall have the meanings given them:*

Subd. 2. [ECONOMIC DEVELOPMENT REGION.] *"Economic development region" means an area so designated in the governor's executive order number 60, dated June 12, 1970, as amended.*

Subd. 3. [FEDERAL POVERTY LEVEL.] *"Federal poverty level" means the income level established by the United States Community Services Administration in Code of Federal Regulations, title 45, section 1060.2-2.*

Subd. 4. [LOW INCOME.] *"Low income" means an annual income below the federal poverty level.*

Subd. 5. [ADMINISTRATION.] *The community development division of the department of energy and economic development shall administer this section and shall enforce the rules related to the community development corporations promulgated by the commissioner. The commissioner may amend, suspend, repeal or otherwise modify these rules as provided for in chapter 14.*

Subd. 6. [GRANTS; CORPORATIONS ELIGIBLE.] *(a) The commissioner shall designate a community development corporation as eligible to receive grants under this section if the corporation is a nonprofit corporation incorporated under chapter 317 and meets the other criteria in this subdivision.*

(b) *The corporation, in its articles of incorporation or bylaws, shall designate a specific geographic community within which it will operate. As least ten percent of the population within the designated community must have low incomes. Within the metropolitan area as defined in section 473.121, subdivision 2, a designated community must be an identifiable neighborhood or a combination of neighborhoods or home rule charter or statutory cities, townships, unincorporated areas, or combinations of those entities. Outside the metropolitan area, designated communities, so far as possible, may not cross existing economic development boundaries. If a proposed geographic area overlaps the designated community of a community development corporation existing before August 1, 1987, the proposed community development corporation must obtain the written consent of the existing community development corporation before the proposed corporation may be designated as eligible to receive grants under this section.*

(c) *The corporation must limit voting membership to residents of its designated area.*

(d) *The corporation shall have a board of directors with 15 to 30 members unless the corporation can demonstrate to the satisfaction of the authority that a smaller or larger board is more advantageous. At least 40 percent of the directors must have incomes that do not exceed 80 percent of the county median family income or 80 percent of the statewide median family income as determined by the state demographer, and the remaining directors must be members of the business or financial community and the community at large. To the greatest extent possible, directors must be residents of the designated community, but in no event may fewer than 60 percent of the directors be residents of the designated community. Directors who meet the income limitations of this paragraph must be elected by the members of the corporation. The remaining directors may be elected by the members or appointed by the directors who meet the income limitations of this paragraph.*

(e) *The corporation shall hire low-income residents of the designated community to fill nonmanagerial and nonprofessional positions.*

(f) *The corporation shall demonstrate that it has or will have the technical skills to analyze projects, that it is familiar with other available public and private funding sources and economic development programs, and that it is capable of packaging economic development projects.*

Subd. 7. [GRANT APPROVAL FOR PROJECTS.] The commissioner shall approve a grant to a community development corporation only for a project carried on within the designated community, except when the corporation demonstrates that a project carried on outside will have a significant impact inside the designated community.

Subd. 8. [USE OF GRANT.] The commissioner may approve a grant to a community development corporation for planning, including organization of the corporation, training of the directors, creation of a comprehensive community economic development plan, and development of a proposal for a venture grant, or for establishment of a business venture, including assistance to an existing business venture, purchase of partial or full ownership of a business venture, or development of resources or facilities necessary for the establishment of a business venture.

Subd. 9. [ASSIGNEE.] The department must be named as an assignee

of the rights of a state-funded community development corporation on any loan or other evidence of debt provided by a community development corporation to a private enterprise. The assignment of rights must provide that it will be effective upon the dormancy or cessation of existence of the community development corporation. "Dormancy" for the purpose of this section means the continuation of the corporation in name only without any functioning officers or activities. Upon the cessation of the activities of a state-funded community development corporation, any assigned money paid to the department must be deposited into the economic development fund to be used for the purposes set out in this chapter.

Subd. 10. [FACTORS FOR GRANT APPROVAL.] Factors considered by the commissioner in approving a grant to a community development corporation must include the creation of employment opportunities, the maximization of profit, and the effect on securing money from sources other than the state.

Subd. 11. [PROHIBITION.] Grants under this section are not available for programs conducted by churches or religious organizations or for securing or developing social services.

Subd. 12. [NO EXCLUSION.] A person may not be excluded from participation in a program funded pursuant to this section because of race, color, religion, sex, age, or national origin.

Sec. 10. [TRANSFER OF MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY RESPONSIBILITIES.]

Subdivision 1. [RESPONSIBILITIES TRANSFERRED TO DEPARTMENT OF FINANCE.] The responsibility for administering the loans that have been made from the following programs is transferred from the Minnesota energy and economic development authority to the department of finance: the hazardous waste processing facilities program under section 116M.07, subdivision 9; the special assistance program under section 116M.07, subdivision 11; and the technology product loan program.

Subd. 2. [RESPONSIBILITIES TRANSFERRED TO MINNESOTA PUBLIC FACILITIES AUTHORITY.] The responsibilities for the health care equipment loan program under section 116M.07, subdivisions 7a, 7b, and 7c; the municipal energy loan programs under sections 116M.10, subdivision 6, and 116M.13; the public school energy conservation loan program under section 116J.37; the energy loan insurance program under section 116M.11, subdivision 2; and the district heating and qualified energy improvement loan program under section 116J.36 are transferred from the Minnesota energy and economic development authority to the Minnesota public facilities authority established in article 3, section 10. Section 15.039 applies to the transfer of responsibilities.

Subd. 3. [RESPONSIBILITIES TRANSFERRED TO RURAL DEVELOPMENT BOARD.] The responsibilities for the certified development company program under section 116M.05 are transferred from the Minnesota energy and economic development authority to the rural development board established in article 1, section 2. Section 15.039 applies to the transfer of responsibilities.

Subd. 4. [RESPONSIBILITIES TRANSFERRED TO MINNESOTA DEVELOPMENT BOARD.] The responsibilities for the small business loan program under section 116M.07, subdivision 2, are transferred from the Minnesota energy and economic development authority to the Minnesota

development board established in article 6, section 2. Section 15.039 applies to the transfer of responsibilities.

Subd. 5. [OTHER RESPONSIBILITIES.] The commissioner of administration shall transfer all other responsibilities for programs under the Minnesota energy and economic development authority not provided for in subdivision 1, 2, 3, or 4 to either the department of finance or the Minnesota public facilities authority, as the commissioner of administration determines appropriate.

Sec. 11. [MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY; SUCCESSOR STATUS.]

Subdivision 1. [DEPARTMENT OF FINANCE.] Except for the following programs: the small business loan program under section 116M.07, subdivision 2; the certified development company program under section 116M.05; and the energy loan programs specified in subdivision 2, the department of finance is the legal successor in all respects of the Minnesota energy and economic development authority with regard to the programs repealed in section 13. All bonds, resolutions, contracts, and liabilities of the Minnesota energy and economic development authority relating to the programs repealed in section 13 are the bonds, resolutions, contracts, and liabilities of the department of finance.

Subd. 2. [MINNESOTA PUBLIC FACILITIES AUTHORITY.] The Minnesota public facilities authority is the legal successor in all respects of the Minnesota energy and economic development authority with regard to the energy loan programs under sections 116M.10, subdivision 6; 116M.12; and 116M.13. All bonds, resolutions, contracts, and liabilities of the Minnesota energy and economic development authority relating to the energy loan programs specified in this subdivision are the bonds, resolutions, contracts, and liabilities of the Minnesota public facilities authority established in article 3, section 10.

Sec. 12. [ECONOMIC DEVELOPMENT FUND.]

The fund balance of the economic development fund created in section 116M.06, subdivision 4, less any amounts committed, obligated, or reserved pursuant to carrying out the purposes of chapter 116M, is deposited in the greater Minnesota fund created in article 2, section 7. Amounts committed, obligated, or reserved pursuant to any contractual agreements entered by the Minnesota energy and economic development authority in carrying out the purposes of chapter 116M, except for the small business loan program under section 116M.07, subdivision 2, must remain in the economic development fund under the administration of the department of finance. All funds designated or committed to the small business loan program under section 116M.07, subdivision 2, are transferred to the Minnesota development board established in article 6, section 2, to be deposited in a separate account with the Minnesota development fund.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, sections 116M.01; 116M.02; 116M.03; 116M.04; 116M.05; 116M.06; 116M.07; 116M.08; 116M.09; 116M.10; 116M.11; 116M.12; 116M.13; 472.11, subdivisions 3, 5, 6, 7, 8, and 9; 472.12, subdivisions 2, 3, and 4; 472.125; and 472.13, subdivisions 2, 3, and 4, are repealed."

Delete the title and insert:

"A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; appropriating money; amending Minnesota Statutes 1986, sections 16A.80, subdivision 2a; 41A.01; 41A.02, subdivisions 3, 4, 6, 11, and by adding subdivisions; 41A.05, subdivisions 1 and 2; 116.16, subdivisions 2, 5, 9, and by adding subdivisions; 116.18, subdivisions 2a and 3a; 116J.36, subdivisions 2, 3b, 3c, 8, 8a, and 11; 116J.37, subdivision 1; 116J.955, subdivisions 1 and 2; 116L.03, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; and 462.398; proposing coding for new law in Minnesota Statutes, chapters 41A; 93; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; amending Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, sections 41A.06, subdivision 2; 116.167; 116J.951; 116J.961; 116J.965; 116M.01; 116M.02; 116M.03; 116M.04; 116M.05; 116M.06; 116M.07; 116M.08; 116M.09; 116M.10; 116M.11; 116M.12; 116M.13; 472.11, subdivisions 3, 5, 6, 7, 8, and 9; 472.12, subdivisions 2, 3, and 4; 472.125; and 472.13, subdivisions 2, 3, and 4."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Mr. Davis questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

SECOND READING OF SENATE BILLS

S.F. Nos. 578, 607, 1137, 292, 1335, 1108, 1029, 286, 389, 1005, 1276, 170, 481, 614, 940, 1184, 1160, 1012, 911, 1193 and 691 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 362 and 799 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Solon moved that the names of Messrs. Dicklich and Purfeerst be added as co-authors to S.F. No. 1152. The motion prevailed.

Mr. Luther moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1204. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 1349. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 1395. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Johnson, D.J. be added as a co-author to S.F. No. 1410. The motion prevailed.

Mr. Davis moved that the names of Messrs. Schmitz and Jude be added as co-authors to S.F. No. 1416. The motion prevailed.

Messrs. DeCramer and Frederickson, D.J. introduced—

Senate Resolution No. 52: A Senate resolution congratulating the boys and girls basketball teams from Tracy/Milroy High School for their excellent 1986-1987 seasons.

Referred to the Committee on Rules and Administration.

Mr. Merriam moved that S.F. No. 892, No. 29 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. DeCramer moved that S.F. No. 469, No. 13 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 248 and 557, which the committee recommends to pass.

S.F. No. 63, which the committee recommends to pass, subject to the following motions:

Mrs. Lantry moved to amend S.F. No. 63 as follows:

Page 2, delete lines 13 to 18 and insert:

“(3) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, ~~motoreycles, motorized bicycles, and motor scooters~~ shall be issued for a six-year period starting not later than October 1986, or until the next general reissuance of plates every six years thereafter, whichever is less; and. All plates issued under this paragraph must be replaced if they are six years old or older at the time of annual registration or will become so during the registration period.”

Page 4, after line 31, insert:

“Sec. 4. [TRANSITION.]

Except as provided in this section, all passenger automobile license plates issued under Minnesota Statutes 1986, section 169.12, subdivision 1, paragraph (3), must be replaced in a general reissuance beginning no later than July 1, 1987. In the general reissuance required by this section, the commissioner of public safety shall not require the replacement of passenger automobile license plates that were issued less than two years before the date on which the general reissuance begins. The commissioner shall require the replacement of passenger automobile license plates that were issued less than two years before the date on which the general reissuance begins when they are six years old at the time of annual registration or will become so during the registration period.”

Page 4, line 34, after the period, insert “Section 4 is repealed January

1, 1990."

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 and 3 and insert "relating to motor vehicles; providing that passenger automobile license plates be issued every six years;"

Page 1, line 4, delete "the vehicle;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Laidig	Moe, R.D.	Storm
Belanger	Frederick	Larson	Novak	Taylor
Benson	Frederickson, D.J.	McQuaid	Olson	Waldorf
Bernhagen	Hughes	Mehrkens	Piper	Wegscheid
Brataas	Johnson, D.E.	Metzen	Purfeerst	
DeCramer	Knaak	Moe, D.M.	Schmitz	

Those who voted in the negative were:

Adkins	Dahl	Kroening	Pehler	Spear
Beckman	Davis	Langseth	Peterson, D.C.	Stumpf
Berg	Dicklich	Lantry	Peterson, R.W.	Vickerman
Berglin	Frank	Lessard	Pogemiller	Willet
Bertram	Frederickson, D.R.	Luther	Ramstad	
Brandl	Freeman	Marty	Reichgott	
Chmielewski	Gustafson	Merriam	Renneke	
Cohen	Jude	Morse	Samuelson	

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

Mr. Pehler moved to amend S.F. No. 63 as follows:

Page 2, delete lines 13 to 18 and insert:

"(3) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, ~~motoreycles, motorized bicycles, and motor scooters~~ shall be issued for a six-year period ~~starting not later than October 1986, or until the next general reissuance of plates every six years thereafter, whichever is less; and. All plates issued under this paragraph must be replaced if they are six years old or older at the time of annual registration or will become so during the registration period.~~"

Page 4, line 23, delete "\$2" and insert "\$2.10"

Page 4, line 28, after the period, insert "When the license plates are issued, the applicant must pay 35 cents toward the fee imposed by this section. The remainder of the fee must be paid in 35-cent installments over the next five years when the registration fee required under section 168.017 is due."

Page 4, after line 31, insert:

"Sec. 4. [TRANSITION.]

Passenger automobile license plates issued under Minnesota Statutes, section 168.12, subdivision 1, paragraph (3), before the effective date of this section must be replaced during the sixth year after they were issued."

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Johnson, D.E.	Mehrkens	Piper
Belanger	Dicklich	Knaak	Metzen	Purfeerst
Benson	Diessner	Laidig	Moe, D.M.	Schmitz
Bernhagen	Frederick	Lantry	Moe, R.D.	Storm
Brataas	Frederickson, D.J.	Larson	Novak	Taylor
Chmielewski	Freeman	Lessard	Olson	Wegscheid
Cohen	Hughes	McQuaid	Pehler	

Those who voted in the negative were:

Adkins	Davis	Langseth	Peterson, R.W.	Stumpf
Beckman	Frank	Luther	Ramstad	Vickerman
Berg	Frederickson, D.R.	Marty	Reichgott	Willet
Berglin	Gustafson	Merriam	Renneke	
Bertram	Jude	Morse	Solon	
Dahl	Kroening	Peterson, D.C.	Spear	

The motion prevailed. So the amendment was adopted.

S.F. No. 593, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 7, line 21, delete "*advanced*" and insert "*advance*"

Amend the title as follows:

Page 1, line 4, delete everything before "amending"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Beckman introduced—

S.F. No. 1419: A bill for an act relating to veterans; establishing a veterans advisory committee; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans.

Messrs. Merriam and Dahl introduced—

S.F. No. 1420: A bill for an act relating to taxation; sales and use; including machinery used for sod growing in the definition of farm machinery; amending Minnesota Statutes 1986, section 297A.01, subdivision 15.

Referred to the Committee on Agriculture.

Messrs. Solon and Moe, R.D. introduced—

S.F. No. 1421: A resolution memorializing the United States Congress to amend the Employment Retirement Security Act to permit the direct regulation of self-insured health care plans.

Referred to the Committee on Health and Human Services.

Mr. Cohen introduced—

S.F. No. 1422: A bill for an act relating to crime victims; requiring courts to impose minimum fines on persons convicted of assault or sexual abuse; requiring that the proceeds of these minimum fines be forwarded to local victim assistance programs and the state crime victim and witness advisory council; clarifying certain ambiguous language; amending Minnesota Statutes 1986, section 609.101.

Referred to the Committee on Judiciary.

Mr. Beckman introduced—

S.F. No. 1423: A bill for an act relating to taxation; providing an income tax credit for investors in businesses located in small towns; amending Minnesota Statutes 1986, section 290.069, subdivision 6, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Taylor introduced—

S.F. No. 1424: A bill for an act relating to the city of Mankato; authorizing a special assessment against Mankato State University for street improvements; appropriating funds.

Referred to the Committee on Finance.

Mr. Dicklich introduced—

S.F. No. 1425: A bill for an act relating to retirement; allowing a certain Hibbing council member to revoke an option for public employees retirement association membership in order to begin receiving an annuity.

Referred to the Committee on Governmental Operations.

Mrs. Adkins introduced—

S.F. No. 1426: A bill for an act relating to insurance; clarifying the authority of school districts to self-insure for property and casualty coverage; amending Minnesota Statutes 1986, section 471.98, subdivision 2.

Referred to the Committee on Education.

Ms. Reichgott introduced—

S.F. No. 1427: A bill for an act relating to natural resources; providing for surface water regulation on Twin Lakes in the city of Robbinsdale.

Referred to the Committee on Environment and Natural Resources.

Mr. Metzen introduced—

S.F. No. 1428: A bill for an act relating to the attorney general; creating a consumer protection account; providing for its administration; amending Minnesota Statutes 1986, section 8.31, subdivisions 2b, 3, and by adding subdivisions.

Referred to the Committee on Commerce.

Mr. Chmielewski introduced—

S.F. No. 1429: A bill for an act relating to taxation; income; excluding certain military pension income from the age limits; amending Minnesota Statutes 1986, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dahl introduced—

S.F. No. 1430: A bill for an act relating to public safety; establishing the fire safety cigarette act; prohibiting the sale of cigarettes and little cigars that do not meet certain standards for fire safety; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Knaak introduced—

S.F. No. 1431: A bill for an act relating to Ramsey county; authorizing coordinated erosion and sediment control programs by water management organizations and the Ramsey soil and water conservation district; proposing coding for new law in Minnesota Statutes, chapter 383A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Belanger, Mehrkens and Mrs. McQuaid introduced—

S.F. No. 1432: A bill for an act relating to traffic regulations; requiring the commissioner of transportation to allow high-occupancy vehicles to use exclusive bus ramps on controlled-access trunk highways; proposing coding for new law in Minnesota Statutes 1986, chapter 169.

Referred to the Committee on Transportation.

Mr. Morse introduced—

S.F. No. 1433: A bill for an act relating to public offices; fixing resignation effective dates; prohibiting contingent resignations; permitting the submission and withdrawal of prospective resignations in certain circumstances; providing for appeals in statewide election contests; amending Minnesota Statutes 1986, sections 2.722, subdivision 4; 209.09; 351.01; and 480A.06, subdivision 1.

Referred to the Committee on Elections and Ethics.

Mr. Knutson, by request, introduced—

S.F. No. 1434: A bill for an act relating to education; eliminating teachers' right to strike if either the teachers or the school district request arbitration;

amending Minnesota Statutes 1986, section 179A.16, subdivisions 2 and 7; and 179A.18, subdivision 2.

Referred to the Committee on Employment.

Mses. Reichgott; Peterson, D.C.; Mr. Novak, Ms. Berglin and Mr. Johnson, D.J. introduced—

S.F. No. 1435: A bill for an act relating to aids to local governments; providing for reductions in aids paid to school districts and other local units of government that do not meet requirements of the pay equity law; proposing coding for new law in Minnesota Statutes, chapters 124 and 477A.

Referred to the Committee on Education.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Solon moved that S.F. No. 1000 be withdrawn from the Committee on Education and re-referred to the Committee on Finance. The motion prevailed.

Mr. Merriam moved that S.F. No. 635 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Metzen introduced—

S.F. No. 1436: A bill for an act relating to the permanent school fund; modifying the sale procedures for certain trust fund lands leased for lake-shore cabin purposes; appropriating money; amending Minnesota Statutes 1986, sections 92.46, subdivision 1; and 92.67; repealing Laws 1986, chapter 449, section 6.

Referred to the Committee on Education.

Mr. Brandl introduced—

S.F. No. 1437: A bill for an act relating to economic development; providing for review of state-funded scientific and technologically related research; creating a division of science and technology within the department of energy and economic development; creating research review committees and providing for their powers and duties; amending Minnesota Statutes 1986, section 116J.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1986, section 116J.94.

Referred to the Committee on Economic Development and Housing.

Mr. Luther introduced—

S.F. No. 1438: A bill for an act relating to courts; providing the court of appeals with jurisdiction to issue writs of certiorari to the tax court and workers' compensation court of appeals; providing for office equipment for trial judges; appropriating money; amending Minnesota Statutes 1986, sections 175A.01, subdivision 2; 175A.10; 176.471; 176.481; 176.491; 176.501; 176.511, subdivisions 4 and 5; 271.01, subdivision 5; 271.07; 271.09, subdivision 1; 271.10; 271.12; 271.19; 480A.06, subdivision 3; 480.15, by adding a subdivision; 484.68, subdivisions 3 and 5.

Referred to the Committee on Judiciary.

Messrs. Dicklich and Johnson, D.J. introduced—

S.F. No. 1439: A bill for an act relating to employment; providing for distribution of certain taconite tax proceeds to iron range resources and rehabilitation board for the purposes of funding an employment program and a research and development program; appropriating money; amending Minnesota Statutes 1986, section 298.28, subdivisions 4, 7, 10, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 298.

Referred to the Committee on Employment.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 13, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-SECOND DAY

St. Paul, Minnesota, Monday, April 13, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Joseph Kremer.

The roll was called, and the following Senators answered to their names:

Adkins	DeCramer	Knutson	Moe, R.D.	Schmitz
Anderson	Dicklich	Kroening	Morse	Solon
Beckman	Diessner	Laidig	Novak	Spear
Belanger	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	
Davis	Knaak	Moe, D.M.	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 9: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 9, 1987

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 690, 692, 806, 841, 941,

1031, 1034, 391, 427, 590, 96, 955, 1049, 269, 755, 1024 and 1197.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 9, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 690: A bill for an act relating to traffic regulations; requiring a blood or urine test when there is probable cause to believe there is impairment by a controlled substance; requiring alternative test to be offered under certain conditions; amending Minnesota Statutes 1986, section 169.123, subdivisions 2 and 2a.

Referred to the Committee on Judiciary.

H.F. No. 692: A bill for an act relating to public safety; providing for access to criminal justice datacommunications network and defining purposes for its use; providing access to motor vehicle excise tax data; amending Minnesota Statutes 1986, sections 297B.12; 299C.46, subdivision 3; and 299C.48.

Referred to the Committee on Judiciary.

H.F. No. 806: A bill for an act relating to human services; requiring certain written reports of abuse within 72 hours; requiring county attorneys to be on child protection teams; requiring specific investigations of certain abuse cases; amending Minnesota Statutes 1986, sections 626.556, subdivisions 7, 10, and 10a; and 626.558, subdivisions 1, 2, and 3.

Referred to the Committee on Judiciary.

H.F. No. 841: A bill for an act relating to utilities; providing for prevention of unlawful meter bypass, tampering, and use; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Judiciary.

H.F. No. 941: A bill for an act relating to crimes; prohibiting killing or injuring a police dog involved in law enforcement investigation or apprehension; prescribing penalties; amending Minnesota Statutes 1986, section 609.595, by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 1031: A bill for an act relating to liens; labor and material; regulating the attachment of these liens; providing that visible staking of the premises does not constitute the actual and visible beginning of the improvement; amending Minnesota Statutes 1986, section 514.05.

Referred to the Committee on Judiciary.

H.F. No. 1034: A bill for an act relating to crimes; repealing the requirement that the department of public safety must keep a record of all first convictions for the crime of possessing a small amount of marijuana; amending Minnesota Statutes 1986, section 152.15, subdivision 2.

Referred to the Committee on Judiciary.

H.F. No. 391: A bill for an act relating to crimes; increasing penalties for distributing controlled substances to a minor or employing a minor to distribute controlled substances; defining measurement and purity requirements of controlled substances for criminal and tax law purposes; amending Minnesota Statutes 1986, sections 152.15, subdivisions 1 and 4; 297D.01, subdivision 3; and 297D.07.

Referred to the Committee on Judiciary.

H.F. No. 427: A bill for an act relating to public safety; providing that violation of local DWI ordinance is counted for purposes of driver's license revocation; providing that courts must report juvenile traffic violations to the department of public safety; amending Minnesota Statutes 1986, sections 169.121, subdivision 4; 171.16, subdivision 5; 171.17; and 260.161, by adding a subdivision; repealing Minnesota Statutes 1986, section 260.193, subdivision 9.

Referred to the Committee on Judiciary.

H.F. No. 590: A bill for an act relating to crimes; sentencing; allowing a two year stay of sentence in misdemeanor cases involving driving under the influence and fifth degree assault; amending Minnesota Statutes 1986, section 609.135, by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 96: A bill for an act relating to the state high school league; requiring the league to arrange certain conference memberships; providing standards; amending Minnesota Statutes 1986, section 129.121, subdivision 1, and by adding a subdivision.

Referred to the Committee on Education.

H.F. No. 955: A bill for an act relating to port authority powers for the city of Roseville; amending Laws 1985, chapter 301, section 3.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1049: A bill for an act relating to labor; regulating the administration of the occupational safety and health act; clarifying employee rights to sue; amending Minnesota Statutes 1986, sections 182.659, subdivisions 6 and 8; 182.661, by adding a subdivision; 182.666, subdivisions 1, 2, 4, 5, and 6; and 182.669, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1074, now on General Orders.

H.F. No. 269: A bill for an act relating to traffic regulations; extending prohibition against wearing headphones while operating motor vehicle to include bicycles; amending Minnesota Statutes 1986, section 169.471, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 102, now on General Orders.

H.F. No. 755: A bill for an act relating to the metropolitan government; authorizing municipalities in the metropolitan area to adopt ordinances related to aircraft noise; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 904, now on General Orders.

H.F. No. 1024: A bill for an act relating to human rights; regulating access to public accommodation by certain persons and guide dogs; amending Minnesota Statutes 1986, sections 256C.02; and 363.03, subdivision 10.

Referred to the Committee on Judiciary.

H.F. No. 1197: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986, chapters 84A; 105; 112; 274; 276; 352; 352B; 365; 430; and 447.

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1203, 1382 and reports pertaining to appointments. The motion prevailed.

Mr. Willet from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 508: A bill for an act relating to transportation; requiring a license for the transportation of hazardous waste; providing for license administration, suspension, and revocation; requiring rulemaking; providing penalties; specifying articles that may be carried as household goods; revising fees for certain motor carrier permits and certificates; amending Minnesota Statutes 1986, sections 221.011, subdivision 31; 221.033, by adding a subdivision; 221.061; 221.121, subdivision 7, and by adding a subdivision; 221.131, subdivisions 2 and 3; 221.291, subdivision 3; 221.296, subdivision 5; and 221.60, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 221.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION OF HAZARDOUS WASTE

Section 1. [221.035] [HAZARDOUS WASTE TRANSPORTER LICENSE.]

Subdivision 1. [LICENSE REQUIREMENT.] (a) A person may not transport hazardous waste that is required to have a manifest under Minnesota Rules, part 7045.0261, or is required to have shipping papers under Minnesota Rules, part 7045.0125, without a license issued under this section.

(b) If the applicant complies with the requirements of this section, the commissioner shall issue the license and shall issue a vehicle identification decal for each single unit vehicle or trailer that the licensee will use to transport hazardous waste. The applicant shall pay a fee of \$500 for a three-year license and an annual fee of \$25 for each vehicle identification decal. The license must be maintained at the licensee's principal place of business. The name and address of the licensee must be displayed on both sides of each unit of the vehicle. The vehicle identification decal must be

displayed on the single unit vehicle or trailer to which it is assigned, as prescribed by the commissioner. The decal is effective only when the license is effective. The license must be renewed in the third year following the date of the issuance of the license. The licensee must obtain new decals each year. The license may not be transferred to another person.

(c) An applicant for a license under this section, who is not otherwise subject to section 221.141, shall file a certificate of insurance with the commissioner as provided in section 221.141. The certificate must state that the insurer has issued to the applicant a policy that by endorsement provides public liability insurance in the amount required by Code of Federal Regulations, title 49, part 387.

Subd. 2. [OPERATION REQUIREMENTS.] A vehicle operated under a license issued under this section must be operated in compliance with the rules of the commissioner adopted under this chapter governing:

- (1) driver qualifications;
- (2) safety of operation;
- (3) equipment, parts, and accessories;
- (4) inspection, repair, and maintenance; and
- (5) maximum hours of service.

Subd. 3. [LICENSE SUSPENSION AND REVOCATION.] (a) The commissioner may after notice and opportunity for hearing under chapter 14 suspend or revoke a license issued under this section if the commissioner determines that a licensee's actions constitute a serious or repeated violation of a statute or rule governing the transportation of hazardous waste. Factors to be considered by the commissioner in determining whether to suspend or revoke a license include:

- (1) the danger of exposing the public to toxic or hazardous substances;
- (2) the condition of vehicles used by the licensee to transport hazardous waste; and
- (3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified.

(b) The commissioner shall revoke by order, without a hearing, the license of a licensee who fails to renew a license or fails to maintain insurance as required by this section. Revocation under this paragraph shall continue until the licensee renews the license and provides the commissioner with proof of insurance required under this section.

Subd. 4. [RULEMAKING AUTHORITY.] The commissioner shall adopt rules to implement this section. The commissioner may adopt rules to require licensed transporters to report to the commissioner.

Sec. 2. [221.036] [ADMINISTRATIVE PENALTIES.]

Subdivision 1. [AUTHORITY TO ISSUE PENALTY ORDERS.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of section 1, of a material term or condition of a license issued under section 1, or of a rule or order of the commissioner relating to the transportation of haz-

ardous waste. An order shall be issued as provided in this section.

Subd. 2. [ELECTION OF PENALTIES.] The commissioner may not both assess an administrative penalty under this section and seek a criminal sanction under section 221.291, subdivision 3, for violations arising out of the same inspection or audit.

Subd. 3. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations identified during a single inspection or audit.

(b) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

Subd. 4. [CONTENTS OF ORDER.] An order assessing an administrative penalty under this section shall include:

(1) a concise statement of the facts alleged to constitute a violation;

(2) a reference to the section of the statute, rule, order, or material term or condition of a license that has been violated;

(3) a statement of the amount of the administrative penalty to be imposed and the factors upon which the penalty is based; and

(4) a statement of the person's right to review of the order.

Subd. 5. [CORRECTIVE ORDER.] (a) The commissioner may issue an order assessing a penalty and requiring the violations cited in the order to be corrected within 30 calendar days from the date the order was received.

(b) The person to whom the order was issued shall provide information to the commissioner before the 31st day after the order was received demonstrating that the violation has been corrected or that appropriate steps toward correcting the violation have been taken. The commissioner shall determine whether the violation has been corrected and notify the person subject to the order of the commissioner's determination.

Subd. 6. [PENALTY.] (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 7, 8, or 9 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject

to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the receipt of a notice by the person subject to the order of the commissioner's determination under subdivision 5, paragraph (b), that information supplied to the commissioner is not sufficient to show that the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For a repeated or serious violation, the commissioner may issue an order with a penalty that will not be forgiven after the corrective action is taken. The penalty is due by 30 days after the order was received unless review of the order under subdivision 7, 8, or 9 has been sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties on the date that the penalty is due and payable if no request for review is filed under subdivision 7, 8, or 9.

Subd. 7. [EXPEDITED ADMINISTRATIVE HEARING.] (a) Within 30 days after the date on which an order was received, or within 20 days after the receipt of a notice that the commissioner has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may request an expedited hearing. The person to whom the order is directed and the commissioner are the parties to the expedited hearing to review the order and the penalty. The commissioner must notify the person to whom the order is directed of the time and place of the hearing at least 20 days before the hearing. The expedited hearing must be held within 30 days after a request for hearing has been filed with the commissioner unless the parties agree to a later date.

(b) All written arguments must be submitted within ten days following the close of the hearing. The hearing shall be conducted under the conference contested case rules of the office of administrative hearings, as modified by this subdivision. The office of administrative hearings may, in consultation with the department, adopt rules specifically applicable to cases under this section.

(c) The administrative law judge shall issue a report making recommendations about the order to the commissioner within 30 days following the close of the record. The administrative law judge may not recommend a change in the amount of the proposed penalty unless the administrative law judge determines that, based on the factors in subdivision 3, the amount of the penalty is unreasonable.

(d) If the administrative law judge makes a finding that the hearing was requested solely for purposes of delay or that the hearing request was frivolous, the commissioner may add to the amount of the penalty the costs charged to the department by the office of administrative hearings for the hearing.

(e) If a hearing has been held, the commissioner may not issue a final order until at least five days after receipt of the report of the administrative law judge. The person subject to the order may, within those five days, comment to the commissioner on the recommendations and the commissioner shall consider the comments. The final order may be appealed in the manner provided in sections 14.63 to 14.69.

(f) *If a hearing has been held and a final order issued by the commissioner, the penalty shall be paid by the 15th day after the final order was mailed, together with interest accruing at the rate established in section 549.09 from 31 days after the original order was received.*

Subd. 8. [DISTRICT COURT HEARING.] *(a) Within 30 days after the receipt of an order, or within 20 days after the receipt of a notice that the commissioner has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may file a petition in district court for review of the order. The petition shall be filed with the court administrator with proof of service on the commissioner. The petition shall be captioned in the name of the person making the petition as petitioner and the commissioner as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order, including the facts upon which each claim is based.*

(b) At trial, the commissioner must establish by a preponderance of the evidence that a violation subject to this section and for which the petitioner is responsible occurred, that the factors listed in subdivision 3 were considered when the penalty amount was determined, and that the penalty amount is justified by those factors. In addition, if the commissioner immediately assesses a penalty as provided for under subdivision 5, paragraph (a), the commissioner must establish by a preponderance of the evidence that the immediate imposition of the penalty was justified.

Subd. 9. [MEDIATION.] *In addition to review under subdivision 6 or 7, the director is authorized to enter into mediation concerning an order issued under this section if the director and the person to whom the order is issued both agree to mediation.*

Subd. 10. [ELECTION OF REMEDIES.] *A person subject to a corrective order under this section may not seek review of the order under both subdivisions 7 and 8.*

Subd. 11. [ENFORCEMENT.] *(a) The attorney general may proceed on behalf of the state to enforce penalties that are due and payable under this section in any manner provided by law for the collection of debts.*

(b) The attorney general may petition the district court to file the administrative order as an order of the court. At any court hearing, the only issues parties may contest are procedural and notice issues. Once entered, the administrative order may be enforced in the same manner as a final judgment of the district court.

(c) If a person fails to pay the penalty, the attorney general may bring a civil action in district court seeking payment of the penalties, injunctive, or other appropriate relief including monetary damages, attorney fees, costs, and interest.

Subd. 12. [REVOCATION AND SUSPENSION OF PERMIT.] *If a person fails to pay a penalty owed under this subdivision the agency has grounds to revoke or refuse to reissue or renew a license issued by the commissioner under section 1.*

Subd. 13. [CUMULATIVE REMEDY.] *The authority of the commissioner to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law. Except as provided in subdivision 2, the payment of a penalty does not preclude the use of other*

enforcement provisions in connection with the violation for which the penalty was assessed.

Subd. 14. [TRUNK HIGHWAY FUND.] Penalties collected under this section must be deposited in the state treasury and credited to the trunk highway fund.

Sec. 3. Minnesota Statutes 1986, section 221.291, subdivision 3, is amended to read:

Subd. 3. [TRANSPORTATION OF HAZARDOUS MATERIALS.] A person who ships, transports, or offers for transportation hazardous waste or hazardous material or hazardous substances in violation of a provision of this chapter or a rule or order of the commissioner or board adopted or issued under this chapter which specifically applies to the transportation of hazardous material or hazardous waste or hazardous substances is guilty of a misdemeanor and upon conviction may be fined up to the maximum fine which may be imposed for a misdemeanor for each violation.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1988, except section 1, subdivision 4, is effective the day after enactment and rules adopted under section 1, subdivision 4, must be adopted by January 1, 1988.

ARTICLE 2

COMMON CARRIERS

Section 1. Minnesota Statutes 1986, section 221.061, is amended to read:

221.061 [OPERATION CERTIFICATE FOR REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

A person desiring a certificate authorizing operation as a regular route common carrier or petroleum carrier, or an extension of or amendment to that certificate, shall file a petition with the board which must contain information as the board, by rule may prescribe.

Upon the filing of a petition for a certificate, the petitioner shall pay to the commissioner as a fee for issuing the certificate the sum of ~~\$75~~ \$300 and for a transfer or lease of the certificate the sum of ~~\$37.50~~ \$300.

The petition must be processed as any other petition. The board shall cause a copy and a notice of hearing thereon to be served upon a competing carrier operating into a city located on the proposed route of the petitioner and to other persons or bodies politic which the board deems interested in the petition. A competing carrier and other persons or bodies politic are hereby declared to be interested parties to the proceedings.

If, during the hearing, an amendment to the petition is proposed which appears to be in the public interest, the board may allow it when the issues and the territory are not unduly broadened by the amendment.

Sec. 2. Minnesota Statutes 1986, section 221.121, is amended by adding a subdivision to read:

Subd. 6a. [HOUSEHOLD GOODS CARRIER.] A person holding out or desiring to operate as a carrier of household goods shall follow the procedure established in subdivision 1, and shall specifically request an irregular route common carrier permit with authority to transport household

goods. The board shall grant a permit to operate as an irregular route common carrier of household goods to a person who complies with this subdivision and subdivision 1.

Sec. 3. Minnesota Statutes 1986, section 221.121, subdivision 7, is amended to read:

Subd. 7. [FEES.] The permit holder shall pay a fee of ~~\$25~~ \$150 into the treasury of the state of Minnesota for each kind of permit, ~~reinstatement,~~ or extension of authority for which a petition is filed under this section.

Sec. 4. Minnesota Statutes 1986, section 221.131, subdivision 2, is amended to read:

Subd. 2. [PERMIT CARRIERS; ANNUAL VEHICLE REGISTRATION.] The permit holder shall pay an annual registration fee of \$20 on each vehicle, including pickup and delivery vehicles, operated by the holder under authority of the permit during the 12-month period or fraction of the 12-month period. Trailers and semitrailers used by a permit holder in combination with power units may not be counted as vehicles in the computation of fees under this section if the permit holder pays the fees for power units. The commissioner shall furnish a distinguishing annual identification card for each vehicle or power unit for which a fee has been paid. The identification card must at all times be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit ~~without fee by the commissioner~~ upon application of the permit holder *and a transfer fee of \$10*. An identification card issued under the provisions of this section is valid only for the period for which the permit is effective. The name and residence of the permit holder must be stenciled or otherwise shown on the outside of both doors of each registered vehicle operated under the permit. A fee of ~~\$3~~ \$10 is charged for the replacement of an unexpired identification card that has been lost or damaged.

Sec. 5. Minnesota Statutes 1986, section 221.131, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE CARRIERS; ANNUAL VEHICLE REGISTRATION.] Regular route common carriers and petroleum carriers, operating under sections 221.011 to 221.291, shall annually ~~on or before January 1 of each calendar year,~~ pay into the treasury of the state of Minnesota an annual registration fee of \$20 for each vehicle, including pickup and delivery vehicles, operated during a calendar year. The commissioner shall issue distinguishing identification cards as provided in subdivision 2.

Sec. 6. [221.132] [PREPAID TEMPORARY VEHICLE IDENTIFICATION CARDS.]

The commissioner may issue a prepaid temporary vehicle identification card to a permit or certificate holder for a fee of \$5 per card. The card must be preprinted by the commissioner with the carrier's name, address, and permit or certificate number. The card may be used by the motor carrier to whom it is issued to identify a vehicle temporarily added to its fleet. The card must be executed by the motor carrier by dating and signing the card and describing the vehicle in which it will be carried. The identification card is valid for a period of ten days from the date the motor carrier places on the card when the card is executed. The card must be used within one year from the date of issuance by the commissioner. The

card may not be used if the permit or certificate is not in full force and effect. The card may not be transferred. The commissioner may not refund the cost of unused prepaid temporary vehicle identification cards.

Sec. 7. Minnesota Statutes 1986, section 221.296, subdivision 5, is amended to read:

Subd. 5. [PERMIT FEES.] Upon filing a petition for a permit the petitioner shall pay to the commissioner as a fee for the issuance of the permit, the sum of ~~\$50~~ \$150, and shall thereafter pay an annual renewal fee of \$75 plus \$5 per motor vehicle if the local cartage carrier operates less than five motor vehicles, or \$100 plus \$5 per motor vehicle if the local cartage carrier operates at least five but less than 15 motor vehicles, or \$150 plus \$5 per motor vehicle if the local cartage carrier operates 15 or more vehicles ~~provided that the \$5 per motor vehicle charge does not apply to taxicabs operated under a local cartage permit.~~ Upon issuance of the permit the commissioner shall assign the carrier a permit number, which must be painted or prominently displayed on both sides of vehicles used by the local cartage carrier under authority of the permit.

Sec. 8. Minnesota Statutes 1986, section 221.60, subdivision 2, is amended to read:

Subd. 2. [FORM AND FEES.] A motor carrier engaged in interstate commerce shall register its interstate transportation authority or exemption before February 1 of each year on a form prescribed by the commissioner. The fee for the initial registration is \$25. The fee for each identification stamp is \$5; however, a lesser fee may be collected pursuant to a reciprocal agreement authorized by section 221.65. ~~No fee may be collected from a local cartage carrier that provides interstate transportation only within the zone described in United States Code, title 49, section 10526(b)(1)(1984). A local cartage carrier shall register its interstate transportation each year when it pays the local cartage carrier permit or annual renewal fee.~~

Amend the title as follows:

Page 1, line 9, delete everything after "sections"

Page 1, line 10, delete "subdivision;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1412: A bill for an act relating to unemployment compensation; making various technical and housekeeping changes; defining "wages"; regulating benefits and contributions; providing for the administration of the unemployment compensation law; providing penalties; amending Minnesota Statutes 1986, sections 268.04, subdivisions 9, 12, 24, 25, 26, 29, and by adding subdivisions; 268.06, subdivisions 2, 3a, 5, 6, 8, 19, 20, 22, and 24; 268.07, subdivision 3; 268.08, subdivisions 3, 3a, and by adding a subdivision; 268.09, subdivisions 1 and 3; 268.12, subdivision 8; 268.121; 268.15, subdivision 3; 268.16, subdivision 2, and by adding subdivisions; 268.161, subdivisions 1, 8, 9, and by adding a subdivision; 268.18, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 268.65, subdivision 5; 270A.09, by adding a subdivision; and 508.25; proposing coding for new law in Minnesota Statutes, chapter 268; and repealing

Minnesota Statutes 1986, section 268.24.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 747: A bill for an act relating to human services; establishing a system of state-operated, community-based residential programs for persons with mental retardation; prohibiting layoffs of employees in regional treatment centers and state nursing homes; stating the policy of the state relating to services to persons with mental retardation or related conditions; creating an exception to the intermediate care facility for persons with mental retardation or related conditions moratorium; establishing requirements for determining waived service rates; appropriating money; amending Minnesota Statutes 1986, sections 16B.08, subdivision 7; 246.023, subdivision 1; 252.291, subdivision 2; and 256B.501, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 179A and 252; repealing Minnesota Statutes 1986, section 246.023, subdivisions 2 to 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

- (1) fiber used in the manufacture of binder twine, ply twines, and rope at the state correctional facilities;
- (2) merchandise for resale at state park refectories or facility operations;
- (3) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
- (4) meat for other state institutions from the vocational school maintained at Pipestone by independent school district No. 583; and
- (5) furniture from the Minnesota correctional facility-St. Cloud.

(b) *The following may be purchased or rented without regard to the competitive bidding requirements of this chapter: supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services.*

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

- (1) the hospital's governing authority authorizes the arrangement;
- (2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive

quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

Sec. 2. [179A.30] [REGIONAL TREATMENT CENTER, NURSING HOME, AND COMMUNITY-BASED FACILITY EMPLOYEES.]

Subdivision 1. [EXCLUSIVE REPRESENTATIVE.] The exclusive representative of employees may meet and negotiate with the commissioner of employee relations, in consultation with the commissioner of human services, concerning possible changes in hours or work schedules that could produce cost reductions in the biennium in the regional treatment centers.

Subd. 2. [COMMISSIONER OF EMPLOYEE RELATIONS.] The commissioner of employee relations shall meet and negotiate in accordance with chapter 179A with the appropriate exclusive representative of the regional treatment center employees concerning the terms and conditions of employment that result from state-operated, community-based residential programs established under section 4.

Subd. 3. [STAFF REDUCTIONS.] Notwithstanding any other law, and provided there is no conflict with a collective bargaining agreement, regional treatment center or state nursing home position reductions may be accomplished through attrition, transfers, and retirements. No employee otherwise subject to layoff shall be laid off unless first offered a position for which the employee has been trained and is qualified, with no loss in pay.

Sec. 3. Minnesota Statutes 1986, section 246.023, subdivision 1, is amended to read:

Subdivision 1. [LEGISLATIVE POLICY.] It is recognized that closure and consolidation of ~~state hospitals~~ regional treatment centers have negative economic effects upon public employees and communities. It is the policy of the state that deinstitutionalization policies shall be carried out in a manner that ensures fair and equitable arrangements to protect the interests of employees and communities affected by deinstitutionalization of ~~state hospitals~~. To the extent possible, employees affected by position reductions in the regional treatment centers must be afforded options that assure continued employment of displaced employees.

Sec. 4. [252.035] [STATE-OPERATED, COMMUNITY-BASED RESIDENTIAL PROGRAMS.]

Subdivision 1. [RESIDENTIAL PROGRAMS ESTABLISHED.] The commissioner may establish a system of noninstitutional, state-operated, community-based residential services for persons with mental retardation or related conditions. For purposes of this section, "state-operated, community-based residential facility" means a residential program administered by the state to provide treatment and habilitation in noninstitutional community settings to persons with mental retardation or related conditions. Employees of the facilities must be state employees under chapters 43A and 179A. The establishment of state-operated, community-based residential facilities must be within the context of a comprehensive definition of the role of state-operated services in the state. The role of state-operated services must be defined within the context of a comprehensive system of

services for persons with mental retardation and related conditions. Services may include, but are not limited to, community group homes, foster care, supportive living arrangements, and respite care arrangements. The commissioner shall operate the pilot projects established under Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 6, and may, within the limits of available appropriations, establish additional state-operated, community-based services for regional treatment center residents who are persons with mental retardation. Day program services for clients living in state-operated, community-based residential facilities must not be provided by a regional treatment center or a state-operated, community-based program.

Subd. 2. [AUTHORIZATION TO BUILD OR PURCHASE.] Within the limits of available appropriations, the commissioner may build, purchase or lease suitable buildings for state-operated, community-based residential facilities. Facilities must be homelike and adaptable to the needs of persons with mental retardation or related conditions.

Subd. 3. [ALTERNATIVE FUNDING MECHANISMS.] To the extent possible, the commissioner may amend the medical assistance home and community-based waiver and, as appropriate, develop special waiver procedures for targeting services to persons currently in state regional centers.

Subd. 4. [COUNTIES.] State-operated, community-based residential facilities may be developed in conjunction with existing county responsibilities and authorities for persons with mental retardation. Assessment, placement, screening, case management responsibilities, and determination of need procedures must be consistent with county responsibilities established under law and rule. Counties may enter into shared service agreements with state-operated programs.

Sec. 5. [252.045] [REGIONAL CENTER AND COMMUNITY-BASED FACILITY EMPLOYEES.]

In accordance with section 43A.21, the commissioner shall develop procedures to assure that:

(1) there are workers employed at state regional centers and nursing homes who are skilled in the treatment of persons with severe and profound mental retardation or related conditions, behavioral problems, and medical needs, to facilitate adjustment to community living;

(2) suitable training programs exist for regional treatment center and state-operated, community-based residential facility staff; and

(3) state employees under the jurisdiction of the commissioner who are affected by a position reduction plan have the option of transferring to a community-based program; to a similar, comparable classification in another regional center setting; or to a position in another state agency.

Sec. 6. Minnesota Statutes 1986, section 252.28, is amended by adding a subdivision to read:

Subd. 5. [TRAINING PROGRAM.] The commissioner of human services, in consultation with the commissioner of employee relations and the mental retardation and related conditions advisory task force, shall develop a plan to establish a comprehensive training program for public and private employees who provide services to persons with mental retardation and related conditions.

Sec. 7. Minnesota Statutes 1986, section 252.291, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] The commissioner of human services in coordination with the commissioner of health may approve a new *state-operated or private community-based* intermediate care facility for persons with mental retardation or related conditions only in the following circumstances *and only if the size of the facility is less than seven beds*:

(a) when the facility is developed in accordance with a request for proposal system established pursuant to subdivision 3, clause (b); *or*

(b) when the facility is necessary to serve the needs of identifiable persons with mental retardation or related conditions who are seriously behaviorally disordered or who are physically or sensorily impaired; ~~or~~

~~(c) to license beds in new facilities where need was determined by the commissioner prior to June 10, 1983.~~

Sec. 8. [WAGE PARITY STUDY.]

The state planning director shall conduct a study of the differences between the wages and benefits paid to employees of public and private community-based providers of care to persons with mental retardation and related conditions, and shall report the findings to the legislature by April 1, 1988.

Sec. 9. [APPROPRIATION.]

Subdivision 1. [HUMAN SERVICES.] \$_____ is appropriated from the general fund to the commissioner of human services to establish state-operated, community-based residential facilities.

Subd. 2. [STATE PLANNING AGENCY.] \$_____ is appropriated from the general fund to the director of the state planning agency to conduct a wage parity study.

Sec. 10. [REPEALER.]

Minnesota Statutes, section 246.023, subdivisions 2, 3, 4, and 5, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Section 8 and section 9, subdivision 2, are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; establishing a system of state-operated, community-based residential programs for persons with mental retardation; requiring that employees of regional treatment centers and state nursing homes be offered other positions prior to layoff; requiring a study; appropriating money; amending Minnesota Statutes 1986, sections 16B.08, subdivision 7; 246.023, subdivision 1; 252.28, by adding a subdivision; and 252.291, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 179A and 252; repealing Minnesota Statutes 1986, section 246.023, subdivisions 2 to 5."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1149: A bill for an act relating to human services; establishing a floor for rate limitation ratios that apply to a nursing home's interim property-related cost rate; appropriating money; amending Minnesota Statutes 1986, section 256B.431, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 895: A bill for an act relating to human services; creating a new chapter establishing a single, unitary process for the determination of residence and financial responsibility for all human service programs; amending Minnesota Statutes 1986, section 253B.23, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 256G; repealing Minnesota Statutes 1986, sections 256.73, subdivision 4; 256.76, subdivision 2; 256.79; 256B.02, subdivisions 1, 2, and 3; 256D.18; 256D.37, subdivision 3; and 256E.08, subdivision 7.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 732: A bill for an act relating to human services; allowing certain facilities to choose higher payment limits; requiring a study of geographic groups; amending Minnesota Statutes 1986, section 256B.431, subdivision 2b.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 14, before "*Facilities*" insert "*For rate years beginning on or after July 1, 1987, or until the new base period is established,*"

Page 2, line 20, after the period, insert "*The efficiency incentive for geographic group I nursing homes shall be calculated based on geographic group I limits. The phase-in shall be established utilizing geographic group II limits. For purposes of this provision, all definitions shall be based on Minnesota Rules, parts 9549.0050 to 9549.0059 (temporary) and 9549.0010 and 9549.0080.*"

Page 4, delete section 2

Amend the title as follows:

Page 1, line 3, delete "requiring"

Page 1, line 4, delete "a study of geographic groups;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1233: A bill for an act relating to human services; extending the deadline for community work experience program pilot projects; amending Minnesota Statutes 1986, section 256.737, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 10, strike "The"

Page 2, lines 11 to 16, strike the old language and delete the new language

Page 2, after line 16, insert:

"Sec. 2. Minnesota Statutes 1986, section 256.737, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL PROGRAMS.] In addition to the pilot programs established in subdivision 1, the commissioner ~~may approve the application of up to eight additional counties to enter into a~~ shall establish additional community work experience ~~program programs at the request of counties that desire to operate a program.~~ The programs under this subdivision are governed by subdivision 1 except as in paragraphs (a) and (b).

(a) As a condition to placing a person receiving aid to families with dependent children in a program under this subdivision, the county shall first provide the recipient the opportunity to participate in the following services:

(1) placement in suitable subsidized or unsubsidized employment; or

(2) basic educational or vocational or occupational training for an identifiable job opportunity.

(b) If the recipient refuses suitable employment and a training program, the county may require the recipient to participate in a community work experience program as a condition of eligibility."

Page 2, line 17, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 4, after "256.737" delete the comma and insert a period

Page 1, delete line 5

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

H.F. No. 436: A bill for an act relating to agriculture; providing minimum standards for seed potatoes; proposing coding for new law in Minnesota Statutes, chapter 21.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete line 8 and insert:

"Seed potatoes"

Page 1, line 9, after "may" insert "not"

Page 1, line 10, delete "that" and insert "the"

Page 1, line 11, delete "those" and insert "the"

Page 1, line 16, delete "also" and delete "used whether or not they have completed the" and insert "planted without"

Page 1, line 17, delete "process" and delete "been inspected in the" and insert "had at least" and after "field" insert "inspection"

Page 1, line 20, delete ", firm, or corporation" and after "plants" insert "seed"

Page 2, line 1, delete "Civil"

Page 2, delete lines 2 and 3

Page 2, line 4, delete "Minnesota" and insert "this state"

Page 2, lines 5 and 6, delete "Minnesota"

Page 2, line 11, after "seed" insert "potatoes"

Page 2, line 14, delete "an affidavit of compliance" and insert "records"

Page 2, line 19, delete "an individual" and insert "a grower"

Page 2, line 20, delete "reports or"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1244: A bill for an act relating to agriculture; clarifying certain appropriations; prohibiting importation of certain bees; changing certain milk inspection fees and requirements; changing time for sale of certain state-owned property; eliminating certain requirements for grain buyers licenses; paying certain claims; appropriating money; amending Minnesota Statutes 1986, sections 17B.15, subdivision 1; 19.58, subdivision 1; 32.394, subdivisions 8, 8b, and 9; 41.56, subdivision 4; and 223.17, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATIONS; STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION.]

Subdivision 1. [STAFF SUPPORT.] \$1,922,500 is appropriated from the general fund to the state board of vocational technical education for the biennium ending June 30, 1989, to provide the following services:

- | | |
|--|-------------|
| (1) support staff for farm business management instructors | \$ 202,500 |
| (2) additional farm business and small business management programs | \$1,350,000 |
| (3) workshops for farmers for marketing, alternative enterprises, and financial management | \$ 200,000 |

(4) staff development workshops	\$ 50,000
(5) beginning farmer programs	\$ 120,000

Subd. 2. [FARM OPERATION FINANCIAL PLANNING.] \$112,500 is appropriated from the general fund to the state board of vocational technical education, for the fiscal year ending June 30, 1987, to provide salary and travel to hire 15 support staff knowledgeable in financial planning for farm operations to assist farm business management instructors with unusually heavy workloads due to demand by farmers for assistance with mediation, obtaining credit, application for assistance programs such as interest buy-down, and in areas where bank closures may occur.

These 15 support staff shall be assigned to the area vocational technical institutes where area vocational agricultural coordinators are located. The area vocational agricultural coordinator shall then assign them to farm business management staff in their respective areas.

Funding must be used for salary and travel for up to three months at \$7,500 for each staff person.

Sec. 2. [APPROPRIATION; FARM ADVOCATE PROGRAM.]

\$810,800 is appropriated from the general fund to the commissioner of agriculture in the fiscal years indicated for the farm advocate program for the following purposes:

	1988	1989
(a) Salary contracts	\$350,000	\$350,000
(b) Training, including FINPACK	46,000	25,000
(c) Expenses	23,300	16,500

If the appropriation for either year is insufficient, the appropriation for the other year is available."

Delete the title and insert:

"A bill for an act relating to agriculture; appropriating money for farm business management programs and the farm advocate program."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1051: A bill for an act relating to independent school district No. 206, Alexandria; providing for elections of the school board.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was re-referred

S.F. No. 459: A bill for an act relating to the zoo board; exempting members of the board from filing statements of economic interest; amending Minnesota Statutes 1986, section 85A.01, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 649: A bill for an act relating to education; clarifying the authority of school boards to appoint directors of area vocational technical institutes; amending Minnesota Statutes 1986, section 136C.05, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 912: A bill for an act relating to education; providing for expanded offerings at Metropolitan State University; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 13: A bill for an act relating to libraries; permitting the joint financing of their construction among government units; allowing cities and counties to levy above limits for library construction; amending Minnesota Statutes 1986, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 134.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1379: A bill for an act relating to unemployment compensation; appropriating federal money received for unemployment compensation administration.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 17, delete "\$728,000" and insert "\$731,000"

Page 2, after line 21, insert:

"Sec. 2. [CONTINGENCY.]

In the event that funds for the upgrade of the facilities in section 1, paragraph (j), become available through passage of other legislation, \$731,000 is available for a job search and self-assessment unemployment insurance eligibility system."

Page 2, line 22, delete "2" and insert "3"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 619: A bill for an act relating to human services; providing for the establishment of a mental illness information management system; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 10, delete "*Subdivision 1. [ESTABLISHMENT.]*"

Page 1, line 12, delete "*capable of*" and insert "*for*" and delete "*and providing accurate*" and insert "*data about*"

Page 1, delete lines 13 to 16

Page 1, line 17, delete "*(a) information listing*" and delete "*are suffering*" and insert "*suffer*"

Page 1, line 18, delete "*are currently*"

Page 1, line 19, delete "*receiving*" and insert "*receive*" and delete the semicolon and insert a period

Page 1, delete lines 20 to 25

Page 2, delete lines 1 to 16

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1081: A bill for an act relating to custody; providing that evidence of domestic abuse is relevant to determinations of custody; amending Minnesota Statutes 1986, sections 518.17, subdivision 1; and 518B.01, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, delete "*a finding is made that*" and insert "*related to*"

Page 2, line 10, after the comma, insert "*that*"

Page 2, line 16, delete "BINDING"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 928: A bill for an act relating to medical records; providing for patient access to medical records; amending Minnesota Statutes 1986, section 144.335, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after "request" insert a comma

Page 1, line 14, after "provider" insert a comma

Page 1, line 15, after "patient" insert a comma

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1204: A bill for an act relating to community dispute resolution programs; authorizing the state and municipalities to make grants to pro-

grams; proposing coding for new law in Minnesota Statutes, chapter 494.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "*Notwithstanding any other law*"

Page 1, line 10, delete "*to the contrary,*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1097: A bill for an act relating to crimes; domestic assault; requiring courts to issue written orders for conditional release; requiring arrest on violation of conditions of release; providing for notice to alleged victims of conditions of release; amending Minnesota Statutes 1986, section 629.72, subdivision 2, and by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, after "*victim*" insert "*of the alleged assault*"

Page 2, line 25, after "*person*" insert "*or its designee*"

Page 2, line 26, delete "*orally*" and after "*victim*" insert "*orally*"

Page 2, line 28, delete "*and*"

Page 2, line 31, after "*appearance*" insert "*; and*

(4) the location and telephone number of the area battered women's shelter as designated by the department of corrections"

Page 2, delete line 32 and insert:

"(b) Within 24 hours after the order for conditional"

Page 2, line 34, after "*person*" insert "*or its designee*" and after "*deliver*" insert "*or mail*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1200: A bill for an act relating to family law; appropriating money to the University of Minnesota for the Hubert H. Humphrey Institute of Public Affairs to study mediation in marriage dissolution cases.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 10 and 11, delete "*Hubert H. Humphrey Institute of Public Affairs*" and insert "*Center for Urban and Regional Affairs Conflict and Change Project*"

Page 1, line 12, after the period, insert "*This appropriation is not available unless matching funds in the amount of \$_____ are obtained from other sources for the purpose of the study.*"

Amend the title as follows:

Page 1, lines 3 and 4, delete "Hubert H. Humphrey Institute of Public Affairs" and insert "Center for Urban and Regional Affairs Conflict and Change Project"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1088: A bill for an act relating to crimes; juveniles; limiting detention of juveniles in adult jails; amending Minnesota Statutes 1986, section 260.173, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 14, delete everything before "*contact*" and insert "*prevents*"

Pages 2 and 3, delete section 2

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1268: A bill for an act relating to energy and economic development; providing for the powers and duties of the commissioner of energy and economic development; classifying certain government data; providing definitions; authorizing certain Indian tribes to create community energy councils; authorizing governmental units to accept certain money from the state or federal government and providing for restrictions on that money; providing the purpose for which an appropriation may be spent; amending Minnesota Statutes 1986, sections 116J.09; 116J.10; 116J.19, subdivision 6; 116J.27, by adding a subdivision; 116J.36, subdivision 2; 116J.381, subdivision 2; and 471.65, subdivisions 1 and 2; Laws 1981, chapter 334, section 1, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 10, delete "*emergency and permanent*" and after "*rules*" insert "*under chapter 14*"

Page 5, line 5, after the period, insert "*The commissioner may not issue a variance after August 1, 1992, except variances issued before that date may be renewed under this subdivision.*"

Page 5, delete section 4

Pages 6 and 7, delete sections 7 and 8

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete everything before "definitions" and insert "clarifying"

Page 1, line 7, delete everything after the semicolon

Page 1, delete line 8

Page 1, line 9, delete everything before the second "providing"

Page 1, line 12, delete everything after the second semicolon

Page 1, line 13, delete "subdivision;"

Page 1, line 14, delete "471.65, subdivisions 1 and 2;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1145: A bill for an act relating to environment; requiring vehicle weighing scales at sanitary landfills; amending Minnesota Statutes 1986, section 169.872, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.872, subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Except for records relating to the loading and unloading of the first haul of unprocessed or raw farm products and the transportation of raw and unfinished forest products, a record kept and maintained as provided in ~~subdivision~~ + *this section* that shows that a vehicle has exceeded a gross weight limit imposed by this chapter is relevant evidence of a violation of this chapter. The foregoing provisions do not limit the introduction of other competent evidence bearing upon the question of whether or not there is a violation of the prescribed maximum weight limitation permitted by this chapter.

Sec. 2. Minnesota Statutes 1986, section 169.872, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] A person who fails to keep, maintain, or open for inspection and copying, those documents as required in subdivision 1 is guilty of a misdemeanor. A person who does not accurately record the information required to be contained in those documents required in ~~subdivision~~ + *this section* is guilty of a misdemeanor.

Sec. 3. Minnesota Statutes 1986, section 169.872, is amended by adding a subdivision to read:

Subd. 1a. [SCALES REQUIRED.] (a) The following facilities must be equipped with scales for weighing loaded vehicles:

- (1) a waste facility that is used for the disposal of solid waste;*
- (2) a resource recovery facility, as defined in section 115A.03, subdivision 28; and*
- (3) a transfer station, as defined in section 115A.03, subdivision 33.*

A person loading or unloading a vehicle at one of these facilities shall weigh the loaded vehicle and record the weight as provided in subdivision 1.

(b) This subdivision does not apply to a facility on which the pollution control agency has served a notice of closing.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective December 31, 1987."

Amend the title as follows:

Page 1, line 3, delete "sanitary landfills" and insert "solid waste disposal facilities, resource recovery facilities, and waste transfer stations"

Page 1, line 4, after the second comma, insert "subdivisions 2 and 3, and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1100: A bill for an act relating to metropolitan government; regulating participation in a transportation program; providing conditions for incurrence of debt for certain purposes; removing fare restrictions; amending Minnesota Statutes 1986, section 473.388, subdivision 2; 473.39; and 473.446, subdivision 1; repealing Minnesota Statutes 1986, section 473.436, subdivisions 6 and 7; and Laws 1985, First Special Session chapter 10, section 122.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, delete "January" and insert "July"

Page 3, delete lines 15 to 23 and insert:

"Subd. 1a. [~~AMOUNT; I-394 FACILITIES OBLIGATIONS.~~] (a) The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding ~~\$8,500,000~~ \$17,000,000 for ~~expenditure~~ financial assistance to the commission, as prescribed in the implementation plan of the board and the capital program of the commission. ~~Of this~~

(b) The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount, ~~no more than~~ not exceeding \$1,500,000 ~~may be spent~~ for land acquisition and capital improvements for park and ride lots and transit transfer stations planned for the interstate highway described in section 161.123, clause (2), commonly known as I-394. These facilities may be constructed and maintained by"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "allowing the metropolitan council to incur debt to provide assistance to the metropolitan transit commission;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 343: A bill for an act relating to transportation; requiring the licensing of limousine services by the registrar of motor vehicles; providing for conditions of licensure and operation of limousines; requiring bonds; providing penalties; amending Minnesota Statutes 1986, sections 169.01,

subdivision 50; and 169.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 326.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 168.011, is amended by adding a subdivision to read:

Subd. 35. [LIMOUSINE.] “Limousine” means a passenger automobile for hire, other than a taxicab or a van, that is regularly engaged in the business of transporting persons and that has a rear seating capacity of not more than nine passengers.

Sec. 2. [168.1261] [LIMOUSINE; LICENSE PLATES.]

Subdivision 1. [UNIQUE REGISTRATION CATEGORY.] A unique vehicle registration category is established for limousines as defined in section 1.

Subd. 2. [LICENSE PLATES.] The registrar shall issue limousine license plates upon the applicant's compliance with laws relating to registration and licensing of motor vehicles and drivers. The applicant must provide the registrar with proof that a passenger tax and a \$10 fee have been paid for each limousine receiving limousine license plates. The limousine license plates must be designed to specifically identify the vehicle as a limousine. Limousine license plates may not be transferred upon sale of the limousine, but may be transferred to another limousine owned by the same person upon notifying the registrar and paying a \$5 transfer fee.

Subd. 3. [INSURANCE.] The application must include a certificate of insurance verifying that a valid commercial insurance policy is in effect and giving the name of the insurance company and the number of the insurance policy. The policy must provide stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is granted, of not less than \$100,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than \$300,000 because of injury to two or more persons in any one accident. The insurance company must notify the commissioner if the policy is canceled or if the policy no longer provides the coverage required by this subdivision.

Sec. 3. Minnesota Statutes 1986, section 169.71, subdivision 4, is amended to read:

Subd. 4. No person shall drive or operate any motor vehicle required to be registered in the state of Minnesota upon any street or highway under the following conditions:

(a) when the windshield is composed of, covered by, or treated with any material which has the effect of making the windshield more reflective or in any other way reducing light transmittance through the windshield;

(b) when any window on the vehicle is composed of, covered by, or treated with any material that has a highly reflective or mirrored appearance;

(c) when any side window or rear window is composed of or treated with any material so as to obstruct or substantially reduce the driver's clear view through the window or has a light transmittance of less than 50 percent

plus or minus three percent in the visible light range or a luminous reflectance of more than 20 percent plus or minus three percent; or

(d) when any material has been applied after August 1, 1985, to any motor vehicle window without an accompanying permanent marking which indicates the percent of transmittance and the percent of reflectance afforded by the material. The marking must be in a manner so as not to obscure vision and be readable when installed on the vehicle.

This subdivision does not apply to glazing materials which:

(a) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformance with Federal Motor Vehicle Safety Standard 205;

(b) ~~were~~ *are* required to satisfy prescription needs of the driver of the vehicle ~~and if the driver is in possession of such~~ *the* prescription; or

(c) ~~were~~ *are* applied to:

(1) the rear windows of a pickup truck as defined in section 168.011, subdivision 29, ~~or to~~;

(2) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.011, subdivision 28, ~~or~~;

(3) ~~the side and rear windows of any~~ *a* vehicle used to transport human remains by ~~a funeral establishments~~ *establishment* holding a permit under ~~the provisions of~~ section 149.08; or

(4) ~~the side and rear windows of a limousine as defined in section 1.~~"

Delete the title and insert:

"A bill for an act relating to transportation; authorizing the issuance of limousine license plates; allowing limousines to have tinted windows; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; and 169.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 168."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1369: A bill for an act relating to traffic regulations; repealing authorization of emergency speed limit by executive order; repealing Minnesota Statutes 1986, section 169.141.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.14, subdivision 2, is amended to read:

Subd. 2. [SPEED LIMITS.] ~~Where no special hazard exists the following speeds shall be lawful, but any speeds~~ *Except as otherwise provided in this section, a speed in excess of such the following maximum speed limits shall be prima facie evidence that the speed is not reasonable or prudent and that it is unlawful; except that the speed limit within any municipality shall be a maximum limit and any speed in excess thereof shall be unlawful:*

(1) 30 miles per hour in an urban district;

(2) 65 miles per hour in other locations during the daytime on portions of interstate highways that are located outside of urbanized areas with a population of greater than 50,000, as determined by the commissioner;

(3) 55 miles per hour in such other locations during the nighttime on all other highways; and

(4) ten miles per hour in alleys.

"Daytime" means from a half hour before sunrise to a half hour after sunset, except at any time when due to weather or other conditions there is not sufficient light to render clearly discernible persons and vehicles at a distance of 500 feet. "Nighttime" means at any other hour or at any time when due to weather or other conditions there is not sufficient light to render clearly discernible persons and vehicles at a distance of 500 feet.

Sec. 2. Minnesota Statutes 1986, section 169.99, subdivision 1b, is amended to read:

Subd. 1b. The uniform traffic ticket must provide a blank or space wherein where an officer who issues a citation for a violation of section ~~169.14~~ 169.14 must specify whether the speed was greater than ten miles per hour in excess of the speed designated under that section.

Sec. 3. Minnesota Statutes 1986, section 171.12, subdivision 6, is amended to read:

Subd. 6. [CERTAIN CONVICTIONS NOT RECORDED.] The department shall not keep on the record of a driver any conviction for a violation of section ~~169.14~~ the speed limit imposed by section 169.14, subdivision 2, clauses (1), (3), and (4), unless the violation consisted of a speed greater than ten miles per hour in excess of the lawful speed designated under that section.

Sec. 4. [REPEALER.]

Minnesota Statutes 1986, section 169.141, is repealed.

Sec. 5. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to traffic safety; speed limit; increasing the speed limit on rural interstate highways to 65 miles per hour; allowing speed violation to be recorded on driver's record if violation occurs on a rural interstate; repealing governor's authority to establish speed limits; amending Minnesota Statutes 1986, sections 169.14, subdivision 2; 169.99, subdivision 1b; and 171.12, subdivision 6; repealing Minnesota Statutes 1986, section 169.141."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 632: A bill for an act relating to the city of Little Falls; authorizing the issuance of general obligation bonds to refund certain tax increment

bonds of the city; authorizing the city to use the unexpended proceeds of the refunded bonds for other municipal purposes.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1226: A bill for an act relating to economic development; providing for the selection of board members of community development corporations; amending Minnesota Statutes 1986, section 116M.04, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 116M.04, subdivision 7, is amended to read:

Subd. 7. The authority shall approve a grant to a community development corporation only for a project carried on within the designated community, except when the corporation demonstrates that a project carried on outside will have a significant impact inside the designated community. *The authority may approve a grant to a community development corporation for a project carried on under a joint venture agreement between the community development corporation and a regional development commission.*"

Delete the title and insert:

"A bill for an act relating to economic development; authorizing certain project grants to community development corporations; amending Minnesota Statutes 1986, section 116M.04, subdivision 7."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1313: A bill for an act relating to insurance; liquor liability assigned risk plan; regulating assigned risk plan premiums; amending Minnesota Statutes 1986, section 340A.409, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1157: A bill for an act relating to local government; authorizing the organization of a Crow Wing-Cass county airport authority; providing for the appointment of directors; providing for the financing and operations of the authority.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1301: A bill for an act relating to waste control; appropriating money to reimburse Farmington for excess charges.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1289: A bill for an act relating to law enforcement; providing for a program of law enforcement grants to local government units; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 858: A bill for an act relating to health and environment; providing for asbestos regulation; directing the commissioner of health to regulate and license persons or entities enclosing, removing, or encapsulating asbestos; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 160.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [326.70] [TITLE.]

Sections 1 to 13 may be cited as the "asbestos abatement act."

Sec. 2. [326.71] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 13.

Subd. 2. [ASBESTOS.] "Asbestos" means the asbestiform varieties of chrysotile (serpentine), crocidolite (riebeckite), amosite (cummingtonite-grunerite), anthophyllite, tremolite, and actinolite.

Subd. 3. [ASBESTOS-CONTAINING MATERIAL.] "Asbestos-containing material" means material that contains more than one percent asbestos by weight.

Subd. 4. [ASBESTOS-RELATED WORK.] "Asbestos-related work" means the enclosure, removal, or encapsulation of asbestos-containing material in a quantity that meets or exceeds the United States Environmental Protection Agency's requirement of 260 lineal feet of friable asbestos on pipes or 160 square feet of friable asbestos on other facility components.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of health and the commissioner's authorized delegates.

Subd. 6. [CONTRACTING ENTITY.] "Contracting entity" means a public or private body, board, natural person, corporation, partnership, proprietorship, joint venture, fund, authority, or similar entity that con-

tracts with an employer or person to do asbestos-related work for the benefit of the contracting entity.

Subd. 7. [EMPLOYEE.] "Employee" means a person who works directly or indirectly for an employer.

Subd. 8. [EMPLOYER.] "Employer" means an individual, body, board, corporation, partnership, proprietorship, joint venture, fund, authority, or similar entity directly or indirectly employing an employee. This term applies to private employers and to the state, its political subdivisions, and any boards, commissions, schools, institutions, or authorities created or recognized by them.

Sec. 3. [326.72] [ASBESTOS LICENSE.]

Subdivision 1. [WHEN LICENSE REQUIRED.] An employer or other person within the state intending to directly perform or cause to be performed through subcontracting or similar delegation any asbestos-related work either for financial gain or with respect to the employer's or person's own property shall first apply for and obtain a license from the commissioner. The license shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and give the name and address of the employer or person to whom it is issued.

Subd. 2. [DISPLAY OF LICENSE.] Licensees shall post a sign with the words, in letters four or more inches high, "licensed by the state of Minnesota for asbestos work" in a conspicuous place outside of the asbestos abatement work area. The actual license or a copy certified by the commissioner shall be readily available at the work site for inspection by the commissioner, other public officials charged with the health, safety, and welfare of the state's citizens, and the contracting entity.

Sec. 4. [326.73] [EMPLOYEE ASBESTOS CERTIFICATIONS.]

Before an employee performs asbestos-related work, the employee shall first obtain a certificate from the commissioner certifying that the employee is qualified to perform the work. No certificate shall be issued unless the employee has taken a course of training in asbestos control and removal, passed an examination in those subjects, and demonstrated to the commissioner the ability to perform asbestos-related work safely in accordance with the current state-of-the-art technology. The commissioner shall specify the course of training necessary. The certificate issued by the commissioner shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and contain the name and address of the employee to whom it is issued. The certificate shall be carried by the employee and be readily available for inspection by the commissioner, other public officials charged with the health, safety, and welfare of the state's citizens, and the contracting entity.

Sec. 5. [326.74] [REPORTING ASBESTOS WORK.]

A licensed employer, at least five calendar days before engaging in asbestos-related work, shall give written notice to the commissioner of the project. The notice shall contain the following information:

- (1) a brief description of the work to be performed;*
- (2) the name of the contracting entity;*
- (3) the location and address of the project work site;*

- (4) the approximate duration of the project;
- (5) the approximate amount of the asbestos involved in the project;
- (6) the name of any project manager; and
- (7) other information required by the commissioner.

Sec. 6. [326.75] [FEES.]

Subdivision 1. [LICENSING FEE.] An employer or other person required to be licensed under section 3 shall, before receipt of the license and before causing asbestos-related work to be performed, pay the commissioner an annual license fee of \$100.

Subd. 2. [CERTIFICATION FEE.] Employees required to be certified under section 3 shall, before performing asbestos-related work, pay the commissioner a certification fee of \$50.

Subd. 3. [PERMIT FEE.] Before beginning asbestos-related work, a licensee shall pay a project permit fee to the commissioner equal to one percent of the total costs of the asbestos-related work. Proceeds of the fee are continually appropriated to the commissioner and shall be used by the commissioner to pay for necessary project inspections and air testing.

Subd. 4. [DEPOSIT OF FEES.] Fees collected under this section shall be deposited in the asbestos abatement revolving fund created by section 13.

Sec. 7. [326.76] [DUTIES OF CONTRACTING ENTITIES.]

A contracting entity intending to have asbestos-related work performed for its benefit shall include in the specifications and contracts for the work a requirement that the work be performed by contractors and subcontractors licensed by the commissioner under sections 1 to 13. No contracting entity shall allow asbestos-related work to be performed for its benefit unless it has seen that the employer has a valid license. A contracting entity's failure to comply with this section does not relieve an employer from any of its responsibilities under sections 1 to 13.

Sec. 8. [326.77] [INDOOR AIR STANDARD.]

(a) The commissioner may adopt rules establishing an indoor air standard for asbestos.

(b) Until the rules become effective, asbestos remaining in the air following the completion of an abatement project shall not exceed .01 fibers greater than five microns in length per cubic centimeter of air.

Sec. 9. [326.78] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [RULEMAKING.] The commissioner shall, before July 1, 1988, adopt and begin enforcement of rules necessary to implement sections 1 to 13. The rules adopted shall not be duplicative of rules adopted by the commissioner of the department of labor and industry. The rules shall include rules in the following areas:

- (1) application, enclosure, removal, and encapsulation procedures;
- (2) license and certificate qualification requirements;
- (3) examinations for obtaining a license and certificate;
- (4) training necessary for employee certification;

- (5) *qualifications for managers of asbestos abatement projects;*
- (6) *abatement specifications;*
- (7) *any contractor bonding and insurance requirements deemed necessary by the commissioner;*
- (8) *license and certificate issuance and revocation procedures;*
- (9) *suspension or revocation of licenses or certificates;*
- (10) *license and certificate suspension and revocation criteria;*
- (11) *cleanup standards;*
- (12) *continuing education requirements; and*
- (13) *other rules necessary to implement sections 1 to 13.*

Subd. 2. [ISSUANCE OF LICENSES AND CERTIFICATES.] The commissioner may issue licenses to employers and certificates to employees who meet the criteria in sections 1 to 13 and the commissioner's rules. Licenses and certificates shall be valid for at least 12 months.

Subd. 3. [DELEGATION.] The commissioner may, in writing, delegate the inspection and enforcement authority granted in sections 1 to 13 to other state agencies regulating asbestos.

Subd. 4. [ACCESS TO INFORMATION AND PROPERTY.] (a) Any person who the commissioner has reason to believe is engaged in asbestos-related work, or who is the owner of real property where the asbestos-related work is being undertaken, when requested by the commissioner, or any member, employee, or agent thereof who is authorized by the commissioner, shall furnish the commissioner any information that the person may have or may reasonably obtain that is relevant to the asbestos-related work.

(b) The commissioner or any person authorized by the commissioner, upon presentation of credentials, and with reason to believe that violation of this act may be occurring, may:

(1) examine and copy any books, papers, records, memoranda, or data related to the asbestos-related project of any person who has a duty to provide information to the department under paragraph (a); and

(2) enter upon any public or private property to take action authorized by this section including obtaining information from any person who has a duty to provide the information under paragraph (a), and conducting surveys or investigations.

Subd. 5. [SUBPOENAS.] In matters under investigation by or pending before the commissioner under sections 1 to 13, the commissioner may issue subpoenas and compel the attendance of witnesses and the production of papers, books, records, documents, and other relevant evidentiary material. A person failing or refusing to comply with the subpoena or order may, upon application by the commissioner to the district court in any district, be ordered by the court to comply with the order or subpoena. The commissioner may also administer oaths and affirmations to witnesses. Depositions may be taken within or without the state in the manner provided by law for the taking of depositions in civil actions. A subpoena or other process or paper may be served upon any person anywhere within the state by an officer authorized to serve subpoenas in civil actions, with the same

fees and mileage costs paid, and in the manner as prescribed by law, for process of the state district courts. Fees and mileage and other costs of persons subpoenaed by the commissioner shall be paid in the manner prescribed for proceedings in district court.

Subd. 6. [CEASE AND DESIST ORDER.] (a) The commissioner may issue an order requiring an employer to cease asbestos-related work if the commissioner determines that a condition exists that poses an immediate danger to the public health. For purposes of this subdivision, an immediate danger to the public health exists if the commissioner determines that:

(1) air quality standards are being exceeded;

(2) asbestos-related work is being undertaken in a manner violative of applicable state or federal law;

(3) the employer or an employee working at the project site is not licensed or certified, or in possession of a current license or certificate, as the case may be; or

(4) the employer has not reported the project under section 5.

(b) The order is effective for a maximum of 60 days. Following issuance of the order, the commissioner shall provide the contractor or individual with an opportunity for a hearing under the contested case provisions of chapter 14. At the hearing, the commissioner shall decide whether to rescind, modify, or reissue the previously made order. A modified or reissued order is effective for a maximum of 60 days from the date of modification or reissuance.

Subd. 7. [ORDER FOR CORRECTIVE ACTION.] After notice and opportunity for hearing under the contested case provisions of chapter 13, the commissioner may issue an order requiring anyone violating sections 1 to 13 or a rule of the commissioner to take corrective action as the commissioner determines will accomplish the purpose of the project and prevent future violation. The order shall contain a date by which the violation must be corrected.

Subd. 8. [INJUNCTIVE RELIEF] In addition to any other remedy provided by law, the commissioner may bring an action for injunctive relief in the district court in Ramsey county or, at the commissioner's discretion, in the district court in the county in which an asbestos-related work is being undertaken to halt the work or an activity connected with it. A temporary restraining order or other injunctive relief may be granted by the court in the proceeding if continuation of the work or an activity connected with it would result in an imminent risk of harm to any person.

Sec. 10. [326.79] [MISDEMEANOR PENALTY.]

A person who:

(1) hinders or delays the commissioner or the commissioner's authorized representative in the performance of the duty to enforce sections 1 to 13;

(2) undertakes asbestos-related work without a license or with a revoked, expired, or suspended license;

(3) refuses to make a license or certificate accessible to either the commissioner or the commissioner's authorized representative;

(4) uses an employee who does not have a certificate to do asbestos-related work;

(5) fails to report asbestos-related work as required by section 5;

(6) undertakes asbestos-related work for which the person is not qualified under department rules; or

(7) makes a material false statement related to a license, certificate, report, or other document required under sections 1 to 13

is guilty of a misdemeanor and may be sentenced to payment of a fine of not more than \$700, imprisonment for not more than 30 days, or both, for each violation.

Sec. 11. [326.80] [SUSPENSIONS; REVOCATIONS.]

As an alternative, or in addition to, the criminal penalties provided in section 10, the commissioner or the commissioner's designee may suspend or revoke a license or certificate for repeated or serious violations of sections 1 to 13 in accordance with procedures adopted by rule by the commissioner and the contested case procedures of chapter 14.

Sec. 12. [326.81] [DISCRIMINATION; SANCTIONS.]

An employer who discriminates against or otherwise sanctions an employee who complains to or cooperates with the commissioner in administering sections 1 to 13 is guilty of a misdemeanor.

Sec. 13. [326.82] [ASBESTOS ABATEMENT REVOLVING FUND.]

Subdivision 1. [CREATION; APPROPRIATION.] The asbestos abatement revolving fund is created as a separate account in the state treasury. The fund consists of the fees collected under section 6. The money in the fund is continually appropriated to the commissioner for the purposes of sections 1 to 13.

Subd. 2. [UNOBLIGATED EXCESS TRANSFERRED.] When the unobligated money in the asbestos abatement revolving fund exceeds \$500,000 at the end of any fiscal year, the unobligated amount in excess of that amount shall be transferred to the general fund.

Sec. 14. [APPROPRIATION.]

\$180,000 is appropriated from the general fund to the commissioner of health for the purposes of sections 1 to 13, to be available until June 30, 1989.

Sec. 15. [EFFECTIVE DATE.]

Sections 8, paragraph (a); 9; 10; and 14 are effective the day following final enactment. Sections 1 to 7; 8, paragraph (b); and 11 to 13 are effective on the date on which rules adopted by the commissioner under section 9 become effective."

Delete the title and insert:

"A bill for an act relating to health; providing for asbestos regulation; directing the commissioner of health to regulate and license persons or entities enclosing, removing, or encapsulating asbestos; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1113: A bill for an act relating to human services; regulating the licensure of programs for the care of children or of adults with certain disabilities; providing penalties; replacing the existing licensure law; proposing coding for new law as Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1986, sections 245.781; 245.782; 245.783; 245.791; 245.792; 245.801; 245.802; 245.803; 245.804; 245.805; 245.811; 245.812; 245.88; 245.881; 245.882; 245.883; 245.884; and 245.885.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 33, delete "*rehabilitation*" and insert "*rehabilitation*"

Page 3, line 1, after "*illness*" insert "*with no significant physical or medical problem that necessitates nursing home care*"

Page 3, line 7, after the period, insert "*Nonresidential programs include home and community-based services and semi-independent living services for persons with mental retardation that are provided in or outside of a person's own home.*"

Page 3, line 23, after "*home*" insert "*, boarding care home,*"

Page 3, line 24, delete "*more than*" and after "*five*" insert "*or more*"

Page 3, line 25, after "*illness*" insert "*with no significant physical or medical problem that necessitates nursing home care*"

Page 3, line 31, after "*funds*" insert "*under chapter 254B. Residential programs include home and community-based services and semi-independent living services for persons with mental retardation that are provided in or outside of a person's own home*"

Page 4, line 30, delete "*, except as specified in section 2, subdivisions 10 and*"

Page 4, line 31, delete "*14*"

Page 4, line 32, delete "*boarding care homes*" and insert "*board and lodge facilities*"

Page 4, line 33, delete "*unless they*" and insert "*that*"

Page 4, line 35, delete "*and*"

Page 5, line 4, delete "*or*"

Page 5, line 6, delete the period and insert a semicolon

Page 5, after line 6, insert:

"(12) programs not located in family or group family day care homes whose primary purpose is to provide activities outside of the regular school day for children age five and older, until such time as appropriate rules have been adopted by the commissioner;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year; or

(14) non-certified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation."

Page 8, line 22, delete "*under the*"

Page 8, line 23, delete "*Minnesota government data practices act*"

Page 10, line 12, delete everything after "*to*" and insert "*a contested case hearing under chapter 14*"

Page 10, line 13, delete everything before the period

Page 10, line 33, delete "*commissioner*" and insert "*department of human services*"

Page 11, line 24, delete everything after "*to*" and insert "*a contested case hearing under chapter 14*"

Page 11, line 25, delete everything before the period

Page 11, line 28, after the period, insert "*A timely appeal shall stay forfeiture of the fine until the commissioner issues a final order under section 8, subdivision 5.*"

Page 12, line 25, delete "*immediately*" and insert "*propose to*"

Page 13, line 3, delete everything after "*to*" and insert "*a contested case hearing under chapter 14*"

Page 13, line 4, delete everything before "*must*"

Page 13, line 22, delete everything after "*to*" and insert "*a contested case hearing under chapter 14*"

Page 13, line 23, delete everything before the period

Page 13, line 32, delete everything after "*shall*" and insert "*issue a notice of and order for hearing to the appellant under chapter 14.*"

Page 13, delete lines 33 and 34

Page 14, line 7, after "*license*" insert "*for family day care or foster care*"

Page 14, line 12, after "*proof*" insert "*in hearings involving suspension, immediate suspension, revocation, or making probationary a family day care or foster care license*"

Page 14, line 13, delete "*appellant*" and insert "*license holder*"

Page 14, delete lines 14 to 16 and insert "*the license holder was in full compliance with those laws or rules that the commissioner alleges the license holder violated, at the time that the commissioner alleges the violations of law or rules occurred.*"

Page 14, line 17, delete "*appellant*" and insert "*applicant*"

Page 14, after line 21, insert:

"(c) *At all other hearings under this section, the commissioner bears the burden of proof to demonstrate, by a preponderance of the evidence, that the violations of law or rule alleged by the commissioner occurred.*"

Page 15, delete lines 8 to 13

Page 23, line 26, delete "*18*" and insert "*12*"

Page 26, after line 6, insert:

"Sec. 17. [STUDY.]

The commissioner shall study current zoning and land use laws and practices to determine any impediments that may exist to the full implementation of the policy set forth in section 11, subdivision 1. By January 1, 1988, the commissioner shall report the findings of the study and make proposals that will ensure full implementation of this policy."

Page 26, line 13, delete "17" and insert "18"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1008: A bill for an act relating to occupations and professions; providing for the regulation of the practice of chiropractic; providing for peer review of services and fees; providing grounds for license revocation; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections 148.06, subdivision 1; 148.07, subdivision 2; 148.08, subdivision 3; 148.10, subdivisions 1, 3, and by adding a subdivision; and 319A.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1986, section 148.101.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 27 and 28, reinstate the stricken language

Page 6, line 21, after the period, insert "*Unless otherwise required by law, written records need not be retained for more than seven years and*"

Page 8, line 22, delete "; and" and insert ". *As used in this clause, "advertise" means solicitation by the licensee by means of handbills, posters, circulars, motion pictures, radio, newspapers, television, or in any other manner. In addition to the board's power to punish for violations of this clause, violation of this clause is also a misdemeanor.*"

Page 8, line 23, after "(h)" insert "*Accepting for services rendered assigned payments from any third-party payor as payment in full, if the effect is to eliminate the need of payment by the patient of any required deductible or copayment applicable in the patient's health benefit plan, except as hereinafter provided; or collecting a fee or charge for a service or treatment different from the fee or charge the licensee submits to a third-party payor for that service or treatment, except as hereinafter provided. This clause is intended to prohibit offerings to the public of the above listed practices and those actual practices as well, except that in instances where the intent is not to collect an excessive remuneration from the third-party payor but rather to provide services at a reduced rate to a patient unable to afford the deductible or copayment, the services may be performed for a lesser charge or fee. The burden of proof for establishing that this is the case shall be on the licensee; and*

(i)"

Page 8, delete lines 24 to 29

Page 9, line 30, delete "A state or local"

Page 9, delete lines 31 and 32

Page 9, line 33, delete everything before "If"

Page 9, line 34, delete "*the society has received*" and insert "*a state or local chiropractic society receives*"

Page 9, line 36, delete "*on which it has not taken any disciplinary action*"

Page 10, line 1, delete "*and the reason why it has*"

Page 10, line 2, delete "*not taken action on it*"

Page 12, line 22, delete "*either or both of the following: (1)*"

Page 12, line 23, delete "*adjustment; (2) chiropractic manipulation;*"

Page 12, line 26, delete "*persons*" and insert "*person*"

Page 12, line 27, delete "*use*" and insert "*uses*" and delete "*are*" and insert "*is*"

Page 12, line 30, delete "*or*"

Page 13, delete lines 34 to 36

Page 14, delete lines 1 to 4 and insert:

"(c) "Unconscionable fees" means charges submitted for services performed that are unnecessary or unreasonable charges in the judgment of the peer review committee. In determining the unconscionability of costs, the committee must consider, among other appropriate factors, charges by health care providers other than chiropractors for the same or similar services."

Page 14, line 30, delete "*It is the intent of the legislature*"

Page 14, delete lines 31 to 35 and insert "*The board shall review directly or by contract information relating to certain chiropractic providers for the purposes identified in section 145.61."*

Page 15, line 9, delete the second "*the*" and insert "*its findings under subdivision 2."*

Page 15, delete line 10

Page 15, line 11, delete everything before "*The*"

Page 15, line 33, delete "*submitted to it*" and insert "*reviewed*"

Page 17, line 10, after the period, insert "*The peer review committee shall file with the board a complaint against a health care provider if it determines that reasonable cause exists to believe the health care provider has violated any portion of this chapter or rules adopted under it, for which a licensed chiropractor may be disciplined. The peer review committee shall transmit all complaint information it possesses to the board."*

Page 17, line 12, after the period, insert "*The patient records obtained by the board pursuant to this section must be used solely for the purposes of the board relating to peer review or the disciplinary process."*

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 784: A bill for an act relating to human services; increasing the state share of costs for certain assistance programs; amending Minnesota Statutes 1986, sections 256.82, subdivision 1; 256B.19, subdivision 1; and 256D.03, subdivisions 2 and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete sections 1 and 2

Page 2, line 36, delete "Sec. 3" and insert "Section 1"

Page 3, line 7, strike "65" and insert "90"

Page 3, line 19, delete "4" and insert "2"

Amend the title as follows:

Page 1, line 4, delete "sections 256.82, subdivision"

Page 1, line 5, delete "1; 256B.19, subdivision 1; and" and insert "section"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1270: A bill for an act relating to child abuse; authorizing the department of human services to establish a 24-hour toll-free hotline; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [626.562] [CHILD ABUSE TOLL-FREE PROFESSIONAL CONSULTATION TELEPHONE LINES.]

Subdivision 1. [ESTABLISHMENT OF TELEPHONE LINES.] The commissioner of human services shall contract for at least one toll-free 24-hour telephone line for the purpose of providing consultative and training services for physicians, therapists, child protection workers, and other professionals involved in child protection. Services provided shall include emergency and longer-term consultation on individual child protection cases.

Subd. 2. [CONTRACT AUTHORITY.] The commissioner shall contract for the establishment of the telephone services described in subdivision 1. The commissioner shall consult with the state interagency child abuse team in determining the ability of any agency to provide services.

Subd. 3. [CONFIDENTIALITY; CHILD ABUSE REPORTING.] Unless the caller is a physician, therapist, child protection worker, or other professional involved in child protection, the contracting agency may not ask for the identity of any caller as a prerequisite to disseminating information. A communication with any telephone line established under this section by a person mandated to report abuse or neglect under section 626.556

does not satisfy the person's obligations to report under that section.

Sec. 2. [APPROPRIATION.]

\$ _____ is appropriated from the general fund to the commissioner of human services for the purpose of implementing and administering the toll-free telephone lines as provided in section 1."

Amend the title as follows:

Page 1, line 4, delete "hotline" and insert "professional consultation telephone line"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 995: A bill for an act relating to commerce; industrial loan and thrift companies; removing a restriction on the sale and issuance of certificates of indebtedness; prescribing the qualifications of the directors of certain companies; regulated loans; specifying the loan fees and charges that may be imposed by regulated lenders; amending Minnesota Statutes 1986, sections 53.04, subdivisions 3a and 5; 53.06; 56.12; 56.125, subdivision 3; 56.131, subdivision 2; and 56.14.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 25, insert:

"Sec. 3. Minnesota Statutes 1986, section 53.05, is amended to read:

53.05 [POWERS, LIMITATION.]

No industrial loan and thrift company may do any of the following:

(1) carry demand banking accounts; use the word "savings" unless the institution's investment certificates, savings accounts, and savings deposits are insured by the federal deposit insurance corporation and then only if the word is not followed by the words "and loan" in its corporate name; use the word "bank" or "banking" in its corporate name; operate as a savings bank;

(2) have outstanding at any one time certificates of indebtedness, savings accounts, and savings deposits, exclusive of those held by the company, as security for loans made by it of more than seven times the sum of the contributed capital and appropriated reserves of the company until July 1, 1985, or the date an industrial loan and thrift company obtains a commitment for insurance or guarantee of accounts acceptable to the commissioner as required by section 53.10, whichever is earlier, and thereafter 15 times the sum of contributed capital and appropriated reserves of the company;

(3) accept trusts, except as provided in section 47.75, subdivision 1, or act as guardian, administrator, or judicial trustee in any form;

(4) deposit any of its funds in any banking corporation, unless that corporation has been designated by vote of a majority of directors or of the executive committee present at a meeting duly called, at which a quorum was in attendance;

(5) change any allocation of capital made pursuant to section 53.03 or

reduce or withdraw in any way any portion of the contributed capital and appropriated reserves without prior written approval of the commissioner of commerce;

(6) take any instrument in which blanks are left to be filled in after execution;

(7) lend money in excess of ten percent of its contributed capital and appropriated reserves to a person primarily liable, *except that an industrial loan and thrift operating under this chapter with consent or holding a certificate of authorization which includes the right to sell and issue for investment certificates of indebtedness, savings accounts, and savings deposits may not lend money in excess of 15 percent of its contributed capital and appropriated reserves to a person primarily liable.* "Contributed capital and appropriated reserves" means the total of the company's contributed capital and appropriated reserves at all its authorized locations.

If a loan has been made to a person primarily liable and payments have been made on a certificate of indebtedness securing it, the amount of the payments may be added to the limitation contained in this clause for the purpose of determining whether additional loans may be made to that person; or

(8) issue cashier's checks pursuant to section 48.151, unless and at all times the aggregate liability to all creditors on these instruments is protected by a special fund in cash or due from banks to be used solely for payment of the cashier's checks."

Page 4, line 22, after "chapter" insert "*, except that this limitation does not apply to an open-end loan under section 56.125*"

Page 4, line 24, after "section" insert "*and section 56.125, subdivision 2*"

Page 6, after line 6, insert:

"Sec. 6. Minnesota Statutes 1986, section 56.125, subdivision 2, is amended to read:

Subd. 2. [REAL ESTATE AS SECURITY.] A licensee may take a lien upon real estate as security for any open-end loan ~~at or after such time as the outstanding balance first exceeds \$2,700. A subsequent reduction in the balance below \$2,700 has no effect on the lien.~~ A licensee may retain the security interest until it terminates the open-end account. If there is no outstanding balance in the account and there is no commitment by the licensee to a line of credit ~~in excess of \$2,700~~, the licensee shall, within 20 days following written demand by the borrower, deliver to the borrower a release of the mortgage on any real property taken as security for the open-end loan agreement. A real estate mortgage authorized for a financial institution secures all advances and obligations thereunder from the date of recording."

Page 9, line 13, delete "7" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "increasing lending limits;"

Page 1, line 9, before "53.06;" insert "53.05;"

Page 1, line 10, delete the first "subdivision" and insert "subdivisions 2 and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 235 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
235			24		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 656 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
656			736		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 656 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 656 and insert the language after the enacting clause of S.F. No. 736, the first engrossment; further, delete the title of H.F. No. 656 and insert the title of S.F. No. 736, the first engrossment.

And when so amended H.F. No. 656 will be identical to S.F. No. 736, and further recommends that H.F. No. 656 be given its second reading and substituted for S.F. No. 736, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1119 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1119	1005				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1119 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1119 and insert the language after the enacting clause of S.F. No. 1005, the first engrossment; further, delete the title of H.F. No. 1119 and insert the title of S.F. No. 1005, the first engrossment.

And when so amended H.F. No. 1119 will be identical to S.F. No. 1005, and further recommends that H.F. No. 1119 be given its second reading and substituted for S.F. No. 1005, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred the following appointment as reported in the Journal for March 12, 1987:

DEPARTMENT OF VETERANS AFFAIRS
COMMISSIONER
William Gregg

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1325: A bill for an act relating to the Minnesota humanities commission; requiring it to establish a humanities resource center; appropriating money; amending Minnesota Statutes 1986, section 138.91, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 791: A bill for an act relating to animals; authorizing access by certain humane officers to animal research institutions; proposing coding for new law in Minnesota Statutes, chapter 343.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [343.13] [ACCESS TO INSTITUTIONS.]

Upon reasonable belief that any animal protection laws are being vio-

lated, and during the normal business hours of an institution, as defined in section 35.71, a practicing veterinarian accompanied by a member of the county humane society in the county where the facilities being inspected are located may enter the institution to view its facilities and the way animals are treated by persons at the institution. The member of the county humane society or the veterinarian inspecting the facility may photograph or otherwise document conditions at the institution the member or veterinarian considers to be in violation of animal protection laws."

Amend the title as follows:

Page 1, line 3, delete "humane officers" and insert "members of a county humane society"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1230: A bill for an act relating to the Minnesota state historical society; providing for preservation and interpretation of public areas of the state capitol; amending Minnesota Statutes 1986, section 138.67; proposing coding for new law in Minnesota Statutes, chapter 138.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 1, line 18, delete "3" and insert "2"

Page 2, line 14, delete everything after "and" and insert "a room as designated by the joint rules of the house of representatives and the senate."

Page 2, line 18, delete the second "of" and insert "for visitors to"

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1273: A bill for an act relating to public safety; providing that local governing body may appoint local board of appeal for order issued under the state fire code; providing for finding on cost-benefit ratio obtained by complying with order; providing for notice; providing for liability of owners of dwellings for nonfunctioning smoke detectors; providing penalties; amending Minnesota Statutes 1986, sections 299F.011, subdivisions 5, 6, and by adding a subdivision; and 299F.362, subdivisions 5 and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 299F.011, is amended by adding a subdivision to read:

Subd. 5a. [LOCAL BOARD OF APPEAL.] Local governing bodies may

appoint boards of appeal to hear and rule on appeals from orders issued under the fire code. An appeal from a local board of appeal may be made to the local governing body. If a board of appeal is not appointed, the appeals of orders must be made directly to the governing body. Local boards of appeal and governing bodies are not liable for damages in connection with granting variances, abatements, denials, or modifications of orders from the fire code that are made in good faith.

Sec. 2. Minnesota Statutes 1986, section 299F011, is amended by adding a subdivision to read:

Subd. 5b. When considering appeals for variances from the fire code, the local appeal board or governing body, the state fire marshal, a state administrative law judge, and a court shall take into consideration the benefit to be obtained by complying with the fire marshal's orders and the effect on affordable housing.

Sec. 3. Minnesota Statutes 1986, section 299F011, subdivision 6, is amended to read:

Subd. 6. A person who violates a provision of the uniform fire code shall be guilty of a misdemeanor. No person shall be convicted for violating the uniform fire code unless the person shall have been given notice of the violation in writing and reasonable time to comply. The notice must contain a statement explaining the right to appeal the orders.

Sec. 4. Minnesota Statutes 1986, section 299F362, subdivision 5, is amended to read:

Subd. 5. [MAINTENANCE RESPONSIBILITIES.] For all occupancies covered by this section where the occupant is not the owner of the dwelling unit or the guest room, the owner is responsible for maintenance of the smoke detectors. An owner may file inspection and maintenance reports every six months with the local fire marshal for establishing evidence of inspection and maintenance of smoke detectors.

Sec. 5. Minnesota Statutes 1986, section 299F362, subdivision 6, is amended to read:

Subd. 6. [~~PENALTY~~ PENALTIES.] (a) Any person who violates any provision of this section shall be subject to the same penalty incurred for violation of the uniform fire code, as specified in section 299F011, subdivision 6.

(b) An occupant who willfully disables a smoke detector or causes it to be nonfunctioning, resulting in damage or injury to persons or property, is guilty of a misdemeanor."

Delete the title and insert:

"A bill for an act relating to public safety; providing that local governing body may appoint local board of appeal for order issued under the state fire code; providing for notice; providing for smoke detector maintenance; providing penalties; amending Minnesota Statutes 1986, sections 299F011, subdivision 6, and by adding subdivisions; and 299F362, subdivisions 5 and 6."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1203: A bill for an act relating to state government; reorganizing the department of agriculture, the department of energy and economic development, and the department of public service, and providing for the powers and duties of the three departments; changing the name of the department of energy and economic development to the department of trade and economic development; designating the department of jobs and training as the administrative agency for certain juvenile justice and delinquency prevention purposes; providing grants for youth intervention programs; transforming the Minnesota world trade center board into a public corporation; changing the membership of its governing board; establishing the world trade center institute as a joint venture of the corporation and the Minnesota trade office; authorizing the corporation and the world trade center office to contract for certain services and programs; transferring assets and liabilities of the world trade center board to the corporation; appropriating money; amending Minnesota Statutes 1986, sections 15.057; 17.03, subdivision 1; 18.023, subdivision 11; 18.024, subdivision 1; 43A.08, subdivision 1; 44A.01; 44A.02; 44A.031; 44A.08; 104.35, subdivisions 2 and 3; 115A.12, subdivision 2; 116C.03, subdivision 2; 116J.01; 116J.03; 116J.58, subdivision 2; 116J.60; and 116J.63, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 17; 44A; 116J; and 268; proposing coding for new law as Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1986, sections 4.09; 17.03, subdivision 5; 44A.03; 44A.04; 44A.05; 44A.06; 44A.07; 116J.404; and 116J.405.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 8, after the semicolon, insert "and"

Page 5, line 14, delete "; and" and insert a period

Page 5, delete lines 15 to 22

Page 5, line 25, delete "section 8" and insert "this section"

Renumber the subdivisions in sequence

Pages 7 and 8, delete section 11

Page 9, delete sections 13 and 14 and insert:

"Sec. 12. Minnesota Statutes 1986, section 17.101, subdivision 1, is amended to read:

~~Subdivision 1. (DEPARTMENTAL DUTIES.)~~ For the purposes of expanding, improving, and developing the markets for products of Minnesota agriculture, the commissioner shall encourage and promote the marketing of these products by means of:

(a) advertising Minnesota agricultural products;

(b) assisting state agricultural commodity organizations;

(c) developing methods to increase processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;

(d) investigating and identifying new marketing technology and methods

to enhance the competitive position of Minnesota agricultural products;

(e) evaluating livestock marketing opportunities;

(f) assessing and developing national and international markets for Minnesota agricultural products;

(g) studying the conversion of raw agricultural products to manufactured products including ethanol;

(h) hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;

(i) assisting Minnesota agricultural businesses desiring to sell their products in national and international markets; and

(j) other activities the commissioner deems appropriate to promote Minnesota agricultural products in national and international markets, provided that the activities do not duplicate programs or services provided by the Minnesota trade office."

Page 12, delete lines 1 to 3 and insert:

~~"The Each office of tourism is under the direction of a director of tourism in the unclassified service. The governor shall appoint the director of tourism."~~

Page 15, after line 5, insert:

"Subd. 2. [AGRICULTURAL DEVELOPMENT GRANTS.] To carry out the duties in subdivision 1, the commissioner, in addition to whatever other resources the department may commit, shall make grants and enter into contracts to fulfill the obligations of subdivision 1. The commissioner may contract with, among others, agricultural commodity organizations and agriculture related businesses to fulfill the duties. The commissioner shall make permanent or emergency rules for the administration of these grants and contracts. The rules must specify at a minimum:

(a) eligibility criteria;

(b) application procedures;

(c) provisions for application review and project approval;

(d) provisions for program monitoring and review for all approved grants and contracts; and

(e) other provisions the commissioner finds necessary.

Contracts entered into by the commissioner under this subdivision may not exceed 75 percent of the cost of the project supported by the commissioner's grant. In any biennium, no organization may receive more than \$70,000 in grants from the commissioner.

Subd. 3. [AUDITS.] The books, records, documents, and accounting procedures and practices of any organization receiving a grant from the commissioner under the provisions of subdivision 2 are subject to examination by the department. The commissioner may prescribe uniform methods of accounting to be used by grant recipients.

Subd. 4. [ADVISORY GROUP.] The commissioner may establish an ad hoc advisory group to assist in evaluating grant requests made under subdivision 2."

Page 15, line 6, delete "2" and insert "5"

Page 16, line 20, delete "16" and insert "14"

Page 16, line 32, delete "22" and insert "20"

Page 16, line 33, before the period, insert "*includes the division of policy analysis*"

Page 17, delete line 11

Page 17, line 16, delete "12" and insert "10"

Renumber the sections of article 1 in sequence

Page 17, line 29, delete "*corporation*"

Page 17, delete lines 30 and 31

Page 17, line 33, delete "5" and insert "4"

Renumber the subdivisions in sequence

Page 18, delete lines 4 to 16 and insert:

"Subdivision 1. [MEMBERSHIP.] (a) *The world trade center board is created to facilitate and support Minnesota world trade center programs and services and promote the growth of international trade in Minnesota. The world trade center board consists of nine 13 voting members appointed by the governor and serving at the governor's pleasure and four legislators serving as nonvoting members. Three Voting members are representatives of the membership of the Minnesota world trade center, one member is a representative must be knowledgeable or experienced in international trade in manufactured products, agricultural products, or services or be representatives of the international business community, and one member is a representative of the agricultural community or of those segments of the domestic business community most likely to benefit from an expansion of Minnesota's participation in international trade and commerce.*"

Page 19, delete section 3

Page 19, line 33, delete everything after "1."

Page 19, delete lines 34 and 35

Page 19, line 36, delete "*Subd. 2.*" and delete "*corporation*" and insert "*board*"

Page 20, line 9, delete "*without*"

Page 20, line 10, delete everything before the period

Page 20, line 12, delete "5 and 6" and insert "4 and 5" and delete "*corporation*" and insert "*board*"

Page 20, lines 23, 25, 30, 32, 34, and 36, delete "*corporation*" and insert "*board*"

Page 20, line 25, delete "*between*"

Page 20, delete lines 26 and 27

Page 20, line 28, delete everything before the period

Page 20, line 34, delete "*shall*" and insert "*may*"

Page 21, line 3, delete "*corporation shall*" and insert "*board may*"

Page 21, line 6, delete everything after the period

Page 21, delete lines 7 and 8

Page 21, line 12, reinstate the stricken "board" and delete "corporation"

Pages 21 and 22, delete sections 8 and 9

Page 22, lines 18 and 20, delete "corporation" and insert "board"

Page 22, delete sections 11 and 12

Page 23, line 1, after "sections" insert "17.101, subdivisions 2, 3, and 4;"

Page 23, line 2, delete "44A.06;"

Page 23, line 4, delete "13" and insert "8"

Renumber the sections of article 2 in sequence

Amend the title as follows:

Page 1, line 12, delete "transforming the"

Page 1, delete line 13

Page 1, line 14, delete "corporation;" and delete "its governing" and insert "the world trade center"

Page 1, delete line 16

Page 1, line 17, delete "Minnesota trade office" and delete "corporation" and insert "board"

Page 1, line 18, delete everything before "to"

Page 1, line 19, delete everything after the semicolon

Page 1, delete line 20

Page 1, line 21, delete everything before "amending"

Page 1, line 22, delete "15.057;" and after the second semicolon, insert "17.101, subdivision 1;"

Page 1, line 24, delete "44A.02;" and delete "44A.08;"

Page 1, line 29, delete "17;"

Page 1, line 32, after the first semicolon, insert "17.101, subdivisions 2, 3, and 4;" and delete "44A.06;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Davis questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1261: A bill for an act relating to the state building code; changing certain provisions relating to public buildings; amending Minnesota Statutes 1986, sections 16B.60, subdivisions 3 and 6; 16B.61, by adding a subdivision; and 16B.71.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1159: A bill for an act relating to corrections; removing the Minnesota correctional industries from state competitive bidding requirements; amending Minnesota Statutes 1986, section 241.27, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 167: A bill for an act relating to the Minnesota zoological garden; requiring board appointments to be subject to the advice and consent of the senate; increasing the size of the board; clarifying the appointment process for the board; amending Minnesota Statutes 1986, section 85A.01, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 85A.01, subdivision 1, is amended to read:

Subdivision 1. The Minnesota zoological garden is established under the supervision and control of the Minnesota zoological board. The board consists of ~~45~~ 30 public and private sector members having a background or interest in zoological societies or zoo management or an ability to generate community interest in the Minnesota zoological garden. *Twenty-nine* members shall be appointed by the ~~governor~~ board after consideration of a list supplied by board members serving on a nominating committee. Terms, compensation, and removal of members ~~and filling of vacancies~~ are as provided in section 15.0575. In making appointments, the ~~governor~~ board shall utilize the appointment process as provided under section 15.0597 and consider, among other factors, the ability of members to garner support for the Minnesota zoological garden. ~~In consultation with One member shall be appointed by the Dakota county board the board shall nominate and the governor shall appoint as one of the 15 members of the zoo board a who must be a resident of Dakota county and who may be a member of the county board.~~

A member of the board may not be an employee of or have a direct or immediate family financial interest in a business that provides goods or services to the zoo. A member of the board may not be an employee of the zoo.

Sec. 2. [TRANSITION.]

Notwithstanding section 1, the additional 15 members appointed to the state zoological board after July 1, 1987, shall be initially appointed by the governor after consideration of a list supplied by members of the zoological board serving on a nominating committee.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to the Minnesota zoological garden; increasing the size of the zoological board; permitting the board to appoint new members to the board; amending Minnesota Statutes 1986, section 85A.01, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1260: A bill for an act relating to state government; providing reimbursement for certain child care expenses incurred in connection with service on state boards, councils, committees, and task forces; amending Minnesota Statutes 1986, sections 15.0575, subdivision 3; 15.059, subdivisions 3 and 6; and 214.09, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, delete "on" and insert "attending" and delete "activities" and insert "meetings"

Page 2, line 10, delete "on" and insert "attending" and delete "activities" and insert "meetings"

Page 3, lines 9 and 22, delete "on" and insert "attending" and delete "activities" and insert "meetings"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 802: A bill for an act relating to education; state university board; allowing a choice from among three low bidders in capital projects; proposing coding for new law in Minnesota Statutes, chapter 136.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 136.142, is amended by adding a subdivision to read:

Subd. 1a. [LITIGATION PROCEEDS.] Notwithstanding any other law to the contrary, the state university board may retain funds received from successful litigation by or against the board. Awards made to the state or the board resulting from litigation by or against the board must be retained by the board to the credit of the account from which the litigation was originally funded.

Sec. 2. Minnesota Statutes 1986, section 136.24, is amended by adding a subdivision to read:

Subd. 3. [DIRECT PURCHASE OF EQUIPMENT.] The state university board may directly buy scientific and technical equipment and related supplies without complying with chapter 16B. In formulating procedures to administer this subdivision, the board shall ensure that purchases are

made through a competitive process and that efforts are made to assist in the economic development of small businesses and small businesses owned and operated by socially or economically disadvantaged persons.

Sec 3. [136.27] [CAPITAL PROJECTS BIDDING PROCEDURES.]

In awarding contracts for capital projects under section 16B.09, the board shall consider documentation provided by the bidders regarding their qualifications, including evidence of having successfully completed similar work or having delivered services or products comparable to the service or product being requested. The board shall formulate procedures to administer this section, including procedures designed to assist in the economic development of small businesses and small businesses owned and operated by socially or economically disadvantaged persons.

Sec. 4. [136.28] [STATE UNIVERSITY CONSTRUCTION.]

Subdivision 1. [FUNDING.] Notwithstanding any other law to the contrary, the state university board may accept money from nonstate sources if the money is dedicated to university building projects. The building projects may be built on state-owned land.

Subd. 2. [SUPERVISION.] Notwithstanding sections 16B.24, 16B.30, 16B.31, or any other law to the contrary, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, enlargement, and repair and betterment of state university buildings and structures funded under subdivision 1. The state university board shall advertise for bids and award contracts, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Subd. 3. [LAND PURCHASE.] (a) Notwithstanding section 16B.04 or any other law to the contrary, the state university board may buy land as it determines necessary for the effective management of the state university system and its programs.

(b) The board shall make written request to the department of administration, real estate management division, indicating the need to buy property, specifying the property to be bought, and indicating the source and sufficiency of money needed for the acquisition.

Subd. 4. [PROCEDURE FOR LAND PURCHASE.] (a) The commissioner of administration, through the real estate management division, shall proceed with acquisition in accordance with this subdivision.

(b) The title to the property must be examined by an attorney for the division. A field title report must be prepared by the division based on information from the owner or a representative of the owner. The purpose and nature of the acquisition must be explained to the owner at the time of the field title interview. If there are occupied buildings involved, a relocation study must be made to ensure that those displaced can be relocated without undue hardship.

(c) A legal description of the property must be written. If necessary, a written engineering assessment must be obtained from the state architect's office.

(d) The property to be acquired must be appraised. The appraiser must be selected by the director or the assistant director and may be a state

employee or a fee appraiser selected from a list of qualified fee appraisers maintained by the division. The fee to be paid to the appraiser must be agreed upon by the appraiser and the director or the assistant director.

(e) The appraisal must be reviewed by members of the division staff. If they approve the appraisal, the amount approved, plus damages, where applicable, must be certified by the director or the assistant director.

(f) Instruments needed for the acquisition must be requested from the attorney general's office.

(g) A direct purchase offer must be submitted to the property owner, in person, if possible and practical. A detailed explanation of the state's acquisition policies and of the owner's options must be made to the owner, including, where applicable, a full explanation of relocation benefits available to the owner.

(h) If the owner accepts the offer, the property must be bought. The division is responsible for proper execution of instruments, the closing of the transaction, the recording of instruments, the payment to the owner, relocation assistance to the owner, and removal of buildings, if necessary.

Subd. 5. [LAND TRADE.] Notwithstanding chapter 16B or any other law to the contrary, the state university board may trade land owned by the state but under the control of the board for real property of equal or greater value as it determines necessary for the management of its property or programs. The procedure for the trade must follow that determined for the board acquisition of real property in subdivision 4.

Subd. 6. [LEGISLATIVE CONSULTATION.] Before taking action under this section, the state university board shall consult with the chairs of the senate finance committee and the house appropriations committee about the proposed action."

Delete the title and insert:

"A bill for an act relating to education; appropriating funds from litigation to the state university board; authorizing the board to directly purchase equipment; clarifying that the state university board may consider the qualifications of bidders in capital project awards; allowing the board to receive nonstate funds for building on state land and to control bidding, contract awards and construction; authorizing the board to buy land; requiring the real estate management division of the department of administration to perform certain duties; authorizing the board to trade state land; requiring legislative consultation before the board proceeds with construction, land purchases or trades; amending Minnesota Statutes 1986, sections 136.142, by adding a subdivision; and 136.24, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 136."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1281: A bill for an act relating to agriculture; establishing a task force on improving agricultural commodity utilization; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 17.03, is amended by adding a subdivision to read:

Subd. 6. [AGRICULTURAL DIVERSIFICATION.] The commissioner shall establish a program of agricultural diversification. The commissioner must assist the horticultural industry, help producers diversify farming operations, and coordinate state agency efforts regarding agricultural diversification, after consulting with farm groups, the University of Minnesota and applicable institutions of higher learning. The commissioner shall report to the governor and legislature annually on activities and actions that should be taken in these matters.

Sec. 2. [17.50] [POLICY.]

The state must explore alternative uses for agricultural products to enable the state's agricultural economy to reach its full potential. The state must promote and encourage cooperative efforts between public and private interests in conducting basic research and disseminating the results on agricultural commodity utilization.

Sec. 3. [AGRICULTURAL COMMODITIES UTILIZATION.]

Subdivision 1. [REVIEW AND STUDY.] The commissioner must review and study basic research for commodity utilization.

Subd. 2. [CONTACTS.] In conducting the review and study, the commissioner must contact knowledgeable people in all areas of basic research for commodity utilization including commodity groups, university and research facilities, private industry, farmers, farm groups, and other interested persons as determined by the commissioner.

Subd. 3. [REPORT.] The commissioner must prepare a report on the research findings and submit it to the agriculture committees of the legislature by February 1, 1988.

Subd. 4. [RESPONSIBILITIES.] The commissioner's report must include recommendations for:

- (1) defining the parameters of basic research for commodity utilization;*
- (2) identifying appropriate entities to conduct basic research on commodity utilization;*
- (3) establishing a procedure for disseminating information received through research efforts; and*
- (4) the size and scope of state efforts including funding and time schedules.*

Sec. 4. [APPROPRIATION.]

\$25,000 is appropriated to the commissioner of agriculture to conduct the review, study, and report under section 2. This appropriation is not effective until \$25,000 is received to match this appropriation.”

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert “authorizing the commissioner of agriculture to study and report on ways of”

Page 1, line 4, before the period, insert “; amending Minnesota Statutes 1986, section 17.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 17”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 935: A bill for an act relating to public safety; manufactured homes; requiring manufactured home park owners to provide underground shelter for residents during severe weather; amending Minnesota Statutes 1986, section 327.20, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 327.20, subdivision 1, is amended to read:

Subdivision 1. [RULES.] No domestic animals or house pets of occupants of manufactured home parks or recreational camping areas shall be allowed to run at large, or commit any nuisances within the limits of a manufactured home park or recreational camping area. Each manufactured home park or recreational camping area licensed under the provisions of sections 327.10, 327.11, 327.14 to 327.28 shall, among other things, provide for the following, in the manner hereinafter specified:

(1) A responsible attendant or caretaker shall be in charge of every manufactured home park or recreational camping area at all times, who shall maintain the park or area, and its facilities and equipment in a clean, orderly and sanitary condition. In any manufactured home park containing more than 50 lots, the attendant, caretaker, or other responsible park employee, shall be readily available at all times in case of emergency.

(2) All manufactured home parks shall be well drained and be located so that the drainage of the park area will not endanger any water supply. No waste water from manufactured homes or recreational camping vehicles shall be deposited on the surface of the ground. All sewage and other water carried wastes shall be discharged into a municipal sewage system whenever available. When a municipal sewage system is not available, a sewage disposal system acceptable to the state commissioner of health shall be provided.

(3) No manufactured home shall be located closer than three feet to the side lot lines of a manufactured home park, if the abutting property is improved property, or closer than ten feet to a public street or alley. Each individual site shall abut or face on a driveway or clear unoccupied space of not less than 16 feet in width, which space shall have unobstructed access to a public highway or alley. There shall be an open space of at least ten feet between the sides of adjacent manufactured homes including their attachments and at least three feet between manufactured homes when parked end to end. The space between manufactured homes may be used for the parking of motor vehicles and other property, if the vehicle or other property is parked at least ten feet from the nearest adjacent manufactured home position. The requirements of this paragraph shall not apply to recreational camping areas and variances may be granted by the state commissioner of health in manufactured home parks when the variance is applied for in writing and in the opinion of the commissioner the variance

will not endanger the health, safety and welfare of manufactured home park occupants.

(4) An adequate supply of water of safe, sanitary quality shall be furnished at each manufactured home park or recreational camping area. The source of the water supply shall first be approved by the state department of health. At least one water supply outlet shall be provided at convenient locations throughout the manufactured home park or recreational camping area.

(5) All plumbing shall be installed in accordance with the rules of the state commissioner of health and the provisions of the Minnesota plumbing code.

(6) In the case of a manufactured home park *with less than 10 manufactured homes*, a plan for the sheltering or the safe evacuation to a safe place of shelter of the residents of the park in times of severe weather conditions, such as tornadoes, high winds and floods. The shelter or evacuation plan shall be developed with the assistance and approval of the municipality where the park is located and shall be posted at conspicuous locations throughout the park. Nothing in this paragraph requires the department of health to review or approve any shelter or evacuation plan developed by a park. Failure of a municipality to approve a plan submitted by a park shall not be grounds for action against the park by the department of health if the park has made a good faith effort to develop the plan and obtain municipal approval.

(7) If accessible storm shelter is not available within reasonable walking distance of the manufactured home park for sheltering residents during times of severe weather under paragraph (6), the manufactured home park owner or lessor shall provide storm shelter for the residents in a manufactured home park with 10 or more manufactured homes.

Sec. 2. [RULES.]

The commissioner of administration shall adopt rules by March 1, 1988, to implement and administer standards for shelters under section 1 and shall ensure by rules that park residents will not be displaced.

Sec. 3. [FEASIBILITY STUDY.]

The commissioner of administration shall conduct a study to determine the feasibility of requiring emergency storm shelters in above-grade single-family housing and shall submit the study to the legislature by January 15, 1988.

Sec. 4. [APPROPRIATION.]

§_____ is appropriated from the general fund to the commissioner of administration for the feasibility study required in section 3.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective March 1, 1989."

Delete the title and insert:

"A bill for an act relating to public safety; manufactured homes; requiring manufactured home park owners to provide underground shelter for residents during severe weather; requiring a feasibility study; appropriating money; amending Minnesota Statutes 1986, section 327.20, subdivision 1."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 260: A bill for an act relating to elections; authorizing combination of certain municipalities for election purposes; amending Minnesota Statutes 1986, sections 204B.14, subdivisions 2, 4, 5, and by adding a subdivision; 204B.16, subdivision 1; and 204B.21, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 204B.14, subdivision 2, is amended to read:

Subd. 2. [SEPARATE PRECINCTS; REQUIREMENTS.] The following shall constitute at least one election precinct:

(a) Each city ward; and

(b) Each town and each statutory city, unless a town and statutory city municipalities are combined for election purposes under section 4. Notwithstanding any law to the contrary, each town and each statutory city located within the metropolitan area as defined in section 473.121, subdivision 2 shall constitute at least one election precinct.

Sec. 2. Minnesota Statutes 1986, section 204B.14, subdivision 4, is amended to read:

Subd. 4. [BOUNDARY CHANGE PROCEDURE.] Any change in the boundary of an election precinct shall be adopted at least 90 days before the date of the next election, and shall not take effect until notice of the change has been posted in the office of the municipal clerk or county auditor for at least 60 days. *Except in the case of the combination or separation of municipalities for election purposes under section 4, the municipal clerk or county auditor shall notify each affected registered voter of the change in election precinct boundaries at least 30 days prior to the first election held after the change takes effect.*

Sec. 3. Minnesota Statutes 1986, section 204B.14, subdivision 5, is amended to read:

Subd. 5. [PRECINCT BOUNDARIES; DESCRIPTION; MAPS.] Each municipal clerk shall prepare and file with the county auditor of each county in which the municipality is located, with the secretary of state and with the state planning director maps showing the correct boundaries of each election precinct in the municipality. At least 30 days before any change in an election precinct or in a corporate boundary becomes effective, the municipal clerk shall prepare maps showing the new boundaries of the precincts and shall forward copies of these maps to the secretary of state, the appropriate county auditors and the state planning director. The clerk shall retain copies of the precinct maps for public inspection. The county auditor shall prepare and file precinct boundary maps for precincts in unorganized territories, and the municipal clerk designated in the combination agreement shall prepare and file precinct boundary maps in the case of municipalities combined for election purposes under section 4. in

the same manner as provided for precincts in municipalities. For every election held in the municipality the election judges shall be furnished precinct maps as provided in section 201.061, subdivision 6.

Sec. 4. Minnesota Statutes 1986, section 204B.14, is amended by adding a subdivision to read:

Subd. 8. [COMBINED PRECINCT.] (a) Up to four contiguous municipalities contained in the same legislative district, congressional district, and county commissioner district may enter a combination agreement to form one precinct for state and county election purposes, upon the approval of the county auditor. A combination agreement must be approved by resolutions of all of the governing bodies of the combining municipalities on or before April 1 of an election year. A copy of the combination agreement must be submitted to the county auditor for approval, on or before May 1 of an election year.

(b) A combination agreement remains in effect until one municipality in the combined precinct withdraws from the combination by a resolution of the governing body of the withdrawing municipality, passed on or before April 1 of an election year. The withdrawing municipality shall file the resolution with the county auditor no later than May 1 of an election year.

(c) The combination agreement must specify the designated polling place and the municipal election officials or governing bodies responsible for appointing election judges and the chair of the election board, posting notices, preparing precinct maps, and carrying out other election duties required by law.

(d) In combining or separating, the municipalities must meet the time requirements specified in this section for changing precinct boundaries and in section 204B.16, subdivision 3, for designating a different polling place.

Sec. 5. Minnesota Statutes 1986, section 204B.21, subdivision 2, is amended to read:

Subd. 2. [APPOINTING AUTHORITY; POWERS AND DUTIES.] Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory shall be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes. Appointments shall be made from lists furnished pursuant to subdivision 1 subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. If no lists have been furnished or if additional election judges are required after all listed names have been exhausted, the appointing authority may appoint any other individual to serve as an election judge subject to the same requirements and qualifications. The appointments shall be made at least 25 days before the election at which the election judges will serve.

Sec. 6. Minnesota Statutes 1986, section 204B.22, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM NUMBER REQUIRED.] A minimum of three election judges shall be appointed for each precinct. In a precinct of municipalities combined for election purposes under section 4, at least

one judge must be appointed from each municipality in the combined precinct, provided that not less than three judges shall be appointed for each combined precinct. The appointing authorities may appoint election judges for any precinct in addition to the number required by this subdivision including additional election judges to count ballots after voting has ended.

Sec. 7. [PRECINCT BOUNDARY CHANGES.]

Notwithstanding section 204B.14, subdivision 3, municipalities may enter a combination agreement as provided in section 4 until April 1, 1988.

Sec. 8. [204B.45] [MAIL BALLOTING.]

Subdivision 1. [AUTHORIZATION.] Any town having fewer than 400 registered voters and not located in a metropolitan county as defined by section 473.121 may apply to the county auditor to provide balloting by mail at any county or state election with no polling place other than the office of the auditor or clerk. The county board may provide for balloting by mail in unorganized territory.

Subd. 2. [PROCEDURE.] Notice of the election and the special mail procedure must be given at least six weeks prior to the election. No earlier than 20 days or later than 18 days prior to the election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the town or unorganized territory. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The costs of the mailing shall be paid by the election jurisdiction in which the voter resides. Any ballot received by 8:00 p.m. on the day of the election must be counted.

Subd. 3. [ELECTION LAW APPLIED; RULES.] The Minnesota election law is applicable to mail balloting except as provided by this section or by rules adopted by the secretary of state, but only paper ballots may be used. The secretary of state shall adopt rules for the conduct of mail balloting, including instructions to voters, procedures for challenge of voters, public observation of the counting of ballots, and procedures for proper handling and safeguarding of ballots to ensure the integrity of the election."

Delete the title and insert:

"A bill for an act relating to elections; authorizing combination of certain municipalities for election purposes; providing for mail balloting; amending Minnesota Statutes 1986, sections 204B.14, subdivisions 2, 4, 5, and by adding a subdivision; 204B.21, subdivision 2; and 204B.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 100: A bill for an act relating to elections; requiring confidentiality of certain matters before the ethical practices board; raising certain campaign contribution disclosure limits; changing the method of calculat-

ing certain campaign expenditure limits; amending Minnesota Statutes 1986, sections 10A.02, subdivision 11; 10A.12, subdivision 5; 10A.20, subdivisions 3 and 5; 10A.25, subdivisions 2 and 7; and 10A.255.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 10A.12, subdivision 5, is amended to read:

Subd. 5. Notwithstanding subdivision 1, any association may, if not prohibited by other law, deposit in its political fund money derived from dues or membership fees. Pursuant to section 10A.20, the treasurer of the fund shall disclose the name of any member whose dues, membership fees and contributions deposited in the political fund together exceed ~~\$50~~ \$100 in any one year.

Sec. 2. Minnesota Statutes 1986, section 10A.20, subdivision 3, is amended to read:

Subd. 3. Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed ~~\$50 for legislative candidates~~ or \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year

in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(l) For principal campaign committees only, the sum of noncampaign disbursements made in each category listed in section 10A.01, subdivision 10c during the reporting period; and

(m) The sum of all noncampaign disbursements made by the political committee, political fund, or principal campaign committee during the reporting period.

Sec. 3. Minnesota Statutes 1986, section 10A.20, subdivision 5, is amended to read:

Subd. 5. In any statewide election any contribution or contributions from any one source totaling \$2,000 or more, or in any legislative election totaling ~~\$200 or more~~ *than \$400*, received between the last day covered in the last report prior to an election and the election shall be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;
- (2) by telegram or mailgram within 48 hours after its receipt; or
- (3) by certified mail sent within 48 hours after its receipt.

These contributions must also be reported in the next required report.

Sec. 4. Minnesota Statutes 1986, section 10A.32, subdivision 3, is amended to read:

Subd. 3. As a condition of receiving any money from the state elections campaign fund, a candidate shall agree by stating in writing to the board that ~~(a)~~ the candidate's expenditures and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25 ~~and that (b)~~ ~~the candidate shall not accept contributions or allow approved expenditures to be made on the candidate's behalf for the period beginning with January 1 of the election year or with the registration of the candidate's principal campaign committee, whichever occurs later, and ending December 31 of~~

the election year, which aggregate contributions and approved expenditures exceed the difference between the amount which may legally be expended by or for the candidate, and the amount which the candidate receives from the state elections campaign fund. The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filings for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first. Money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this subdivision. That amount of all contributions accepted by a candidate in an election year which equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question which are made by that candidate in that year shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision. Any amount by which the aggregate contributions and approved expenditures agreed to under clause (b) exceed the difference shall be returned to the state treasurer in the manner provided in subdivision 2. In no case shall the amount returned exceed the amount received from the state elections campaign fund.

The candidate may submit the signed agreement to the filing officer on the day of filing the affidavit of candidacy or petition to appear on the ballot, or to the board no later than September 1.

The board prior to the first day of filing for office shall forward forms for the agreement to all filing officers. The filing officer shall without delay forward signed agreements to the board. An agreement may not be rescinded after September 1.

For the purposes of this subdivision only, the total amount to be distributed to each candidate is calculated to be the candidate's share of the total estimated funds in the candidate's party account as provided in subdivision 3a, plus the total amount estimated as provided in subdivision 3a to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater than the candidate's share of the estimate, and the contributions thereby exceed the difference, the agreement shall not be considered violated."

Delete the title and insert:

"A bill for an act relating to elections; raising certain campaign contribution disclosure limits; amending Minnesota Statutes 1986, sections 10A.12, subdivision 5; 10A.20, subdivisions 3 and 5; and 10A.32, subdivision 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1194: A bill for an act relating to utilities; requiring the public utilities commission to annually review authorized rates of return; requiring the commission to consider nonutility income under certain circumstances; amending Minnesota Statutes 1986, section 216B.16, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 216B.16, is amended by adding a subdivision to read:

Subd. 11. [ANNUAL REVIEW; RATE OF RETURN.] The commission may annually review the rate of return being earned by each public utility since the utility's most recent general rate case. The commission must examine whether the rate of return being earned by the utility and calculated in the same manner as in the utility's most recent general rate case reflects current market conditions. In making its determination the commission shall determine the utility's cost of capital and consider rates of return being authorized to comparable utilities. If, after a hearing, the commission determines that the rate of return being earned by the public utility is excessive, the commission may order that utility to file a general rate case within 120 days of the order. In a proceeding held under this subdivision, the public utility has the burden to show that its current earned rate of return is reasonable. If the utility fails to comply with the order, the commission shall order that the authorized rate of return be appropriately revised and order the utility to revise its rates accordingly.”

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

Page 1, line 7, delete “subdivisions” and insert “a subdivision”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1010: A bill for an act relating to human services; establishing service principles and rate-setting procedures for day training and habilitation services provided to adults with mental retardation and related conditions; amending Minnesota Statutes 1986, sections 245.782, subdivision 5; 252.21; 252.22; 252.23; 252.24, subdivisions 1 and 4; 252.25; 256B.501, subdivisions 1, 2, and 8; 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 1986, sections 256B.501, subdivisions 5, 6, 7, and 9; and 256E.06, subdivision 2a; repealing Minnesota Rules, parts 9525.1210, subparts 11 and 12; 9525.1230, subpart 2; 9525.1260; 9525.1270; 9525.1280; and 9525.1310.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, delete “who are not eligible”

Page 2, line 10, delete “for educational” and insert “for whom local educational agencies are not mandated to provide”

Page 5, line 11, after “directors” insert “, or public schools from administering programs under their present administrative structure”

Page 5, line 17, after “are” insert “authorized to be”

Page 5, line 35, after "*supported employment*" insert ", *work-related activities,*"

Page 7, line 13, after "*job*" insert "*for which public funds are necessary to provide ongoing training and support throughout the period of the person's employment, and*"

Page 7, line 16, delete "*are*" and after "*also*" insert "*may be*"

Page 7, delete lines 17 to 19

Page 7, line 20, delete the paragraph coding and delete "(3)" and insert "*and*"

Page 7, line 22, after "*caregivers*" insert " ; or

(2) the person engages in work that a nondisabled person would typically perform by himself or herself in a setting where the interaction with other individuals is limited by the nature of the job"

Page 8, line 3, delete "*must*"

Page 8, line 4, delete "*adhere to*" and insert "*should reflect*"

Page 8, line 21, after "*services*" insert "*which includes services*"

Page 8, after line 23, insert:

"(5) A person with mental retardation or a related condition shall participate in the patterns, conditions, and rhythms of everyday living and working that are consistent with the norms of the mainstream of society."

Page 8, line 32, delete "*governing*" and insert "*for*"

Page 10, lines 25 and 26, delete "*10*" and insert "*11*"

Page 12, line 2, after "*when*" insert "*the vendor requests and*"

Page 12, line 4, after the period, insert "*The county board shall review all vendors' payment rates that are 20 percent lower than the average rates for the regional development commission district to which the county belongs. If the county determines that the payment rates do not provide sufficient revenue to the vendor for authorized service delivery the county must recommend a variance under this section. This review must occur prior to November 1, 1987.*"

Page 12, after line 29, insert:

"Subd. 7. [TIME REQUIREMENTS AND APPEALS PROCESS FOR VARIANCES.] The commissioner shall notify in writing county boards requesting variances within 60 days of receiving the variance request from the county board. The notification shall give reasons for denial of the variance, if it is denied."

Page 13, lines 7 and 28, delete "*10*" and insert "*11*"

Page 13, line 22, delete "*done by a certified public accountant*" and insert "*that complies with the requirements of Minnesota Rules, parts 9550.0010 to 9550.0092*"

Page 13, line 34, delete "*emergency or*"

Page 14, line 3, delete "*such*" and insert "*the following*" and delete "*as*"

Page 14, line 6, delete the second "*and*"

Page 14, line 7, after "efficiently" insert ", effectively,"

Page 14, line 10, after "regulations" insert ";

(4) increased liability insurance costs;

(5) costs incurred for the development and continuation of supported employment services;

(6) cost variations in providing services to people with different needs;

(7) the adequacy of reimbursement rates that are more than 15 percent below the statewide average; and

(8) other appropriate factors"

Renumber the subdivisions in sequence

Page 14, line 26, after the period, insert "The commissioner shall establish an advisory task force to advise and make recommendations to the commissioner during the rulemaking process. The advisory task force must include legislators, vendors, residential service providers, counties, consumers, department personnel, and others as determined by the commissioner."

Page 14, after line 26, insert:

"Sec. 16. Minnesota Statutes 1986, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of this cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in the State Register a proposed list of elective surgeries that require a second medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal;

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section ~~256B.50, subdivision 4~~ 9, subdivision 3, for persons with mental retardation or related conditions who are residing in intermediate care facilities for persons with mental retardation or related conditions. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562;

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services"

means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section;

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2;

(6) Home health care services;

(7) Private duty nursing services;

(8) Physical therapy and related services;

(9) Dental services, excluding cast metal restorations;

(10) Laboratory and X-ray services;

(11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over-the-counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk,

and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act;

(12) Diagnostic, screening, and preventive services;

(13) Health care prepayment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act;

(14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion;

(15) Transportation costs incurred solely for obtaining emergency med-

ical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory;

(16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care;

(17) Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies; and

(18) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law, except licensed chemical dependency treatment programs or primary treatment or extended care treatment units in hospitals that are covered under Laws 1986, chapter 394, sections 8 to 20. The commissioner shall include chemical dependency services in the state medical assistance plan for federal reporting purposes, but payment must be made under Laws 1986, chapter 394, sections 8 to 20."

Page 16, line 7, after the stricken "6," insert "*including rates established under section 14 when they apply to services provided to residents of intermediate care facilities for persons with mental retardation or related conditions.*"

Page 17, after line 18, insert:

"Sec. 21. [TASK FORCE.]

Subdivision 1. [TASK FORCE CREATED.] The director of the state planning department shall form a task force to review and make recommendations regarding the appropriate roles of developmental achievement centers and sheltered workshops in providing supported work opportunities to people with disabilities.

Subd. 2. [MEMBERSHIP] The task force must include representatives from sheltered workshops, community-based employment programs, developmental achievement centers, county government, advocacy organizations from the Minnesota supported employment project advisory committee, the departments of human services and jobs and training and the state planning agency. Membership on the task force must not exceed ten people, no more than half of whom may be from state and local government.

Subd. 3. [SCOPE OF THE TASK FORCE.] The task force shall review and make recommendations to the legislature and affected state departments on the following:

(1) the role and function of developmental achievement centers, sheltered workshops, and other services providing employment to people who are severely disabled;

(2) mechanisms for identifying and placing clients in appropriate services;

(3) current and recommended funding methods for developmental achievement centers and extended employment programs and the relationship between funding and placement of clients; and

(4) improved ways of providing employment services to all disabled persons regardless of the severity of their disabilities, including persons not currently receiving services through existing programs.

Subd. 4. [REPORT.] The task force shall present conclusions and make recommendations to the legislature by February 1, 1988."

Page 17, line 28, delete "20" and insert "22"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after "252.25;" insert "256B.02, subdivision 8;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1048: A bill for an act relating to health; making nutrition data reporting discretionary rather than mandatory; governing the hazardous substance injury compensation board; authorizing the commissioner to control activities of carriers of communicable diseases; regulating licensure and inspections of hospitals, nursing homes, life support transportation systems, and eating places; clarifying powers of the office of health facility complaints; changing certain duties of the interagency board for quality assurance; providing penalties; amending Minnesota Statutes 1986, sections 115B.28, subdivision 4; 144.0722; 144.092; 144.50, subdivisions 1 and 2; 144.55, by adding a subdivision; 144.653, subdivision 3; 144.804, subdivision 7; 144A.10, subdivisions 1 and 2; 144A.16; 144A.31; 144A.53, subdivision 1; 145.881, subdivision 1; 157.01; 157.02; 157.04; 157.09; and 157.14; proposing coding for new law in Minnesota Statutes, chapters 144 and 144A; repealing Minnesota Statutes 1986, sections 144.422; 144.424; 144.425; 144.471; 144.49, subdivision 5; 144.692; and 144.94.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 115B.28, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE PERSONNEL AND SERVICES.] *The board may appoint an executive director who is not a member of the board. The executive director is in the unclassified service. The commissioner of health shall provide staff assistance, administrative services, and office space under a contract with the board. The board shall reimburse the commissioner for the staff, services, and space provided. In order to perform its duties, the board may request information from the supervising officer of any state agency or state institution of higher education. When requesting health data as defined in section 13.38 or sections 144.67 to 144.69, the board must submit a written release signed by the subject of the data or, if the subject is deceased, a representative of the deceased, authorizing*

release of the data in whole or in part. The supervising officer shall comply with the board's request to the extent possible considering available agency or institution appropriations and may assign agency or institution employees to assist the board in performing its duties under sections 115B.25 to 115B.37.

Sec. 2. Minnesota Statutes 1986, section 144.0722, is amended to read:

144.0722 [RESIDENT REIMBURSEMENT CLASSIFICATIONS; PROCEDURES FOR RECONSIDERATION.]

Subdivision 1. [RESIDENT REIMBURSEMENT CLASSIFICATIONS.] The commissioner of health shall establish resident reimbursement classifications based upon the assessments of residents of nursing homes and boarding care homes conducted under sections 144.072 and 144.0721, or under rules established by the commissioner of human services under sections 256B.41 to 256B.48. The reimbursement classifications established by the commissioner must conform to the rules established by the commissioner of human services.

Subd. 2. [NOTICE OF RESIDENT REIMBURSEMENT CLASSIFICATION.] The commissioner of health shall notify each resident, and the nursing home or boarding care home in which the resident resides, of the reimbursement classification established under subdivision 1. The notice must inform the resident of the classification that was assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of the classification. The notice of resident classification must be sent by first-class mail. The individual resident notices may be sent to the resident's nursing home or boarding care home for distribution to the resident. *The nursing home or boarding care home is responsible for the distribution of the notice to each resident, to the person responsible for the payment of the resident's nursing home expenses, or to another person designated by the resident. This notice must be distributed within three working days after the facility's receipt of the notices from the department.*

Subd. 3. [REQUEST FOR RECONSIDERATION.] The resident or the nursing home or boarding care home may request that the commissioner reconsider the assigned reimbursement classification. The request for reconsideration must be submitted in writing to the commissioner ~~within ten working~~ *30 days of the receipt of the notice of resident classification. For reconsideration requests submitted by or on behalf of the resident, the time period for submission of the request begins as of the date the resident or the resident's representative receives the classification notice.* The request for reconsideration must include the name of the resident, the name and address of the facility in which the resident resides, the reasons for the reconsideration, the requested classification changes, and documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the resident at the time of the assessment resulting in the disputed classification justify a change of classification.

Subd. 3a. [ACCESS TO INFORMATION.] *Upon written request, the nursing home or boarding care home must give the resident or the resident's representative a copy of the assessment form and the other documentation that was given to the department to support the assessment findings. The nursing home or boarding care home shall also provide access to and a*

copy of other information from the resident's record that has been requested by or on behalf of the resident to support a resident's reconsideration request. A copy of any requested material must be provided within three working days of receipt of a written request for the information. If a facility fails to provide the material within this time, it is subject to the issuance of a correction order and penalty assessment under sections 144.653 and 144A.10. Notwithstanding those sections, any correction order issued under this subdivision must require that the facility immediately comply with the request for information and that as of the date of the issuance of the correction order, the facility shall forfeit to the state a \$100 fine the first day of noncompliance, and an increase in the \$100 fine by \$50 increments for each day the noncompliance continues. For the purposes of this section, "representative" includes the resident's guardian or conservator, the person authorized to pay the nursing home expenses of the resident, a representative of the nursing home ombudsman's office whose assistance has been requested, or any other individual designated by the resident.

Subd. 3b. [FACILITY'S REQUEST FOR RECONSIDERATION.] In addition to the information required in subdivision 3, a reconsideration request from a nursing home or boarding care home must contain the following information: the date the resident reimbursement classification notices were received by the facility; the date the classification notices were distributed to the resident or the resident's representative; and a copy of a notice sent to the resident or to the resident's representative. This notice must tell the resident or the resident's representative that a reconsideration of the resident's classification is being requested, the reason for the request, that the resident's rate will change if the request is approved by the department and the extent of the change, that copies of the facility's request and supporting documentation are available for review, and that the resident also has the right to request a reconsideration. If the facility fails to provide this information with the reconsideration request, the request must be denied, and the facility may not make further reconsideration requests on that specific reimbursement classification.

Subd. 4. [RECONSIDERATION.] The commissioner's reconsideration must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the commissioner under subdivision 3. If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. In its discretion, the commissioner may review the reimbursement classifications assigned to all residents in the facility. Within 15 working days of receiving the request for reconsideration, the commissioner shall affirm or modify the original resident classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect the needs of the resident at the time of the assessment. The resident and the nursing home or boarding care home shall be notified within five working days after the decision is made. The commissioner's decision under this subdivision is the final administrative decision of the agency.

Subd. 5. [AUDIT AUTHORITY.] The department of health may audit assessments of nursing home and boarding care home residents. These audits may be in addition to the assessments completed by the department under section 144.0721. The audits may be conducted at the facility, and the department may conduct the audits on an unannounced basis.

Sec. 3. Minnesota Statutes 1986, section 144.092, is amended to read:

144.092 [COORDINATED NUTRITION DATA COLLECTION.]

The commissioner of health ~~shall~~ *may* develop and coordinate a reporting system to improve the state's ability to document inadequate nutrient and food intake of Minnesota's children and adults and to identify problems and determine the most appropriate strategies for improving inadequate nutritional status. The board on aging ~~shall~~ *may* develop a method to evaluate the nutritional status and requirements of the elderly in Minnesota. The commissioner of health and the board on aging ~~shall~~ *may* report to the legislature on each July 1, beginning in 1988, on the results of their investigation and their recommendations on the nutritional needs of Minnesotans.

Sec. 4. [144.4171] [SCOPE.]

Subdivision 1. [AUTHORITY.] Under the powers and duties assigned to the commissioner in sections 144.05 and 144.12, the commissioner shall proceed according to sections 4 to 19 with respect to persons who pose a health threat to others or who engage in noncompliant behavior.

Subd. 2. [PREEMPTION.] Sections 4 to 19 preempt and supersede any local ordinance or rule concerning persons who pose a health threat to others or who engage in noncompliant behavior.

Sec. 5. [144.4172] [DEFINITIONS.]

Subdivision 1. [CARRIER.] "Carrier" means a person who harbors or who the commissioner reasonably suspects of harboring a specific infectious agent whether or not there is present discernible clinical disease and who serves as a potential source of infection. In the absence of a medically accepted test, the commissioner may reasonably suspect an individual of carrier status only when a determination based upon specific facts justifies an inference that the individual harbors a specific infectious agent.

Subd. 2. [COMMUNICABLE DISEASE.] "Communicable disease" means a disease or condition that causes serious illness, serious disability, or death, the infectious agent of which may pass or be carried, directly or indirectly, from the body of one person to the body of another.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health.

*Subd. 4. [CONTACT NOTIFICATION PROGRAM.] "Contact notification program" means an ongoing program established by the commissioner to encourage carriers of a communicable disease whose primary route of transmission is through an exchange of blood, semen, or vaginal secretions, such as *treponema pallidum*, *neisseria gonorrhoea*, *chlamydia trachomatis*, and human immunodeficiency virus, to identify others who may be at risk by virtue of contact with the carrier.*

Subd. 5. [HEALTH DIRECTIVE.] "Health directive" means a written statement, or, in urgent circumstances, an oral statement followed by a written statement within seven days, from the commissioner, or local board of health with delegated authority from the commissioner, issued to a carrier who constitutes a health threat to others. A health directive must be individual, specific, and cannot be issued to a class of persons. The directive may require a carrier to cooperate with health authorities in efforts to prevent or control transmission of communicable disease, in-

cluding participation in education, counseling, or treatment programs, and undergoing medical tests necessary to verify the person's carrier status. The written directive may be personally delivered to the carrier or mailed to the carrier's last known address.

Subd. 6. [LICENSED HEALTH PROFESSIONAL.] "Licensed health professional" means a person licensed in Minnesota to practice those professions described in section 214.01, subdivision 2.

Subd. 7. [HEALTH THREAT TO OTHERS.] "Health threat to others" means that a carrier demonstrates an inability or unwillingness to conduct himself or herself in such a manner as to not place others at risk of exposure to infection that causes serious illness, serious disability, or death. It includes one or more of the following:

(1) behavior by a carrier of a communicable disease which has been demonstrated epidemiologically to transmit or which evidences a careless disregard for the transmission of the disease to others;

(2) an intention to transmit or a careless disregard for the transmission of a communicable disease to others as is evidenced by statements by a carrier, except that statements that are not credible indicators of the carrier's intention may not be used to satisfy the requirements of this subdivision; or

(3) violation by a carrier of any part of a court order issued pursuant to this chapter.

Subd. 8. [NONCOMPLIANT BEHAVIOR.] "Noncompliant behavior" means a failure or refusal to comply with a health directive.

Subd. 9. [RESPONDENT.] "Respondent" means any person against whom an action is commenced under sections 4 to 19.

Sec. 6. [144.4173] [CAUSE OF ACTION.]

Subdivision 1. [COMPLIANCE WITH DIRECTIVE.] Failure or refusal of a carrier to comply with a health directive is grounds for proceeding under subdivision 2.

Subd. 2. [COMMENCEMENT OF ACTION.] The commissioner, or a local board of health with express delegated authority from the commissioner, may commence legal action against a carrier engaged in noncompliant behavior by filing with the district court in the county in which respondent resides, and serving upon respondent, a petition for relief and notice of hearing.

Sec. 7. [144.4174] [STANDING.]

Only the commissioner, or a local board of health, with express delegated authority from the commissioner, may commence an action under sections 4 to 19.

Sec. 8. [144.4175] [REPORTING.]

Subdivision 1. [VOLUNTARY REPORTING.] Any licensed health professional or other human services professional regulated by the state who has knowledge or reasonable cause to believe that a person is a health threat to others or has engaged in noncompliant behavior may report that information to the commissioner.

Subd. 2. [LIABILITY FOR REPORTING.] A licensed health professional

or other human services professional regulated by the state who has knowledge or reasonable cause to believe that a person is a health threat to others or has engaged in noncompliant behavior, and who makes a report under subdivision 1, is not subject to liability for reporting in any civil, administrative, disciplinary, or criminal action.

Subd. 3. [WAIVER OF PRIVILEGE.] Any privilege otherwise created in section 595.02 is waived with respect to information about a person as a health threat to others or about a person's noncompliant behavior in any investigation or action under sections 4 to 19. This waiver of privilege does not apply to the privileges described in section 595.02, subdivision 1, clauses (b) and (c).

Sec. 9. [144.4176] [PETITION; NOTICE.]

Subdivision 1. [PETITION.] The petition must set forth the following:

(1) the grounds and underlying facts that demonstrate that respondent is a carrier, and has engaged in noncompliant behavior;

(2) the petitioner's efforts to alleviate the health threat to others prior to the issuance of a health directive;

(3) the type of relief sought; and

(4) a request for a court hearing on the allegations contained in the petition.

Subd. 2. [HEARING NOTICE.] The notice must contain the following information:

(1) the time, date, and place of the hearing;

(2) respondent's right to appear at the hearing;

(3) respondent's right to present and cross-examine witnesses; and

(4) respondent's right to counsel, including the right, if indigent, to representation by counsel designated by the court or county of venue.

Sec. 10. [144.4177] [TIME OF HEARING.]

A hearing on the petition must be held before the district court in the county in which respondent resides as soon as possible, but no later than 14 days from service of the petition and hearing notice.

Sec. 11. [144.4178] [CRIMINAL IMMUNITY.]

In accordance with section 609.09, subdivision 2, no person shall be excused in an action under sections 4 to 19 from giving testimony or producing any documents, books, records, or correspondence, tending to be self-incriminating; but the testimony or evidence, or other testimony or evidence derived from it, must not be used against the person in any criminal case, except for perjury committed in the testimony.

Sec. 12. [144.4179] [STANDARD OF PROOF; EVIDENCE.]

Subdivision 1. [CLEAR AND CONVINCING.] The commissioner must prove the allegations in the petition by clear and convincing evidence.

Subd. 2. [ALL RELEVANT EVIDENCE.] The court shall admit all reliable relevant evidence. Medical and epidemiologic data must be admitted if it otherwise comports with section 145.30, chapter 600, Minnesota Rules of Evidence 803(6), or other statutes or rules that permit

reliable evidence to be admitted in civil cases.

Subd. 3. [FAILURE TO APPEAR.] If a party fails to appear at the hearing without prior court approval, the hearing may proceed without the absent party and the court may make its determination on the basis of all reliable evidence submitted at the hearing.

Subd. 4. [RECORDS.] The court shall take and preserve an accurate stenographic record of the proceedings.

Sec. 13. [144.4180] [REMEDIES.]

Subdivision 1. [REMEDIES AVAILABLE.] Upon a finding by the court that respondent has engaged in noncompliant behavior, the court may order that the respondent must:

- (1) participate in a designated education program;*
- (2) participate in a designated counseling program;*
- (3) participate in a designated treatment program;*
- (4) undergo medically accepted tests to verify respondent's status as a carrier, or treatment that is consistent with standard medical practice as necessary to make respondent noninfectious;*
- (5) notify or appear before designated health officials for verification of status, testing, or other purposes consistent with monitoring;*
- (6) cease and desist the conduct which constitutes a health threat to others;*
- (7) live part time or full time in a supervised setting for the period and under the conditions set by the court;*
- (8) be committed to an appropriate institutional facility for the period and under the conditions set by the court, but not longer than six months, until the respondent is made noninfectious, or until the respondent completes a course of treatment prescribed by the court, whichever occurs first, unless the commissioner shows good cause for continued commitment; and*
- (9) comply with any combination of the remedies in clauses (1) to (8), or other remedies considered just by the court. In no case may a respondent be committed to a correctional facility.*

Subd. 2. [CONSTRUCTION.] This section shall be construed so that the least restrictive alternative is used to achieve the desired purpose of preventing or controlling communicable disease.

Subd. 3. [ADDITIONAL REQUIREMENTS.] If commitment or supervised living is ordered, the court shall require the head of the institutional facility or the person in charge of supervision to submit a written report, with a copy to both the commissioner and the respondent, at least 60 days, but not more than 90 days, from the start of respondent's commitment or supervised living arrangement, setting forth the following:

- (1) the types of support or therapy groups, if any, respondent is attending and how often respondent attends;*
- (2) the type of care or treatment respondent is receiving, and what future care or treatment is necessary;*
- (3) whether respondent has been cured or made noninfectious, or oth-*

erwise no longer poses a threat to public health;

(4) whether continued commitment or supervised living is necessary; and

(5) other information the court considers necessary.

Sec. 14. [144.4181] [APPEAL.]

The petitioner or respondent may appeal the decision of the district court. The court of appeals shall hear the appeal within 30 days after service of the notice of appeal. However, respondent's status as determined by the district court remains unchanged, and any remedy ordered by the district court remains in effect while the appeal is pending.

Sec. 15. [144.4182] [TEMPORARY EMERGENCY HOLD.]

Subdivision 1. [APPREHEND AND HOLD.] To protect the public health in an emergency, the court may order a health officer or peace officer to take a person into custody and transport the person to an appropriate emergency care or treatment facility for observation, examination, testing, diagnosis, care, treatment, and, if necessary, temporary detention. If the person is already institutionalized, the court may order the institutional facility to hold the person. These orders must be issued in an ex parte proceeding upon an affidavit of the commissioner or a designee of the commissioner. An order shall issue upon a determination by the court that reasonable cause exists to believe that the person is a carrier of a communicable disease and: (a) has evidenced an intention to imminently transmit or a careless disregard for the imminent transmission of the disease to other persons; or (b) has evidenced an intention to flee and is a health threat to others.

The affidavit must set forth the specific facts upon which the order is sought and must be served on the person immediately upon apprehension or detention. An order under this section may be executed on any day and at any time.

Subd. 2. [DURATION OF HOLD.] No person may be held under subdivision 1 longer than 72 hours, exclusive of Saturdays, Sundays, and legal holidays, without a court hearing to determine if the emergency hold should continue.

Sec. 16. [144.4183] [EMERGENCY HOLD HEARING.]

Subdivision 1. [TIME OF NOTICE.] Notice of the emergency hold hearing must be served upon the person held under section 15, subdivision 1, at least 24 hours before the hearing.

Subd. 2. [CONTENTS OF NOTICE.] The notice must contain the following information:

(1) the time, date, and place of the hearing;

(2) the grounds and underlying facts upon which continued detention is sought;

(3) the person's right to appear at the hearing;

(4) the person's right to present and cross-examine witnesses; and

(5) the person's right to counsel, including the right, if indigent, to representation by counsel designated by the court or county of venue.

Subd. 3. [ORDER FOR CONTINUED EMERGENCY HOLD.] The court may order the continued holding of the person if it finds, by a preponderance of the evidence, that the person would pose a threat to the public health if released. However, in no case may the emergency hold continue longer than five days, unless a petition is filed under section 6. If a petition is filed, the emergency hold must continue until a hearing on the petition is held under section 10. That hearing must occur within five days of the filing of the petition, exclusive of Saturdays, Sundays, and legal holidays.

Sec. 17. [144.4184] [CONTACT DATA.]

Identifying information voluntarily given to the commissioner, or an agent of the commissioner, by a carrier through a contact notification program must not be used as evidence in a court proceeding to determine noncompliant behavior.

Sec. 18. [144.4185] [COSTS.]

Subdivision 1. [COSTS OF CARE.] The court shall determine what part of the cost of care or treatment ordered by the court, if any, the respondent can pay. The respondent shall provide the court documents and other information necessary to determine financial ability. If the respondent cannot pay the full cost of care, the rest must be paid by the county in which respondent resides. If the respondent provides inaccurate or misleading information, or later becomes able to pay the full cost of care, the respondent becomes liable to the county for costs paid by the county.

Subd. 2. [COURT-APPOINTED COUNSEL.] If the court appoints counsel to represent respondent free of charge, counsel must be compensated by the county in which respondent resides, except to the extent that the court finds that the respondent is financially able to pay for counsel's services.

Subd. 3. [REPORT.] The commissioner shall report any recommendations for appropriate changes in the modes of financing of services provided under subdivision 1 by January 15, 1988.

Sec. 19. [144.4186] [DATA PRIVACY.]

Subdivision 1. [NONPUBLIC DATA.] Data contained in a health directive are classified as protected nonpublic data under section 13.02, subdivision 13, in the case of data not on individuals, and private under section 13.02, subdivision 12, in the case of data on individuals.

Subd. 2. [PROTECTIVE ORDER.] Once an action is commenced, any party may seek a protective order to protect the disclosure of portions of the court record identifying individuals or entities.

Sec. 20. Minnesota Statutes 1986, section 144.50, subdivision 1, is amended to read:

Subdivision 1. (a) No person, partnership, association, or corporation, nor any state, county, or local governmental units, nor any division, department, board, or agency thereof, shall establish, operate, conduct, or maintain, or advertise in the state any hospital, sanatorium or other institution for the hospitalization or care of human beings without first obtaining a license therefor in the manner provided in sections 144.50 to 144.56.

(b) A violation of this subdivision is a misdemeanor punishable by a fine of not more than \$300. The commissioner may seek an injunction in the district court against the continuing operation of the unlicensed institution.

Proceedings for securing an injunction may be brought by the attorney general or by the appropriate county attorney.

(c) The sanctions in this subdivision do not restrict other available sanctions.

Sec. 21. Minnesota Statutes 1986, section 144.50, subdivision 2, is amended to read:

Subd. 2. Hospital, sanatorium or other institution for the hospitalization or care of human beings, within the meaning of sections 144.50 to 144.56 shall mean any institution, place, building, or agency, in which any accommodation is maintained, furnished, or offered for five or more persons for: the hospitalization of the sick or injured; the provision of care in a swing bed authorized under section 144.562; elective outpatient surgery for preexamined, prediagnosed low risk patients; emergency medical services offered 24 hours a day, seven days a week, in an ambulatory or outpatient setting in a facility not a part of a licensed hospital; or the institutional care of human beings. Nothing in sections 144.50 to 144.56 shall apply to a clinic, a physician's office or to hotels or other similar places that furnish only board and room, or either, to their guests.

Sec. 22. [144.555] [HOSPITAL CLOSINGS; PATIENT RELOCATIONS.]

Subdivision 1. [NOTICE OF CLOSING OR CURTAILING SERVICE.] If a facility licensed under sections 144.50 to 144.56 voluntarily plans to cease operations or to curtail operations to the extent that residents must be relocated, the controlling persons of the facility must notify the commissioner of health at least 90 days before the scheduled cessation or curtailment. The commissioner shall cooperate with the controlling persons and advise them about relocating the residents.

Subd. 2. [PENALTY.] Failure to notify the commissioner under subdivision 1 may result in issuance of a correction order under section 144.653, subdivision 5.

Sec. 23. Minnesota Statutes 1986, section 144.653, subdivision 3, is amended to read:

Subd. 3. [ENFORCEMENT.] With the exception of the department of public safety which has the exclusive jurisdiction to enforce state fire and safety standards, the state commissioner of health is the exclusive state agency charged with the responsibility and duty of inspecting facilities required to be licensed under the provisions of sections 144.50 to 144.58 and enforcing the rules and standards prescribed by it.

The commissioner may request and must be given access to and copies of relevant information, records, incident reports, or other documents in the possession of a licensed facility if the commissioner considers them necessary for the discharge of responsibilities. For the purposes of inspections and securing information to determine compliance with the licensure laws and rules, the commissioner need not present a release, waiver, or consent of the individual. The identities of patients or residents must be kept private as defined by section 13.02, subdivision 12.

Sec. 24. Minnesota Statutes 1986, section 144.802, subdivision 3, is amended to read:

Subd. 3. (a) Each prospective licensee and each present licensee wishing to offer a new type or types of life support transportation service, to establish

a new base of operation, or to expand a primary service area, shall make written application for a license to the commissioner on a form provided by the commissioner.

(b) For applications for the provision of life support transportation services in a service area located within a county, the commissioner shall promptly send notice of the completed application to the health systems agency or agencies, the county board and to each community health service agency or agencies board, regional emergency medical services system designated under section 144.8093, life support transportation service, and each municipality and county in the area in which life support transportation service would be provided by the applicant. The commissioner shall publish the notice, at the applicant's expense, in the state register and in a newspaper in the municipality in which the service would be provided base of operation will be located, or if no newspaper is published in the municipality or if the service would be provided in more than one municipality, in a newspaper published at the county seat of the county or counties in which the service would be provided.

(c) For applications for the provision of life support transportation services in a service area larger than a county, the commissioner shall promptly send notice of the completed application to the municipality in which the service's base of operation will be located and to each community health board, county board, regional emergency medical services system designated under section 144.8093, and life support transportation service located within the service area described by the applicant. The commissioner shall publish this notice, at the applicant's expense, in the state register and in a newspaper with statewide circulation.

(d) The commissioner shall request that the chief administrative law judge appoint an administrative law judge to hold a public hearing in the municipality in which the service's base of operation will be located.

(e) Each municipality, county, community health service, regional emergency medical services system, life support transportation service, and other person wishing to make recommendations concerning the disposition of the application shall make written recommendations to the health systems agency in its area administrative law judge within 30 days of the publication of notice of the application in the state register.

(f) The health systems agency or agencies administrative law judge shall:

(1) hold a public hearing in the municipality in which the service's base of operations is or will be located;

(2) provide notice of the public hearing in the newspaper or newspapers in which notice was published under part (b) or (c) for two successive weeks at least ten days before the date of the hearing;

(3) allow any interested person the opportunity to be heard, to be represented by counsel, and to present oral and written evidence at the public hearing;

(4) provide a transcript of the hearing at the expense of any individual requesting it; and

(5) follow any further procedure not inconsistent with chapter 14, which it deems appropriate.

(d) (g) The ~~health systems agency or agencies~~ *administrative law judge* shall review and comment upon the application and shall make written recommendations as to its disposition to the commissioner within 90 days of receiving notice of the application. In making the recommendations, the ~~health systems agency or agencies~~ *administrative law judge* shall consider and make written comments as to whether the proposed service, change in base of operations, or expansion in primary service area is needed, based on consideration of the following factors:

(1) the relationship of the proposed service, change in base of operations or expansion in primary service area to ~~the current health systems and annual implementation plans~~ *community health plan as approved by the commissioner under section 145.918;*

(2) the recommendations or comments of the governing bodies of the counties and municipalities in which the service would be provided;

(3) the ~~deleterious effects on the public health from~~ *duplication, if any, of life support transportation services that would result from granting the license;*

(4) the estimated effect of the proposed service, change in base of operation or expansion in primary service area on the public health;

(5) whether any benefit accruing to the public health would outweigh the costs associated with the proposed service, change in base of operations, or expansion in primary service area.

The ~~health systems agency or agencies~~ *administrative law judge* shall recommend that the commissioner either grant or deny a license or recommend that a modified license be granted. The reasons for the recommendation shall be set forth in detail. The ~~health systems agency or agencies~~ *administrative law judge* shall make the recommendations and reasons available to any individual requesting them.

Sec. 25. Minnesota Statutes 1986, section 144.802, subdivision 4, is amended to read:

Subd. 4. Within 30 days after receiving the ~~health systems agency recommendations~~ *administrative law judge's report*, the commissioner shall grant or deny a license to the applicant. In granting or denying a license, the commissioner shall consider the ~~health systems agency recommendations~~ *administrative law judge's report*, the evidence contained in the application, and any hearing record and other applicable evidence, ~~and whether any benefit accruing to the public health would outweigh the costs associated with the proposed service, change in base of operations, or expansion in primary service area.~~ *The commissioner's decision shall be based on a consideration of the factors contained in subdivision 3, clause (f).* If the commissioner's decision is different from the ~~health systems agency~~ *administrative law judge's* recommendations, the commissioner shall set forth in detail the reasons for differing from the recommendations.

Sec. 26. Minnesota Statutes 1986, section 144.804, subdivision 7, is amended to read:

Subd. 7. [DRIVERS OF LIFE SUPPORT TRANSPORTATION SERVICE VEHICLES.] A life support transportation service vehicle may be staffed by a driver possessing a (1) current first responder certificate issued under United States Department of Transportation standards, ~~or (2) a valid class~~

~~C driver's license provided a siren and flashing lights are not used and the vehicle is driven within legal speed limits, if, in either case,~~ the life support transportation service vehicle is also staffed by two or more attendants meeting the following qualifications: (a) attendants staffing a basic life support transportation service vehicle shall meet the qualifications contained in subdivision 1; and (b) attendants staffing an advanced life support transportation service vehicle shall possess a current certification as an emergency medical technician or an emergency medical technician-paramedic, provided that at least one attendant is an emergency medical technician-paramedic.

Sec. 27. Minnesota Statutes 1986, section 144A.10, subdivision 1, is amended to read:

Subdivision 1. [ENFORCEMENT AUTHORITY.] The commissioner of health is the exclusive state agency charged with the responsibility and duty of inspecting all facilities required to be licensed under section 144A.02. The commissioner of health shall enforce the rules established pursuant to sections 144A.01 to 144A.17, subject only to the authority of the department of public safety respecting the enforcement of fire and safety standards in nursing homes and the responsibility of the commissioner of human services under sections 245.781 to 245.821 or 252.28.

The commissioner may request and must be given access to and copies of relevant information, records, incident reports, or other documents in the possession of a licensed facility if the commissioner considers them necessary for the discharge of responsibilities. For the purposes of inspections and securing information to determine compliance with the licensure laws and rules, the commissioner need not present a release, waiver, or consent of the individual. The identities of patients or residents must be kept private as defined by section 13.02, subdivision 12.

Sec. 28. Minnesota Statutes 1986, section 144A.10, subdivision 2, is amended to read:

Subd. 2. [INSPECTIONS.] The commissioner of health shall inspect each nursing home to ensure compliance with sections 144A.01 to 144A.17 and the rules promulgated to implement them. The inspection shall be a full inspection of the nursing home. If upon a reinspection provided for in subdivision 5 the representative of the commissioner of health finds one or more uncorrected violations, a second inspection of the facility shall be conducted. The second inspection need not be a full inspection. No prior notice shall be given of an inspection conducted pursuant to this subdivision. Any employee of the commissioner of health who willfully gives or causes to be given any advance notice of an inspection required or authorized by this subdivision shall be subject to suspension or dismissal in accordance with chapter 43A. An inspection required by a federal rule or statute may be conducted in conjunction with or subsequent to any other inspection. Any inspection required by this subdivision may be in addition to or in conjunction with the reinspections required by subdivision 5. Nothing in this subdivision shall be construed to prohibit the commissioner of health from making more than one unannounced inspection of any nursing home during its license year. The commissioner of health shall coordinate inspections of nursing homes with inspections by other state and local agencies *consistent with the requirements of this section and the Medicare and Medicaid certification programs.*

The commissioner shall conduct inspections and reinspections of health

facilities with a frequency and in a manner calculated to produce the greatest benefit to residents within the limits of the resources available to the commissioner. In performing this function, the commissioner may devote proportionately more resources to the inspection of those facilities in which conditions present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being.

These conditions include but are not limited to: change in ownership; frequent change in administration in excess of normal turnover rates; complaints about care, safety, or rights; where previous inspections or re-inspections have resulted in correction orders related to care, safety, or rights; and, where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity. Any facility that has none of the above conditions or any other condition established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.

Sec. 29. [144A.115] [VIOLATIONS; PENALTIES.]

Subdivision 1. [OPERATING WITHOUT A LICENSE.] The operation of a facility required to be licensed under sections 144A.02 to 144A.10 without a license is a misdemeanor punishable by a fine of not more than \$300.

Subd. 2. [ADVERTISING WITHOUT A LICENSE.] A person or entity that advertises a facility required to be licensed under sections 144A.02 to 144A.10 before obtaining a license is guilty of a misdemeanor.

Subd. 3. [OTHER SANCTIONS.] The sanctions in this section do not restrict other available sanctions.

Sec. 30. Minnesota Statutes 1986, section 144A.16, is amended to read:

144A.16 [CESSATION OF OPERATIONS.]

If a nursing home *voluntarily* plans to cease operations or to curtail operations to the extent that relocation of residents is necessary, the controlling persons of the facility shall notify the commissioner of health at least 90 days prior to the scheduled cessation or curtailment. The commissioner of health shall cooperate with and advise the controlling persons of the nursing home in the resettlement of residents. Failure to comply with this section shall be a violation of section 144A.10.

Sec. 31. Minnesota Statutes 1986, section 144A.31, is amended to read:

144A.31 [INTERAGENCY BOARD FOR QUALITY ASSURANCE.]

Subdivision 1. [INTERAGENCY BOARD.] The commissioners of health and human services shall establish, by July 1, 1983, an interagency board of employees of their respective departments who are knowledgeable and employed in the areas of long-term care, geriatric care, long-term care facility inspection, or quality of care assurance. The number of interagency board members shall not exceed ~~seven~~ eight; three members each to represent the commissioners of health and human services and one member each to represent the commissioner of public safety in the enforcement of fire and safety standards in nursing homes. The commissioner of human services or a designee shall chair and convene the board directors of state planning and housing finance. The board shall identify long-term care issues requiring coordinated interagency policies and shall conduct anal-

yses, coordinate policy development, and make recommendations to the commissioners for effective implementation of these policies. The commissioner of human services and the commissioner of health or their designees shall annually alternate chairing and convening the board. The board may utilize the expertise and time of other individuals employed by either department as needed. The board may recommend that the commissioners contract for services as needed. The board shall meet as often as necessary to accomplish its duties, but at least ~~monthly~~ quarterly. The board shall establish procedures, including public hearings, for allowing regular opportunities for input from residents, nursing homes, and other interested persons.

Subd. 2. [INSPECTIONS.] No later than January 1, ~~1984~~ 1988, the board shall develop and recommend implementation and enforcement of an effective system to ensure quality of care in each nursing home in the state. Quality of care includes evaluating, using the resident's care plan, whether the resident's ability to function is optimized and should not be measured solely by the number or amount of services provided.

The board shall assist the commissioner of health in ~~ensuring~~ developing methods to ensure that inspections and reinspections of nursing homes are conducted with a frequency and in a manner calculated to most effectively and appropriately fulfill its quality assurance responsibilities and achieve the greatest benefit to nursing home residents. *The board shall identify and recommend criteria and methods for identifying those nursing homes that present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being.* The commissioner of health shall require a higher frequency and extent of inspections with respect to those nursing homes that present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being. These concerns include but are not limited to: complaints about care, safety, or rights; situations where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; instances of frequent change in administration in excess of normal turnover rates; and situations where persons involved in ownership or administration of the nursing home have been convicted of engaging in criminal activity. A nursing home that presents none of these concerns or any other concern or condition *recommended by the board* and established by the ~~board~~ commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years for compliance with key requirements as determined by the board.

The board shall develop and recommend to the commissioners mechanisms beyond the inspection process to protect resident care, safety, and rights, including but not limited to coordination with the office of health facility complaints and the nursing home ombudsman program.

Subd. 3. [METHODS FOR DETERMINING RESIDENT CARE NEEDS.] The board shall develop and recommend to the commissioners definitions for levels of care and methods for determining resident care needs for implementation on July 1, 1985 in order to adjust payments for resident care based on the mix of resident needs in a nursing home. The methods for determining resident care needs shall include assessments of ability to perform activities of daily living and assessments of medical and therapeutic needs.

Subd. 4. [ENFORCEMENT.] The board shall develop and recommend for implementation effective methods of enforcing quality of care standards.

When it deems necessary, and when all other methods of enforcement are not appropriate, the board shall recommend to the commissioner of health closure of all or part of a nursing home or certified boarding care home and revocation of the license. The board shall develop and monitor, and the commissioner of human services shall implement, a resident relocation plan that instructs the a county in which the a nursing home or certified boarding care home is located of procedures to ensure that the needs of residents in nursing homes or certified boarding care homes about to be closed are met. The duties of a county under the relocation plan also apply when residents are to be discharged from a nursing home or certified boarding care home as a result of a change in certification, closure, or loss or termination of the facility's medical assistance provider agreement. *The resident relocation plans and county duties required in this subdivision apply to the voluntary or involuntary closure, or reduction in services or size of, an intermediate care facility for the mentally retarded. The relocation plan for intermediate care facilities for the mentally retarded must conform to Minnesota Rules, parts 4655.6810 to 4655.6830, 9525.0015 to 9525.0165, and 9546.0010 to 9546.0060, or their successors. The commissioner of human services may waive a portion of existing rules that the commissioner determines does not apply to persons with mental retardation or related conditions.* The county shall ensure appropriate placement in swing beds in hospitals, placement in unoccupied beds in other nursing homes, utilization of residents in licensed and certified facilities or other alternative care such as home health care on a temporary basis, and foster care placement, or other appropriate alternative care. In preparing for relocation, the board shall ensure that residents and their families or guardians are involved in planning the relocation.

Subd. 5. [REPORTS.] The board shall prepare a report and the commissioners of health and human services shall deliver this report to the legislature no later than January 15, 1984, on the board's proposals and progress on implementation of the methods required under subdivisions subdivision 2, 3, and 4. The commissioners shall recommend changes in or additions to legislation necessary or desirable to fulfill their responsibilities. The board shall prepare an annual report and the commissioners shall deliver this report annually to the legislature, beginning in January, 1985, on the implementation and enforcement of the provisions of this section.

Subd. 6. [DATA.] The interagency board may have access to data from the commissioners of health, human services, and public safety for carrying out its duties under this section. The commissioner of health and the commissioner of human services may each have access to data on persons, including data on vendors of services, from the other to carry out the purposes of this section. If the interagency board, the commissioner of health, or the commissioner of human services receives data on persons, including data on vendors of services, that is collected, maintained, used or disseminated in an investigation, authorized by statute and relating to enforcement of rules or law, the board or the commissioner shall not disclose that information except:

- (a) pursuant to section 13.05;
- (b) pursuant to statute or valid court order; or
- (c) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense.

Data described in this subdivision is classified as public data upon its submission to an administrative law judge or court in an administrative or judicial proceeding.

Sec. 32. Minnesota Statutes 1986, section 144A.53, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] The director may:

(a) Promulgate by rule, pursuant to chapter 14, and within the limits set forth in subdivision 2, the methods by which complaints against health facilities, health care providers or administrative agencies are to be made, reviewed, investigated, and acted upon; provided, however, that a fee may not be charged for filing a complaint.

(b) Recommend legislation and changes in rules to the state commissioner of health, legislature, governor, administrative agencies or the federal government.

(c) Investigate, upon a complaint or upon initiative of the director, any action or failure to act by a health care provider or a health facility.

(d) Request and receive access to relevant information, records, *incident reports*, or documents in the possession of an administrative agency, a health care provider, or a health facility, *and issue investigative subpoenas to individuals and facilities for oral information and written information, including privileged information* which the director deems necessary for the discharge of responsibilities. *For purposes of investigation and securing information to determine violations, the director need not present a release, waiver, or consent of an individual. The identities of patients or residents must be kept private as defined by section 13.02, subdivision 12.*

(e) Enter and inspect, at any time, a health facility *and be permitted to interview staff*; provided that the director shall not unduly interfere with or disturb *the provision of care and services within the facility or the activities of a patient or resident unless the patient or resident consents*.

(f) Issue a correction order pursuant to section 144.653 or any other law which provides for the issuance of correction orders to health care facilities. *A facility's refusal to cooperate in providing lawfully requested information may also be grounds for a correction order.*

(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or Title XIX of the United States Social Security Act.

(h) Assist *patients or residents* of health facilities in the enforcement of their rights under Minnesota law; ~~and~~.

(i) Work with administrative agencies, health facilities, health care providers and organizations representing consumers on programs designed to provide information about health facilities to the public and to health facility residents.

Sec. 33. Minnesota Statutes 1986, section 145.881, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION OF TASK FORCE.] The commissioner shall establish and appoint a maternal and child health advisory task force consisting of 15 members who will provide equal representation from:

(1) professionals with expertise in maternal and child health services;

(2) representatives of local health boards as defined in section 145.913; and

(3) consumer representatives interested in the health of mothers and children.

No members shall be employees of the state department of health. Task force members shall be appointed and removed as provided in section 15.059, ~~subdivision 6. Notwithstanding section 15.059, subdivisions 5 and 6,~~ subdivisions 2 and 4. The maternal and child health advisory task force shall terminate on ~~June 30, 1987~~ the date provided by section 15.059, subdivision 5, and members shall receive compensation as provided in section 15.059, subdivision 6.

Sec. 34. Minnesota Statutes 1986, section 145.882, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTION FORMULA.] The amount available for each community health services area is determined according to the following formula:

(a) Each community health services area is allocated an amount based on the following three variables:

(1) the proportion of resident mothers within the city, county, or counties who are under 20 years of age or over 35 years of age, as determined by averaging the data available for the three most current years;

(2) the proportion of resident infants within the city, county, or counties whose weight at birth is less than 2,500 grams, as determined by averaging the data available for the three most current years; and

(3) the proportion of resident children within the city, county, or counties under the age of 19 who are on general assistance or medical assistance and the proportion of resident women within the city, county, or counties aged 19 to 49 who are on general assistance or medical assistance, as determined by using the data available for the most current year.

(b) Each variable is expressed as a city or county score consisting of the city or county frequency of each variable divided by the statewide frequency of the variable.

(c) A total score for each city or county jurisdiction is computed by totaling the scores of the three factors and dividing the total by three. *The resulting amount is added to the total score for the most recent two-year grant period and the sum is divided by two.*

(d) Each community health services area is allocated an amount equal to the total score obtained above for the city, county, or counties in its area multiplied by the amount of money available for special projects of local significance.

Sec. 35. Minnesota Statutes 1986, section 157.01, is amended to read:
157.01 [DEFINITIONS.]

Subdivision 1. [TYPES OF ESTABLISHMENTS.] Every building or structure or enclosure, or any part thereof, kept, used as, maintained as, or advertised as, or held out to the public to be an enclosure where sleeping accommodations are furnished to the public and furnishing accommodations for periods of less than one week shall for the purpose of this chapter be deemed an hotel.

Every building or other structure or enclosure, or any part thereof and all buildings in connection, kept, used or maintained as, or advertised as, or held out to the public to be an enclosure where meals or lunches are served or prepared for service elsewhere shall for the purpose of this chapter be deemed to be a restaurant, and the person in charge thereof, whether as owner, lessee, manager or agent, for the purpose of this chapter shall be deemed the proprietor of the restaurant, and whenever the word "restaurant" occurs in this chapter, it shall be construed to mean a structure as described in this section.

Every building or structure, or any part thereof, kept, used as, maintained as, advertised as, or held out to be a place where sleeping accommodations are furnished to the public as regular roomers, for periods of one week or more, and having five or more beds to let to the public, shall, for the purpose of this chapter, be deemed a lodging house.

Every building or structure or enclosure, or any part thereof, used as, maintained as, or advertised as, or held out to be an enclosure where meals or lunches are furnished to five or more regular boarders, whether with or without sleeping accommodations, for periods of one week or more, shall, for the purpose of this chapter, be deemed a boarding house.

Every building or structure, or any part thereof, used as, maintained as, or advertised as, or held out to be a place where confectionery, ice cream, or drinks of various kinds are made, sold or served at retail, shall, for the purpose of this chapter, be deemed to be a place of refreshment. This chapter shall not be applicable in any manner to a general merchandise store, grocery store, oil station, cigar stand, confectionery store, or drug store not providing meals, lunches, lodging, or fountain, bar, booth, or table service.

For the purpose of this chapter, a resort means any building, structure, or enclosure, or any part thereof, located on, or on property neighboring, any lake, stream, or skiing or hunting area for purposes of providing convenient access thereto, kept, used, maintained, or advertised as, or held out to the public to be an enclosure where sleeping accommodations are furnished to the public, and primarily to those seeking recreation, for periods of one day, one week, or longer, and having for rent five or more cottages, rooms, or enclosures.

Subd. 2. [LEVELS OF RISK.] (a) "High-risk establishment" means any lodging house, hotel, motel, restaurant, boarding house, place of refreshment, or resort that:

(1) serves potentially hazardous foods that require extensive processing on the premises, including manual handling, cooling, reheating, or holding for service;

(2) prepares foods several hours or days before service;

(3) serves menu items that epidemiologic experience has demonstrated to be common vehicles of food-borne illness;

(4) has a public swimming pool;

(5) draws its drinking water from a surface water supply; or

(6) has an on-site sewage disposal system and is located in an area where conditions are less favorable for the successful operation of such a system.

(b) "Medium-risk establishment" means a hotel, motel, restaurant, lodging house, boarding house, place of refreshment, or resort that:

(1) serves potentially hazardous foods but with minimal holding between preparation and service;

(2) serves low-risk foods that may or may not be potentially hazardous but require extensive handling, such as baked goods and pizzas;

(3) serves large volumes of food even though the food-borne illness risk is low; or

(4) is a lodging establishment with 25 or more units.

(c) "Low-risk establishment" means a hotel, motel, restaurant, lodging house, boarding house, place of refreshment, or resort that is not a high-risk or medium-risk establishment.

Sec. 36. Minnesota Statutes 1986, section 157.02, is amended to read:

157.02 [HOTEL INSPECTOR INSPECTION RECORDS.]

The ~~hotel inspector~~ commissioner of health shall keep a set of books for public use and inspection showing the condition of all hotels, motels, restaurants, lodging houses, boarding houses, resorts, and places of refreshment, together with the name of the owner, proprietor, or manager thereof, showing their sanitary condition, and any other information that may be for the betterment of the public service, and ~~likewise assist in the enforcement of any orders promulgated by the state commissioner of health and the department of agriculture~~ issue orders for correction of violations relating to hotels, motels, restaurants, lodging houses, boarding houses, resorts, and places of refreshment.

Sec. 37. Minnesota Statutes 1986, section 157.04, is amended to read:

157.04 [ANNUAL INSPECTION.]

It shall be the duty of the ~~hotel inspector~~ commissioner of health to inspect, or cause to be inspected, ~~at least once annually~~, every hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment in this state. *The frequency of inspections must be based on the degree of hazard to the public. High-risk establishments must be inspected at least once a year. Medium-risk establishments must be inspected at least once every 18 months. Low-risk establishments must be inspected at least once every two years.* For ~~this~~ the purpose of conducting inspections, the ~~inspector~~ commissioner shall have the right to enter and have access thereto at any time during the conduct of business and when, upon inspection, it shall be found that the business and property so inspected is not being conducted, or is not equipped, in the manner required by the provisions of this chapter or the rules of the state commissioner of health, or is being conducted in violation of any of the laws of this state pertaining to the business, it shall thereupon be the duty of the ~~hotel inspector~~ commissioner to notify the owner, proprietor, or agent in charge of the business, or the owner or agent of the buildings so occupied, of the condition so found. Each owner, proprietor, or agent shall forthwith comply with the provisions of this chapter or the rules of the commissioner, unless otherwise herein provided. A reasonable time may be granted by the ~~hotel inspector~~ commissioner for compliance with the provisions of this chapter.

Sec. 38. Minnesota Statutes 1986, section 157.09, is amended to read:

157.09 [REVOCAION OF LICENSE.]

It shall be the duty of the ~~state hotel inspector~~ *commissioner of health* to revoke a license, on the ~~inspector's~~ *commissioner's* finding that a place of business is being operated in violation of the provisions of this chapter or rules of the state commissioner of health, so as to constitute a filthy, unclean, and insanitary condition and dangerous to public health; or, if the owner or proprietor persistently refuses or fails to comply with the provisions of this chapter or rules of the commissioner. Upon revocation of a license, the place of business shall be immediately closed to public patronage until such time as the owner or proprietor shall have complied with the provisions of this chapter, as certified to by the issuance of a new license.

The third revocation of license in any one year and on any one proprietor shall be made permanent for a period of one year from the date of the last revocation.

Sec. 39. Minnesota Statutes 1986, section 157.14, is amended to read:

157.14 [EXEMPTIONS.]

This chapter shall not be construed to apply to interstate carriers under the supervision of the United States Department of Health, Education and Welfare or to any building constructed and primarily used for religious worship, nor to any building owned, operated and used by a college or university in accordance with regulations promulgated by the college or university. Any person, firm or corporation whose principal mode of business is licensed under sections 28A.04 and 28A.05 is exempt at that premises from licensure as a place of refreshment or restaurant; provided, that the holding of any license pursuant to sections 28A.04 and 28A.05 shall not exempt any person, firm, or corporation from the applicable provisions of the chapter or the rules of the state commissioner of health relating to food and beverage service establishments. *This chapter does not apply to family day-care homes or group family day-care homes governed by sections 245.781 to 245.812.*

Sec. 40. [INSTRUCTION TO REVISOR.]

In the next and later editions of Minnesota Statutes, the revisor of statutes shall change the words "life support transportation service" to "ambulance service" in sections 144.801 to 144.8093 and 174.29.

Sec. 41. [REPEALER.]

Minnesota Statutes 1986, sections 144.422; 144.424; 144.425; 144.471; 144.49, subdivision 5; 144.692; 144.801, subdivision 8; and 144.94 are repealed."

Delete the title and insert:

"A bill for an act relating to health; making nutrition data reporting discretionary rather than mandatory; governing the hazardous substance injury compensation board; restructuring the commissioner's authority to control activities of carriers of communicable diseases; regulating licensure and inspections of hospitals, nursing homes, life support transportation systems, and eating places; clarifying powers of the office of health facility complaints; changing certain duties of the interagency board for quality assurance; providing penalties; amending Minnesota Statutes 1986, sections 115B.28, subdivision 4; 144.0722; 144.092; 144.50, subdivisions 1

and 2; 144.653, subdivision 3; 144.802, subdivisions 3 and 4; 144.804, subdivision 7; 144A.10, subdivisions 1 and 2; 144A.16; 144A.31; 144A.53, subdivision 1; 145.881, subdivision 1; 145.882, subdivision 4; 157.01; 157.02; 157.04; 157.09; and 157.14; proposing coding for new law in Minnesota Statutes, chapters 144 and 144A; repealing Minnesota Statutes 1986, sections 144.422; 144.424; 144.425; 144.471; 144.49, subdivision 5; 144.692; 144.801, subdivision 8; and 144.94."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1293: A bill for an act relating to human services; providing for hospice care payments under medical assistance; amending Minnesota Statutes 1986, section 256B.02, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 22, before the period, insert ", to the extent authorized by rule"

Page 6, line 24, delete "1987" and insert "1988"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 720: A bill for an act relating to human services; endorsing the Store-to-Door grocery delivery program for certain elderly citizens; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 10 to 13

Page 1, line 14, delete "*Subd. 2. [STUDY.]*"

Page 1, line 15, delete everything after "*conducted*"

Page 1, line 16, delete "*Community*"

Page 2, line 20, delete ", *subdivision 2*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 436: A bill for an act relating to human services; raising income standards for medical assistance; amending Minnesota Statutes 1986, section 256B.06, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 36, delete "133-113" and insert ", for the aged, blind, and disabled 120 percent and for families with children 100"

Page 4, line 1, after "percent" insert a comma

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1349: A bill for an act relating to state departments and agencies; renaming the division of emergency services; amending Minnesota Statutes 1986, section 12.04.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1265: A bill for an act relating to natural resources; changing requirements for arrowheads used for big game hunting; amending Minnesota Statutes 1986, section 97B.211, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97B.211, subdivision 2, is amended to read:

Subd. 2. [ARROWHEAD REQUIREMENTS.] Arrowheads used for taking big game must be sharp ~~and, have a minimum of two metal cutting edges, be of a barbless broadhead design, and have a single two-edged blade at least one inch wide, or three or more blades at least three inches in circumference. The arrowhead must be made of:~~ *must have a diameter of at least seven-eighths inch*

(1) ~~hiarbon steel and weigh at least 110 grains; or~~

(2) ~~mill-tempered spring steel with a plastic core or ferrule and weigh at least 90 grains."~~

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1308: A bill for an act relating to game and fish; designation and use of waterfowl feeding or resting areas; amending Minnesota Statutes 1986, section 97A.095, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97A.095, subdivision 2, is amended to read:

Subd. 2. [WATERFOWL FEEDING AND RESTING AREAS.] The commissioner may, by order designate any part of ~~up to 13 lakes a lake~~ as a migratory feeding ~~and or~~ resting area. Before designation, the commissioner must receive a petition signed by at least ten resident licensed hunters describing the area of ~~the a~~ lake that is a substantial feeding ~~and or~~ resting ~~ground area~~ for migratory waterfowl, and find that the statements in the petition are correct, and that adequate, free public access to the lake exists near the designated area. The commissioner shall post the area as a migratory waterfowl feeding and resting area. A person may not enter a posted migratory waterfowl feeding and resting area during the open migratory waterfowl season with watercraft or aircraft propelled by a motor, *other than an electric motor of less than 30 pounds thrust. The commissioner may, by order, further restrict the use of electric motors in migratory waterfowl feeding and resting areas.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1240: A bill for an act relating to natural resources; authorizing the taking of elk and amending related laws; authorizing compensation for certain crop damage caused by elk; appropriating money; amending Minnesota Statutes 1986, sections 97A.421, subdivision 6; 97A.431; 97A.465, subdivisions 1 and 3; 97A.471, subdivision 3; 97A.475, subdivision 2; 97A.525, subdivision 1; 97A.535; and 97B.201; proposing coding for new law in Minnesota Statutes, chapters 3 and 97B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 3.736, subdivision 3, is amended to read:

Subd. 3. [EXCLUSIONS.] Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses, the legislature declares that the state and its employees are not liable for the following losses:

(a) Any loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or rule;

(b) Any loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;

(c) Any loss in connection with the assessment and collection of taxes;

(d) Any loss caused by snow or ice conditions on any highway or public sidewalk that does not abut a publicly-owned building or a publicly-owned parking lot, except when the condition is affirmatively caused by the negligent acts of a state employee;

(e) Any loss caused by wild animals in their natural state, *except as provided in section 2;*

(f) Any loss other than injury to or loss of property or personal injury

or death;

(g) Any loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, and appurtenances, fixtures and attachments to land that the state has neither affixed nor improved;

(h) Any loss incurred by a user within the boundaries of the outdoor recreation system and arising from the construction, operation, or maintenance of the system, as defined in section 86A.04, or from the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, or from the construction, operation, or maintenance of a water access site created by the iron range resources and rehabilitation board, except that the state is liable for conduct that would entitle a trespasser to damages against a private person;

(i) Any loss of benefits or compensation due under a program of public assistance or public welfare, except where state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(j) Any loss based on the failure of any person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(k) Any loss based on the usual care and treatment, or lack of care and treatment, of any person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(l) Any loss, damage, or destruction of property of a patient or inmate of a state institution;

(m) Any loss for which recovery is prohibited by section 169.121, subdivision 9.

The state will not pay punitive damages.

Sec. 2. [3.7371] [COMPENSATION FOR CROP DAMAGE CAUSED BY ELK.]

Subdivision 1. [AUTHORIZATION.] A person who owns an agricultural crop shall be compensated by the commissioner of agriculture for an agricultural crop that is damaged or destroyed by elk as provided in this section.

Subd. 2. [CLAIM FORM.] The crop owner must prepare a claim on forms provided by the commissioner of agriculture and available at the county extension agent's office. The claim form must be filed with the commissioner of agriculture.

Subd. 3. [COMPENSATION DETERMINATION.] (a) The commissioner of agriculture, upon recommendation of the county extension agent where the damaged or destroyed crop is located or a federal crop adjuster, shall determine the amount of crop damage or destruction caused by elk, if any. The commissioner shall pay the crop owner the target price of the crop that is damaged or destroyed by elk, plus adjustments for yield loss determined according to agricultural stabilization and conservation service programs for individual farms, adjusted annually, as determined by the commissioner of agriculture.

(b) A crop owner may not be compensated for crops damaged or destroyed by elk if the amount is less than \$100. A crop owner may be compensated up to \$20,000 for damages and destruction to crops in a calendar year, provided normal harvest procedures for the area are followed.

(c) Payments authorized under this section must be reduced by amounts received by the crop owner as proceeds from an insurance policy covering crop losses, or compensation for the crops from other sources including federal programs.

(d) A crop owner who receives compensation under this section may open land owned or controlled by the owner to licensed elk hunters during the next open elk season by written permission at the landowner's discretion.

Subd. 4. [APPROPRIATION.] The amount of money necessary to pay the compensation awarded by the commissioner is appropriated annually to the commissioner of agriculture from the general fund.

Subd. 5. [DENIAL OF CLAIM; APPEAL.] (a) If the commissioner denies compensation claimed by a crop owner under this section, the commissioner shall issue a written decision based upon the available evidence including a statement of the facts upon which the decision is based and the conclusions on the material issues of the claim. A copy of the decision must be transmitted to the crop owner by first class mail.

(b) A decision denying compensation claimed under this section is not subject to the contested case review procedures of chapter 14, but a crop owner may have the claim reviewed in a trial de novo in the county court in the county where the loss occurred. The decision of the county court may be appealed as in other civil cases. Review in the county court may be obtained by the filing of a petition for review with the administrator of the county court within 60 days following receipt of a decision under this section. Upon the filing of a petition, the administrator of the county court shall mail a copy of it to the commissioner and set a time for hearing within 90 days after the filing of the petition.

Subd. 6. [RULES.] The commissioner of agriculture shall adopt rules and may adopt emergency rules to implement this section including:

- (1) methods for determining values of damaged or destroyed crops;
- (2) criteria for determining the cause of the crop damage or destruction;
- (3) requirements for an owner of a damaged or destroyed crop to notify the commissioner; and
- (4) other matters necessary to implement this section.

Sec. 3. Minnesota Statutes 1986, section 97A.421, subdivision 6, is amended to read:

Subd. 6. [APPLICABILITY TO MOOSE OR ELK LICENSES.] In this section the term "license" includes an application for a license to take moose or elk.

Sec. 4. Minnesota Statutes 1986, section 97A.431, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FOR LICENSE.] An application for a moose license must be on a form provided by the commissioner and accompanied by a \$4 \$3 nonrefundable application fee per person and a \$10 fee per person for elk. A person may not make more than one application for each

season. If a person makes more than one application, the person is ineligible for a license for that season after determination by the commissioner, without a hearing.

Sec. 5. [97A.433] [ELK LICENSES.]

Subdivision 1. [NUMBER OF LICENSES.] The commissioner shall include the number of licenses to be issued in an order setting the dates for an elk season.

Subd. 2. [ELIGIBILITY.] Persons eligible for an elk license shall be determined under this section and commissioner's order. A person is eligible for an elk license only if the person:

- (1) is a resident;*
- (2) is at least age 16 before the season opens; and*
- (3) has never been issued an elk license.*

Subd. 3. [APPLICATION FOR LICENSE.] An application for an elk license must be on a form provided by the commissioner and accompanied by a \$10 nonrefundable application fee per person. A person may not make more than one application for each season. If a person makes more than one application, the person is ineligible for a license for that season after determination by the commissioner, without a hearing.

Subd. 4. [SEPARATE SELECTION; ELIGIBILITY.] The commissioner may conduct a separate selection for up to 20 percent of the elk licenses to be issued for an area. Only owners of, and tenants living on, at least 160 acres of agricultural or grazing land in the area are eligible for the separate selection. Persons that are unsuccessful in a separate selection must be included in the selection for the remaining licenses. Persons who obtain an elk license in a separate selection must allow public elk hunting on their land during the elk season for which the license is valid.

Sec. 6. Minnesota Statutes 1986, section 97A.465, subdivision 1, is amended to read:

Subdivision 1. [RESIDENTS ON LEAVE.] A resident that is in the armed forces of the United States, stationed outside of the state, and in the state on leave, may hunt and fish without a license if the resident possesses official military leave papers. The resident must obtain the seals, tags, and coupons required of a licensee, which must be furnished without charge. This subdivision does not apply to the taking of moose *or elk*.

Sec. 7. Minnesota Statutes 1986, section 97A.465, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENTS STATIONED IN THE STATE.] The commissioner may issue a resident license to take fish or game to a person in the armed forces of the United States that is stationed in the state. This subdivision does not apply to the taking of moose *or elk*.

Sec. 8. Minnesota Statutes 1986, section 97A.471, subdivision 3, is amended to read:

Subd. 3. [NONAPPLICABILITY TO MOOSE HUNTING.] This section does not apply to taking moose *or elk*.

Sec. 9. Minnesota Statutes 1986, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

- (1) for persons under age 65 to take small game, \$7;
- (2) for persons age 65 or over, \$3.50;
- (3) to take turkey, \$10;
- (4) to take deer with firearms, \$15;
- (5) to take deer by archery, \$15;
- (6) to take moose, for a party of not more than four persons, \$200; and
- (7) to take bear, \$25; and
- (8) to take elk, for a party of not more than two persons, \$200.

Sec. 10. Minnesota Statutes 1986, section 97A.525, subdivision 1, is amended to read:

Subdivision 1. [RESIDENTS.] A resident may transport wild animals within the state by common carrier without being in the vehicle if the resident has the license required to take the animals and they are shipped to the resident. The wild animals that may be transported by common carrier are:

- (1) deer, bear, *elk*, and moose;
- (2) undressed game birds; and
- (3) fish.

Sec. 11. Minnesota Statutes 1986, section 97A.535, is amended to read:

97A.535 [POSSESSION AND TRANSPORTATION OF DEER, BEAR, *ELK*, AND MOOSE.]

Subdivision 1. [TAGS REQUIRED.] A person may not possess or transport deer, bear, *elk*, or moose taken in the state unless a tag is attached to the carcass in a manner prescribed by the commissioner. The commissioner must prescribe the type of tag that has the license number of the owner, the year of its issue, and other information prescribed by the commissioner. The tag must be attached to the deer, bear, *elk*, or moose when:

- (1) the animal is in a camp, or a place occupied overnight or the yard surrounding the place; or
- (2) the animal is on a motor vehicle.

Subd. 2. [DEER TAKEN BY ARCHERY, *ELK*, AND MOOSE MUST HAVE ADDITIONAL TAG.] Deer taken by archery, *elk*, and moose must be tagged as prescribed by the commissioner, in addition to the tag required in subdivision 1.

Subd. 3. [TRANSPORTATION PERIOD RESTRICTED.] A person may transport one deer, one bear, *one elk*, or one moose during the open season and the two days following the season, and afterwards as prescribed by the commissioner.

Subd. 4. [TRANSPORTATION BY PERSON OTHER THAN LICENSEE.] A person other than the licensee may transport deer, bear, *elk*, or moose that the licensee has registered as prescribed by the commissioner. The person must transport the animal by the most direct route. A tag must

be attached to the animal and marked in ink with the address, license number, signature of the licensee, and the locations from which and to which the animal is being transported.

Subd. 5. [HEADS, HIDES, AND CLAWS.] A resident that has a license to take deer, bear, *elk*, or moose may transport the head or hide of the animal within or out of the state for mounting or tanning. The hides of deer, bear, *elk*, and moose, and the claws of bear legally taken and with the tags that are required by this section, may be bought, sold, and transported at any time.

Sec. 12. Minnesota Statutes 1986, section 97B.201, is amended to read:
97B.201 [NO OPEN SEASON FOR ~~ELK~~, CARIBOU, AND ANTELOPE.]

There may not be an open season on ~~elk~~, caribou, or antelope.

Sec. 13. [97B.515] [ELK; LICENSE REQUIRED, SEASONS, RESTRICTIONS.]

Subdivision 1. [LICENSE REQUIRED.] A person may not take an elk without an elk license.

Subd. 2. [SEASON AND RESTRICTIONS.] The commissioner may, by order, prescribe the open season and the areas and conditions for the taking of elk when the population of elk in the state before calving exceeds 20 animals.

Subd. 3. [STAND RESTRICTIONS.] A person may not take elk from a constructed platform or other structure higher than nine feet above the ground. The restriction does not apply to a portable stand that is chained, belted, clamped, or tied with rope.

Sec. 14. [ELK MANAGEMENT PLAN.]

The commissioner of natural resources must prepare an elk management plan that:

- (1) recognizes the value and uniqueness of elk;*
- (2) affords multiple recreational opportunities; and*
- (3) attempts to restrict elk to public land.*

The commissioner of natural resources must submit the elk management plan to the chairs of the environment and natural resources committees of the house of representatives and the senate.

Sec. 15. [REPEALER.]

Laws 1985, chapter 272, sections 2 and 3, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective the day following final enactment, except a person may not apply for crop damage until after the commissioner of agriculture promulgates rules under section 2 and a person is only eligible for crop damage occurring after January 1, 1985."

Delete the title and insert:

"A bill for an act relating to natural resources; authorizing the taking of elk and amending related laws; authorizing compensation for certain crop damage caused by elk; appropriating money; amending Minnesota Statutes 1986, sections 3.736, subdivision 3; 97A.421, subdivision 6; 97A.431,

subdivision 3; 97A.465, subdivisions 1 and 3; 97A.471, subdivision 3; 97A.475, subdivision 2; 97A.525, subdivision 1; 97A.535; and 97B.201; proposing coding for new law in Minnesota Statutes, chapters 3, 97A, and 97B; repealing Laws 1985, chapter 272, sections 2 and 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 729: A bill for an act relating to motor fuels; providing that unleaded gasoline having an octane rating of 90 or less and sold after June 30, 1988, must be blended with ethanol; amending Minnesota Statutes 1986, section 296.05, by adding a subdivision; repealing Minnesota Statutes 1986, section 296.02, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 296.01, subdivision 24, is amended to read:

Subd. 24. [ETHANOL.] "~~Agricultural alcohol gasoline~~" "*Ethanol*" means a ~~gasoline blend up to ten percent of which is agriculturally derived fermentation ethanol of a purity of at least 99 percent, determined without regard to any added denaturants, denatured in conformity with one of the approved methods set forth by the United States Department of Treasury, Bureau of Alcohol, Tobacco and Firearms, and derived from agricultural products such as cereal grains, cheese whey, sugar beets, or forest products or other renewable resources.~~"

Page 1, line 17, delete "*subdivision 7, is*" and insert "*subdivisions 7 and 8, are*"

Page 1, line 20, delete "*Section 1 is*" and insert "*Sections 1 and 2 are*" and delete "*2*" and insert "*3*"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 296.01, subdivision 24; and"

Page 1, line 7, delete "subdivision 7" and insert "subdivisions 7 and 8"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 728: A bill for an act relating to commerce; requiring that solicitations for new open-end credit contain specific disclosures respecting conditions and costs; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 334.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [325G.40] [CITATION.]

Sections 1 to 6 may be cited as the "credit card disclosure act."

Sec. 2. [325G.41] [DEFINITIONS AND COMPUTATIONS.]

Subdivision 1. [GENERALLY.] Except as otherwise provided, the terms used in sections 1 to 6 have the meanings prescribed in Code of Federal Regulations, title 12, part 226. Except as otherwise provided, the computations required under sections 1 to 6 shall be made as provided in Code of Federal Regulations, title 12, part 226.

Subd. 2. [CREDIT CARD APPLICATION.] "Credit card application" means any written form, document, or material distributed by or on behalf of a creditor and designed to be used by a consumer to request or accept the issuance of a credit card.

Subd. 3. [CREDITOR.] "Creditor" includes any credit card issuer that extends either open-end credit or credit that is not subject to a finance charge and is not payable in installments.

Sec. 3. [325G.42] [CREDIT CARD DISCLOSURES.]

Subdivision 1. [REQUIRED DISCLOSURES.] A credit card application distributed in this state must disclose the following terms of the credit card plan, if applicable:

(1) Any periodic rate or rates that may be applied to the account, expressed as an annual percentage rate or rates. If the account is subject to a variable rate, the creditor may disclose the rate as of a specific date and indicate that the rate may vary, or may identify the index and any amount or percentage added to, or subtracted from, that index and used to determine the rate. For purposes of this section, the amount or percentage must be referred to as the "spread." If charges incurred by use of the credit card are due and payable upon receipt of a periodic statement of charges, then that fact must be disclosed.

(2) Any membership, participation, or similar fee that may be imposed as a condition of the issuance or renewal of a credit card, expressed as an annual amount.

(3) Any minimum, fixed, transaction, activity, or similar charge.

(4) Any other fees that may be charged to the account, including late payment fees and charges for exceeding credit limits.

(5) The date or occasion upon which the finance charge, if any, begins to accrue on a transaction.

Subd. 2. [FORM OF DISCLOSURES.] The disclosures required under this section shall be written in plain language, as defined in section 325G.31; shall be in boldface type of a minimum size of ten points; shall be clear and conspicuous; and shall be prominently set apart from the remaining portions of the credit card application or other written material, by the use of margins, enclosures, underlining, contrasting colors, or similar methods.

Subd. 3. [OPTIONAL DISCLOSURE CHART.] A creditor need not present the disclosures required by subdivision 1 in any specific form other than as provided in subdivision 2. However, the disclosures are conclusively

presumed to satisfy the requirements of subdivision 1 if the disclosures satisfy the requirements of subdivision 2 and are presented in a chart, substantially similar to the following description:

(1) The chart shall consist of contiguous boxes, and each required disclosure shall appear exclusively within one of the boxes.

(2) The first box shall contain the wording "ANNUAL PERCENTAGE RATE" if the creditor charges a fixed rate, or "VARIABLE RATE INDEX AND SPREAD," if appropriate, underneath which the creditor's rate will appear. If full payment is due upon receipt of a periodic statement of charges, then the first box shall state "Full payment due upon receipt of billing statement."

(3) The second box shall contain the wording "OTHER FEES" and shall disclose all other fees, including late payment penalties and any charges for exceeding the credit limit.

(4) The third box shall contain the wording "ANNUAL FEE," underneath which the appropriate information shall be disclosed.

(5) The fourth box shall contain the wording "TRANSACTION FEE," underneath which the appropriate information shall be disclosed.

(6) The fifth box shall contain the wording "FREE PERIOD" or "GRACE PERIOD," underneath which the appropriate information shall be disclosed. For example, "30 days," or "yes, if full payment is received by next billing date," or "yes, if full new balance is paid by due date."

Subd. 4. [ADDITIONAL DISCLOSURES PERMITTED.] Nothing in this section prohibits a creditor from disclosing additional terms, conditions, or information, whether or not relating to the disclosures required under this section, in conjunction with the disclosures required by this section.

Subd. 5. [EXCEPTION.] This section does not apply to any advertisement, catalogue, or other written document or material which does not contain a credit card application.

Sec. 4. [325G.43] [PENALTIES.]

A person violating section 3 is subject to the penalties provided in section 8.31.

Sec. 5. [325G.44] [DAMAGES.]

A person injured by a violation of section 3 may recover actual damages in an action other than a class action, together with costs and disbursements, including a reasonable attorney's fee, and receive other equitable relief as determined by the court.

Sec. 6. [325G.45] [FEDERAL LAW.]

If a creditor is required under federal law to make disclosure of the terms required in section 3 in connection with the distribution of a credit card application, then the creditor is considered to have complied with the requirements of section 3 if the creditor complies with the federal disclosure requirement.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective January 1, 1988."

Delete the title and insert:

"A bill for an act relating to commerce; requiring that credit card applications contain specific disclosures respecting conditions and costs; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325G."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 966: A bill for an act relating to unclaimed property; enacting the Uniform Unclaimed Property Act (1981); amending Minnesota Statutes 1986, sections 80C.03; 149.12; 198.231; 345.25; 356.65, subdivision 2; and 624.68; proposing coding for new law in Minnesota Statutes, chapter 345; repealing Minnesota Statutes 1986, sections 345.31 to 345.60.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 8, delete "or" and after "union" insert ". or cooperative bank, industrial loan and thrift company or investment company"

Page 4, lines 6 and 13, after "address" insert "or state of residence"

Page 10, line 30, after "utility" insert "after January 1, 1960,"

Page 13, line 28, after "abandoned" insert "except as provided in section 524.3-914"

Page 15, line 18, delete "May" and insert "October"

Page 16, lines 1 and 32, delete everything after "than" and insert "April 1"

Page 16, line 2, delete everything before "of"

Page 16, line 3, delete "a week"

Page 16, line 4, delete "for two consecutive weeks"

Page 16, line 22, delete "before"

Page 16, delete line 23 and insert "within 65 days from the date of the published notice,"

Page 16, line 24, delete everything before "the"

Page 16, line 25, delete everything after "than" and insert "85 days after the publication date"

Page 16, line 26, delete everything before "in"

Page 16, delete line 33

Page 16, line 34, delete "I,"

Page 19, delete lines 33 to 36

Page 20, delete lines 1 to 4

Page 20, line 14, delete everything after "administrator"

Page 20, line 15, delete everything before "to" and insert "shall sell all abandoned property delivered to him or her"

Page 20, line 18, after the period, insert "*The sale may be held whenever the commissioner deems necessary but at least once every ten years.*"

Page 21, line 32, delete "*The*"

Page 21, delete lines 33 and 34

Page 21, line 35, delete everything before "*Before*"

Page 22, after line 7, insert:

"There is hereby appropriated to the persons entitled to a refund, from the fund in the state treasury to which the money was credited, an amount sufficient to make the refund and payment."

Page 28, delete lines 28 to 31 and insert:

"It is unlawful for a person to seek or receive from another person or contract with a person for a fee or compensation for locating property knowing it to have been reported or paid or delivered to the state treasurer pursuant to chapter 345 prior to seven months after the date of delivery of the property by the holder to the commissioner under section 19.

No agreement entered into after seven months from the date of delivery of the property by the holder to the commissioner is valid if a person thereby undertakes to locate property included in a report for a fee or other compensation exceeding ten percent of the value of the recoverable property unless the agreement is in writing and signed by the owner and discloses the nature and value of the property and the name and address of the holder thereof as such facts have been reported. Nothing in this section shall be construed to prevent an owner from asserting at any time that an agreement to locate property is based upon an excessive or unjust consideration."

Page 28, delete section 36

Page 29, after line 14, insert:

"(c) Except as to property required to be reported pursuant to sections 48.521 to 48.528, sections 1 to 38 do not apply to property which became due or payable or which was in the possession of the holder before January 1, 1944."

Renumber the sections of article 1 in sequence

Page 33, after line 20, insert:

"Sec. 9. [EFFECTIVE DATE.]

Articles 1 and 2 are effective June 30, 1987."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1175: A bill for an act relating to courts; authorizing the court to sell computer software and apply the proceeds to court functions; establishing a client security fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 480 and 481.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [480.236] [SOFTWARE SALES.]

The supreme court may sell or license self-developed or vendor custom-developed computer software products or systems through whatever sales method the supreme court, in its discretion, deems appropriate, in order to offset its software development costs. Prices for the software products or systems may be based on market considerations. Proceeds of the sale or licensing of software products or systems by the supreme court must be deposited in the state treasury and credited to a software sales account. Investment income and investment losses attributable to investment of the software sales account must be credited to the account. Money in the account is appropriated to the supreme court to operate and improve the trial court information system and other court information systems.

Sec. 2. Minnesota Statutes 1986, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney at law;

(3) any one, acting as broker for the parties or agent of one of the parties to a sale or trade or lease of property or to a loan, from drawing or assisting in drawing, with or without charge, papers incident to the sale, trade, lease, or loan;

(4) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(5) a licensed attorney at law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(6) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(7) any person from conferring or cooperating with a licensed attorney at law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(8) any licensed attorney at law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received

and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(9) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions or any other conveyances except testamentary dispositions and instruments of trust;

(10) a licensed attorney at law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(11) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney at law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney at law receives the entire compensation for the work;

(12) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney at law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(13) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney at law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(14) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any ~~county or municipal~~ court of this state pursuant to the provisions of section 566.175 or sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any ~~county or county municipal~~ court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of sections 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney at law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a non-profit corporation, a person who is not a licensed attorney at law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 3. [481.20] [CLIENT SECURITY ACCOUNT.]

Fees received under rules or orders adopted by the supreme court governing a client security fund or account must be deposited in the state treasury and credited to a client security account. Investment income and investment losses attributable to investment of the client security account must be credited to the account. Money in the account is appropriated to

the supreme court to pay the expenses of the client security board and claims approved by the board."

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert "clarifying provisions related to the unauthorized practice of law;" and delete "fund" and insert "account"

Page 1, line 5, after the semicolon, insert "amending Minnesota Statutes 1986, section 481.02, subdivision 3;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1323: A bill for an act relating to statutes; conforming various laws to judicial decisions of unconstitutionality and suggestions for clarity; amending Minnesota Statutes 1986, sections 169.121, subdivision 4; 179A.20, subdivision 4; 197.46; 268.04, subdivisions 26 and 29; 268.06, subdivision 5; 340A.501; and 352B.15; repealing Minnesota Statutes 1986, sections 466.03, subdivision 2; 487.39; and 595.04.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 7, delete sections 1 to 6

Page 7, after line 24, insert:

"Sec. 3. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall correct statutory cross-references in accordance with the repeal of Minnesota Statutes, section 487.39, contained in section 4."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "169.121, subdivision 4; 179A.20;"

Page 1, delete line 6

Page 1, line 7, delete "268.06, subdivision 5;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 432: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 12; eliminating references to "legislative days" and the restriction on the length of legislative sessions to 120 legislative days.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1382: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; making related changes in the ethics in government act; imposing penalties; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 7, 10, 10b, 15, and by adding subdivisions; 10A.25, subdivision 10, and by adding subdivisions; 10A.255; 10A.27, by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 10A.33; 10A.335; and 290.06, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1986, sections 10A.02, subdivision 11a; 10A.25, subdivision 7; 10A.27, subdivision 5; and 10A.32.

Reports the same back with the recommendation that the bill do pass. Mr. Luther questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1433: A bill for an act relating to public offices; fixing resignation effective dates; prohibiting contingent resignations; permitting the submission and withdrawal of prospective resignations in certain circumstances; providing for appeals in statewide election contests; amending Minnesota Statutes 1986, sections 2.722, subdivision 4; 209.09; 351.01; and 480A.06, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 209.09, is amended to read:

209.09 [APPEALS.]

Subdivision 1. [MOST CONTESTS.] If the decision of the district court in any contest under this chapter is appealed, the appellant shall file in the district court a bond of \$500 for the payment of all costs incurred by the respondent if appellant fails on the appeal. *Except for a statewide contest or a state legislative contest*, the notice of appeal must be served and filed in the court of appeals in the case of a general election no later than ten days and, in the case of a primary, no later than five days after the entry of the district court's decision in the contest. The record on appeal must be made, certified, and filed in the court of appeals within 15 days after service of notice of appeal. The appeal may be brought on for hearing in the court at any time, upon notice from either party, as the court determines; and may be heard and determined summarily by the court.

Subd. 2. [STATEWIDE OFFICES AND QUESTIONS.] Section 209.10, subdivision 4, applies to a contest regarding a statewide office, a constitutional amendment, or other question voted on statewide. A copy of the supreme court's decision must be forwarded to the contestant and the contestee.

Sec. 2. Minnesota Statutes 1986, section 351.01, is amended to read:

351.01 [RESIGNATIONS.]

Subdivision 1. [TO WHOM MADE.] Resignations shall be made in writing signed by the resigning officer:

(1) By incumbents of elective offices, to the officer authorized by law to fill a vacancy in such office by appointment, or to order a special election to fill the vacancy;

(2) By appointive officers, to the body, board, or officer appointing them, unless otherwise specially provided.

Subd. 2. [WHEN EFFECTIVE.] Except as provided by subdivision 3 or other express provision of law or charter to the contrary, a resignation is effective when it is received by the officer, body, or board authorized to receive it.

Subd. 3. [CONTINGENT RESIGNATIONS PROHIBITED; EXCEPTION.] (a) Except as provided in paragraph (b), no resignation may be made to take effect upon the occurrence of a future contingency. Statements explaining the reasons for a resignation must not be considered to be contingencies unless expressly stated as contingencies.

(b) A resignation may be made expressly to take effect at a stated future date. Unless it is withdrawn as provided under subdivision 4, a resignation is effective at 12:01 a.m. on the stated date.

Subd. 4. [WITHDRAWAL OF RESIGNATION.] A prospective resignation permitted by subdivision 3 may only be withdrawn by a written statement signed by the officer and submitted in the same manner as the resignation, before it has been accepted by resolution of the body or board or a written acceptance of the officer authorized to receive it.

Sec. 3. Minnesota Statutes 1986, section 480A.06, subdivision 1, is amended to read:

Subdivision 1. [FINAL DECISIONS.] The court of appeals has jurisdiction of appeals from all final decisions of the trial courts, other than the conciliation courts, of the state of Minnesota, except that it shall not have jurisdiction of appeals in legislative or statewide election contests or criminal appeals in cases in which the defendant has been convicted of murder in the first degree.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public offices; fixing resignation effective dates; prohibiting contingent resignations; permitting the submission and withdrawal of prospective resignations in certain circumstances; providing for appeals in statewide election contests; amending Minnesota Statutes 1986, sections 209.09; 351.01; and 480A.06, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1416: A bill for an act relating to agriculture; allowing certain small commercial and industrial uses on metropolitan agricultural preserves by permit; amending Minnesota Statutes 1986, sections 40A.152, subdivision 1; 473H.10, subdivision 3; and 473H.17, subdivisions 1 and 2, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 40A.03, subdivision 2, is amended to read:

Subd. 2. [PLANS AND OFFICIAL CONTROLS.] By July 1 ~~December 31~~, 1987, each pilot county selected under subdivision 1 shall submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review.

Sec. 2. Minnesota Statutes 1986, section 40A.15, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ASSISTANCE.] The commissioner shall administer grants for up to 50 percent of the cost of the activity to be funded, except that grants to the pilot counties shall be for 100 percent of the cost up to \$30,000 of preparing new plans and official controls required under this chapter. *Provided, however, that grants to eligible recipients other than the pilot counties shall not be available until the pilot county program has been completed and a report on the pilot county experiences has been presented to the legislature. This report shall be completed by July 1, 1988.* Grants may not be used to reimburse the recipient for activities that are already completed. Grants may be used to employ and train staff, contract with other units of government or private consultants, and pay other expenses related to promoting and implementing agricultural land preservation and conservation activities. The commissioner shall prepare and publish an inventory of sources of financial assistance. To the extent practicable, the commissioner shall assist recipients in obtaining matching grants from other sources.

Sec. 3. Minnesota Statutes 1986, section 40A.152, subdivision 1, is amended to read:

Subdivision 1. [FEE.] A county that *is a metropolitan county under section 473.121, subdivision 4, has allowed exclusive agricultural zones to be created under this chapter, that has designated lands eligible for agricultural preserves under section 473H.04, or that has elected to become an agricultural land preservation pilot county,* shall impose an additional

fee of \$3 \$5 per transaction on the recording or registration of a mortgage subject to the tax under section 287.05 and an additional \$3 \$5 on the recording or registration of a deed subject to the tax under section 287.21. One-half of the fee must be deposited in a special conservation account to be created in the county general revenue fund and one-half must be transferred to the commissioner of revenue for deposit in the state treasury and credited to the Minnesota conservation fund.

Sec. 4. Minnesota Statutes 1986, section 40A.152, subdivision 2, is amended to read:

Subd. 2. [USE OF ACCOUNT.] Money from the county conservation account must be spent by the county to reimburse the county and taxing jurisdictions within the county for revenue lost under the conservation tax credit under section 273.119 or the valuation of agricultural preserves under section 473H.10. *If expenditures from other county funds for the same purposes remain at least equal to the amount spent in the previous county budget year, money remaining in the account after those payments the reimbursements are made may be spent for the following purposes:*

- (1) agricultural land preservation and conservation planning and implementation of official controls under this chapter or chapter 473H;
- (2) soil conservation activities and enforcement of soil loss ordinances;
- (3) incentives for landowners who create exclusive agricultural use zones;
- (4) payments to municipalities within the county for the purposes of clauses (1) to (3).

Sec. 5. Minnesota Statutes 1986, section 473H.10, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF TAX; STATE REIMBURSEMENT.] (a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the assessed value of those properties by applying the appropriate classification percentages. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the assessed value of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times 105 percent of the previous year's statewide average mill rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account

created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payments shall be made by the state as provided in section 273.13, subdivision 15a to each of the affected taxing jurisdictions if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. *If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.*

Sec. 6. Minnesota Statutes 1986, section 473H.17, subdivision 1, is amended to read:

Subdivision 1. Land within an agricultural preserve shall be maintained for agricultural production. The average maximum density of residential structures within an agricultural preserve shall not exceed one unit per 40 acres. The location of any new structure shall conform to locally applicable zoning regulations. Commercial and industrial uses shall not be permitted except that ~~small on-farm commercial or industrial operations normally associated with and important to farming in the area may be permitted by the~~ *as provided in section 7 after the user is issued a permit by the authority.* The authority shall be responsible for enforcing this section.

Sec. 7. Minnesota Statutes 1986, section 473H.17, is amended by adding a subdivision to read:

Subd. 1a. [ALLOWED COMMERCIAL AND INDUSTRIAL OPERATIONS.] (a) Commercial and industrial operations are not allowed on land within an agricultural preserve except:

(1) small on-farm commercial or industrial operations normally associated with and important to farming in the agricultural preserve area;

(2) storage use of existing farm buildings that does not disrupt the integrity of the agricultural preserve; and

(3) small commercial use of existing farm buildings for trades not disruptive to the integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop, and similar activities that a farm operator might conduct.

(b) "Existing" in paragraph (a), clauses (2) and (3), means existing on August 1, 1987.

Sec. 8. Minnesota Statutes 1986, section 473H.17, subdivision 2, is amended to read:

Subd. 2. [DENSITY RESTRICTION AFTER SUBDIVISION.] When a separate parcel is created for a residential structure, *commercial, or industrial use* permitted under subdivision 1, the parcel shall cease to be an agricultural preserve unless the eligibility requirements of section 473H.03 are met. However, the ~~residential unit separate parcel shall continue to be included in remain~~ *under the maximum residential density restrictions in effect for the original preserve at the time it was placed into the preserve*

until the agricultural preserve status for the original parcel ends.

Sec. 9. [APPROPRIATION.]

\$60,000 is appropriated from the general fund to the commissioner of agriculture to provide technical assistance for agricultural land preservation and conservation activities, including preparation and publication of an agricultural land preservation planning handbook for use by local units of government, and for a study and report on the costs of providing public services to agricultural and other land uses."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

Page 1, line 5, delete everything after "sections" and insert "40A.03, subdivision 2; 40A.15, subdivision 4; 40A.152, subdivisions 1 and 2;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 806: A bill for an act relating to public finance; changing the rural finance administration's qualified agricultural loan program and name; clarifying the duties and powers of the administration; amending Minnesota Statutes 1986, sections 41B.01; 41B.02; 41B.03; 41B.035; 41B.04, subdivisions 1, 7, 8, 9, 10, 11, and 12; 41B.19, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1986, sections 41B.04, subdivisions 6, 13, 14, 15, and 16; and 41B.05.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

RURAL FINANCE AUTHORITY

Section 1. Minnesota Statutes 1986, section 41.56, subdivision 4, is amended to read:

Subd. 4. [SALE OF DEFAULTED PROPERTY.] In the event that title to any property is acquired by the state, upon conveyance of title to the state and expiration of the period of redemption, the commissioner shall undertake to sell the property by publishing a notice of the impending sale at least once each week for four successive weeks in a legal newspaper and also in a newspaper of general distribution in the county in which the property to be sold is situated. The notice must describe the lots or tracts to be offered and the terms of sale. Except as further provided, the terms and method of sale shall be determined by the commissioner.

The commissioner shall first attempt to sell the property to a person who is eligible for a family farm security loan. If the commissioner is unable to effect a sale to an eligible person, the commissioner shall attempt to sell the property for cash as provided in subdivision 4a. If the commissioner is unable to effect a sale to an eligible person or for cash, or if the commissioner finds that sale to an eligible person or for cash would not best protect the interests of the state, the commissioner may sell the property

on terms which the commissioner finds will best protect the interests of the state. The commissioner may lease any real property which the commissioner is unable to sell with reasonable promptness. In any event, any acquired farm property must be sold within three years after the conveyance of title to the state or after the expiration of the period of redemption. The commissioner may contract for the services of a licensed real estate agent or broker to assist in selling any property acquired under this section and may pay for the services from the proceeds of the sale before proceeds are distributed under subdivision 4b.

In lieu of selling property under this subdivision, the commissioner may utilize participation under the beginning farmer program under chapter 41B.

In selling property acquired under this section, the commissioner may not sell the property to a relative within the second degree of kindred according to common law of a person who has defaulted resulting in the commissioner acquiring the property.

Sec. 2. Minnesota Statutes 1986, section 41B.01, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] Sections 41B.01 to 41B.23 create and establish the Minnesota rural finance ~~administration authority~~ and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the authority of article XI, section 5, clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit on real estate security. The purpose of the program and of the bonds issued to finance or provide security for the program is to purchase participation interests in loans to be made available by agricultural lenders to farmers in order to restructure existing debt and to make available additional credit to farmers who own or purchase agricultural properties on terms and conditions not otherwise available from other credit sources. It is hereby found and declared that there presently exist in the state economic conditions which have severely adversely affected the economic viability of farms to the detriment of the rural economy and to the detriment of the economy of the state of Minnesota as a whole. It is further found and declared that as a result of public agricultural policies, agricultural market conditions, and other causes, the condition of the farm economy of the state of Minnesota is such as to jeopardize the continued existence and successful operation of farms in this state, necessitating the establishment of the ~~program programs~~ in sections 41B.01 to 41B.23 to provide new sources of credit on favorable terms and conditions. It is further found and declared that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by assuring the viability of farm operations, by preventing erosion of the tax base in rural areas, by reducing foreclosures on farm property, and by enhancing the financial stability of farmers and of the businesses which depend on farmers as customers. It is further found and declared that in establishing a Minnesota rural finance ~~administration authority~~ and in authorizing the programs in sections 41B.01 to 41B.23, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of improving and otherwise promoting their health, welfare, and prosperity and that the Minnesota rural finance ~~administration authority~~, as created and established, is empowered to act on behalf of the people of the state of Minnesota in serving this public purpose for the benefit of the general public.

The purpose of the programs and of bonds issued to finance or provide security for the programs is to purchase participation interests in loans to be made available by agricultural lenders to farmers to restructure existing debt and to make available additional credit to farmers who own or purchase agricultural properties on terms and conditions not otherwise available from other credit sources.

Sec. 3. Minnesota Statutes 1986, section 41B.02, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE AGRICULTURAL LENDER; ELIGIBLE LENDER.] "Eligible agricultural lender" or "eligible lender" means an entity of the kind described in section 41B.04, subdivision 6, which enters into an agreement with the administration providing for the purchase by the administration of participation interests in eligible agricultural loans originated and serviced by the qualified agricultural lender any bank, credit union, savings and loan association chartered by the state or federal government, a subdivision of the Farm Credit System, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, and any insurance company, fund, or other financial institution doing business as an agricultural lender within the state if the authority determines that the agricultural lender has sufficient personnel and other resources to efficiently and properly originate and service qualified agricultural loans. An eligible agricultural lender must enter into one or more agreements with the authority providing for the origination and servicing of qualified agricultural loans on the terms and conditions the authority determines to be appropriate.

Sec. 4. Minnesota Statutes 1986, section 41B.02, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a borrower who meets the eligibility criteria for a program in section 41B.03.

Sec. 5. Minnesota Statutes 1986, section 41B.02, subdivision 6, is amended to read:

Subd. 6. [QUALIFIED AGRICULTURAL LOAN.] "Qualified agricultural loan" means a loan to an eligible borrower made by an eligible agricultural lender which the administration purchases or in which the administration purchases a participation interest pursuant to agricultural programs established and implemented by the authority.

Sec. 6. Minnesota Statutes 1986, section 41B.02, subdivision 9, is amended to read:

Subd. 9. [PRIMARY PRINCIPAL.] "Primary principal" means that portion of the principal outstanding balance on a loan covered by sections 41B.01 to 41B.23 that is equal to the current market value of the property secured by the loan.

Sec. 7. Minnesota Statutes 1986, section 41B.02, subdivision 11, is amended to read:

Subd. 11. [BASIC INTEREST.] "Basic interest" means that part of interest on primary principal that is payable annually while the loan is in effect.

Sec. 8. Minnesota Statutes 1986, section 41B.02, subdivision 13, is amended to read:

Subd. 13. [CURRENT MARKET VALUE.] "Current market value" means, for the purposes of section 41B.04, the value determined by an appraisal considering comparable sales in the area where the real estate is located and the reasonable productive value of the property based on past production history. The state and the eligible agricultural lender must mutually agree on the current market value.

Sec. 9. Minnesota Statutes 1986, section 41B.02, subdivision 14, is amended to read:

Subd. 14. [BORROWER.] "Borrower" means the person or persons liable on a ~~restructured note~~ *qualified agricultural loan*.

Sec. 10. Minnesota Statutes 1986, section 41B.02, subdivision 15, is amended to read:

Subd. 15. [ORIGINAL LOAN.] "Original loan" means a loan prior to restructuring as provided in section 41B.04.

Sec. 11. Minnesota Statutes 1986, section 41B.03, is amended to read:
41B.03 [BORROWER ELIGIBILITY CRITERIA.]

Subdivision 1. [ELIGIBILITY GENERALLY.] To be eligible for a program in sections 41B.01 to 41B.23:

(a) (1) a borrower must be a resident of Minnesota or a domestic family farm corporation, as defined in section 500.24, subdivision 2-;

(b) (2) the borrower or one of the borrowers must be the principal operator of the farm- *or, for a prospective homestead redemption borrower, must have at one time been the principal operator of a farm; and*

(3) *the borrower must not previously have received assistance pursuant to sections 41B.01 to 41B.23.*

Subd. 2. [ELIGIBILITY FOR RESTRUCTURED LOAN.] *In addition to the eligibility requirements of subdivision 1, a prospective borrower for a restructured loan must:*

(c) ~~the borrower or one of the borrowers must~~ (1) have received at least 50 percent of average annual gross income from farming for the past three years *or for homesteaded property received at least 40 percent of average gross income from farming in the past three years, and farming must be the principal occupation of the borrower-;*

(d) ~~The borrower must~~ (2) have a debt-to-asset ratio equal to or greater than 50 percent- *and in determining this ratio, the assets must be determined by the valued at their current market value of the assets-;*

(e) ~~The borrower's~~ (3) *have projected annual expenses, including operating expenses, family living, and interest expenses after the restructuring, must that do not exceed 95 percent of the borrower's projected annual income considering prior production history and projected prices for farm production-, except the authority may reduce the 95 percent requirement if it finds that other significant factors in the loan application support the making of the loan; and*

(f) ~~The borrower must be unable to meet~~ (4) *demonstrate substantial difficulty in meeting projected annual expenses without restructuring the loan.*

(g) ~~The borrower must not previously have received restructuring as-~~

sistance pursuant to sections 41B.01 to 41B.23.

Subd. 3. [BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1 a prospective borrower for a beginning farm loan must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents of less than \$100,000;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) demonstrate that the agricultural land to be purchased will be used by the borrower for agricultural purposes; and

(6) demonstrate that farming will be the principal occupation of the borrower.

Subd. 4. [CONTINUING ELIGIBILITY REQUIREMENTS.] After qualifying for a restructured loan, a borrower must only continue to meet the requirements of subdivision 1, clauses (1) and (2).

Sec. 12. Minnesota Statutes 1986, section 41B.035, subdivision 5, is amended to read:

Subd. 5: [BOARD ACTIONS OF THE AUTHORITY.] The powers of the board are ~~v~~the members in office from time to time. A majority of the members of the ~~board~~ authority, excluding vacancies, constitutes a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the ~~board~~ authority upon a vote of a majority of a quorum present.

Sec. 13. Minnesota Statutes 1986, section 41B.035, is amended by adding a subdivision to read:

Subd. 8. [TECHNICAL ASSISTANCE.] The authority must make technical assistance available to potential lenders and applicants to encourage applications for loans.

Sec. 14. [41B.037] [HOMESTEAD REDEMPTION PROGRAM.]

The authority may establish and implement a homestead redemption program under sections 41B.01 to 41B.23. The purpose of the program is to assist persons who have lost their farms due to foreclosure, granting a deed in lieu of foreclosure, or other actions necessary to settle their agricultural debts, and who are otherwise unable to secure the credit necessary to repurchase their farm homestead. The authority may enter into agreements with any eligible lender for the purposes of this program. The authority may, by rule, establish eligibility standards for this program that are different from those established for other programs of the authority. The authority's interest in a homestead redemption loan may not exceed one-half of the loan amount or \$25,000, whichever is less.

Sec. 15. [41B.038] [PROGRAMS FOR COMMITMENTS TO OTHER ENTITIES.]

The authority may establish programs to make or purchase and enter into commitments to make or purchase qualified agricultural loans or portions of the loans issued to persons described in section 41B.03, sub-

division 1. *The agricultural loans must be insured or guaranteed by the United States Department of Agriculture, Farmers Home Administration, Farm Credit System, a subdivision of the Farm Credit System, or any similar federal agency or federally chartered institution whose obligations are directly or indirectly guaranteed or insured by the United States. For this purpose the authority may exercise the powers in sections 41B.05 and 41B.08.*

Sec. 16. [41B.039] [BEGINNING FARMER PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority may establish, develop criteria, and implement a beginning farmer program. The program must assist persons entering farming, which is a person who has not owned a farm before entering the beginning farmer program.

Subd. 2. [STATE PARTICIPATION.] The state may participate in a loan with an eligible lender to a beginning farmer to the extent of one-fourth of the principal of the loan or \$25,000, whichever is less. A loan to a beginning farmer may not exceed \$100,000. Terms of the loan include both principal and interest payments. The terms of the authority's participation may be different than the terms of the lender's portion of the loan.

Subd. 3. [SOIL AND WATER CONSERVATION AGREEMENTS.] (a) As a condition of receiving a beginning farmer loan the borrower must agree to implement an approved soil and water conservation plan on the land.

(b) The borrower must place marginal land as defined in section 40.42, subdivision 6, in a permanent conservation easement as provided in section 40.43. The authority must compensate the borrower for the easement as provided in section 40.43, subdivision 6.

Subd. 4. [FARM MANAGEMENT.] A borrower must agree to participate in a farm management program approved by the commissioner for at least the first eight years of the loan.

Subd. 5. [LOAN REVIEW.] The authority shall refer all applications for the beginning farmer program to the family farm advisory council to review the loan with the beginning farmer and make recommendations to the authority.

Sec. 17. [41B.0391] [USE AND DISPOSITION OF PROPERTY.]

Subdivision 1. [AUTHORITY MAY SELL OR LEASE PROPERTY.] The authority may sell or lease acquired property. Persons desiring to purchase or lease property must apply to the authority.

Subd. 2. [MANAGING AND SELLING PROPERTY IN AGRICULTURAL LAND BANK.] (a) The authority must attempt to sell agricultural property to persons entering farming and farmers that need additional property to continue their farming operations.

(b) The authority must give priority to applicants desiring to purchase or lease property who:

(1) are residents of the state of Minnesota;

(2) have sufficient education, training, or experience in the type of farming for which the property is desired and agree to continued participation in a farm management program, approved by the authority, for at least the first ten years;

(3) have, including the applicant's dependents and spouse, a total net worth valued at less than \$100,000 and have demonstrated a need for acquiring property from the authority;

(4) intend to purchase farm land to be used by the applicant for agricultural purposes; and

(5) are credit worthy according to standards prescribed by the authority.

(c) Agricultural property may be leased with an option to purchase to accommodate a sale. The authority should avoid long-term leasing of property.

Subd. 3. [REMOVAL FROM AGRICULTURAL USE.] If the authority determines that acquired property should be taken out of agricultural use completely or particular agricultural uses should be restricted, the authority shall have the attorney general prepare an easement restricting the agricultural use and file the easement with the county recorder where the property is located. If agricultural use is not allowed on the property, the authority may transfer administrative control to the appropriate state agency.

Subd. 4. [EXCLUSIVE AGRICULTURAL USE.] The authority may place easements on acquired property restricting development and allowing only agricultural or conservation use.

Sec. 18. Minnesota Statutes 1986, section 41B.04, subdivision 7, is amended to read:

Subd. 7. [RESTRUCTURING PROCEDURE.] (a) The eligible agricultural lender or borrower shall propose restructuring a loan to the ~~administration~~ authority. Within 30 days of receiving adequate information concerning a proposal, the ~~administration~~ authority and the eligible lender shall notify the borrower of their determination of eligibility. An eligible agricultural lender shall then expeditiously ~~conduct necessary appraisals and~~ draft the loan restructuring agreement which must be consistent with this section and documents previously approved by the ~~administration and eligible lenders~~ authority. ~~The loan restructuring agreement must be approved by the eligible lender, the administration, and the borrower.~~

(b) An eligible borrower may participate in the restructured loan or the homestead redemption loan, but not both loans.

Sec. 19. Minnesota Statutes 1986, section 41B.04, subdivision 8, is amended to read:

Subd. 8. [STATE'S PARTICIPATION.] With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the ~~administration~~ authority, the ~~administration~~ authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of one-quarter of the primary principal or \$50,000, whichever is less, ~~except that the administration may participate in restructured loans made for the redemption of homesteads to the extent of one-half of the primary principal or \$25,000, whichever is less.~~ The ~~administration's~~ authority's portion of the loan must thereafter be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 20. Minnesota Statutes 1986, section 41B.04, subdivision 9, is

amended to read:

Subd. 9. [RESTRUCTURED LOAN AGREEMENT.] (a) All payments on the primary and secondary principal of the restructured loan, all payments of interest on the secondary principal, and an agreed portion of the interest payable to the eligible agricultural lender on the primary principal must be deferred to the end of the term of the loan.

(b) A borrower may prepay the restructured loan, with all primary and secondary principal and interest and deferred interest at any time without prepayment penalty.

(c) Interest on secondary principal must accrue at a below market interest rate.

(d) At the conclusion of the term of the restructured loan, the borrower owes primary principal, secondary principal, and deferred interest on primary and secondary principal. However, part of this balloon payment may be forgiven following an appraisal by the lender and the ~~administration~~ *authority* to determine the current market value of the real estate subject to the mortgage. If the current market value of the land after appraisal is less than the amount of debt owed by the borrower to the lender and ~~administration~~ *authority* on this obligation, that portion of the obligation that exceeds the current market value of the real property must be forgiven by the lender and the ~~administration~~ *authority* in the following order:

- (1) deferred interest on secondary principal;
- (2) secondary principal;
- (3) deferred interest on primary principal;
- (4) primary principal as provided in an agreement between the ~~administration~~ *and the lender*; and
- (5) accrued but not deferred interest on primary principal.

~~The debt forgiveness may be combined with a renegotiated loan on the unforgiven balance due if the borrower is able to establish that there are reasonable prospects of repayment on a debt equal to the current market value of real estate at then existing interest rates. If so, the loan must be reamortized on terms and conditions acceptable to the lender, the ~~administration~~, and the farmer.~~

(e) The authority may not participate in refinancing a restructured loan at the conclusion of the restructured loan.

Sec. 21. Minnesota Statutes 1986, section 41B.04, subdivision 10, is amended to read:

Subd. 10. [INTEREST RATE.] *Unless the authority determines that it is not in the best interests of the restructured loan program, the interest rate per annum on the portion of the ~~restructuring~~ restructured loan represented by the participation interest purchased by the ~~administration~~ authority must be that rate of interest determined by the ~~administration~~ authority to be necessary to provide for the timely payment of principal and interest when due on bonds or other obligations issued by the ~~administration~~ authority, and to provide for the reasonable and necessary costs of issuing, carrying, administering, and securing the bonds or notes and to pay the costs incurred and to be incurred by the ~~administration~~ authority in the implementation of the program. The interest rate per annum borne by the*

primary principal portion of the restructuring loan retained by the eligible agricultural lender must be a rate of interest approved by the ~~administration authority~~. The ~~administration authority~~ may specify the points, fees, and other charges which the eligible agricultural lender may charge to the eligible borrower.

Sec. 22. Minnesota Statutes 1986, section 41B.04, subdivision 11, is amended to read:

Subd. 11. [ADMINISTRATION.] The eligible lender shall administer the loans and shall bear all costs of the loan administration. Ordinary costs of administration include appraisals, litigation, abstracts of title, and similar costs. ~~The administration agrees to share in any other responsibilities common to a loan participation agreement.~~

Sec. 23. Minnesota Statutes 1986, section 41B.04, subdivision 12, is amended to read:

Subd. 12. [ASSIGNABILITY.] Loans restructured under this section may not be assigned to anyone other than a ~~direct descendant of the original borrower and the assignee must intend to engage in the direct operation and management of the farm which is subject to the mortgage meeting the eligibility requirements of section 41B.03, subdivision 1, and any other requirements imposed or approved by the authority.~~ If such an assignment is contemplated, the borrower must obtain prior written approval of the eligible lender and the administration and the assignee shall thereafter be subject to the same terms and conditions and events of default as the original borrower. If assigned to some other party, the eligible agricultural lender may exercise its foreclosure remedies as provided by its contracts and by law.

Sec. 24. Minnesota Statutes 1986, section 41B.05, is amended to read:

41B.05 [GENERAL POWERS OF THE ADMINISTRATION AUTHORITY.]

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the ~~administration authority~~ has the general powers granted in this section.

(a) It may sue and be sued.

(b) It may have a seal and alter the seal.

(c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.

(d) It may acquire, hold, and dispose of personal property for its corporate purposes.

(e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.

(f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.

(g) It may provide general technical services related to rural finance.

(h) It may provide general consultative assistance services related to rural

finance, and shall make available technical assistance to potential lenders and applicants to encourage applications for loans.

(i) It may promote research and development in matters related to rural finance.

(j) It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.

(k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the ~~administration~~ authority will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of ~~administration~~ authority resources and assistance within a region in cooperation with county and multicounty authorities.

(o) It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from ~~administration~~ authority funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of ~~administration~~ authority resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

(q) It may delegate any of its powers to its officers or staff.

(r) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.

(s) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans pursuant to normal procedure. The authority may provide in an agreement for special pro-

cedures or requirements designed to meet specific conditions or requirements.

Sec. 25. Minnesota Statutes 1986, section 41B.08, subdivision 4, is amended to read:

Subd. 4. [REQUIRED RATING.] No bonds may be issued unless a rating of "A" or better has been awarded to the bonds by a national bond rating agency. *The "A" rating is not required if the bonds are initially sold to corporations or financial institutions for investment purposes and not for the purpose of remarketing the bonds to the public.*

Sec. 26. Minnesota Statutes 1986, section 41B.12, is amended to read:

41B.12 [REVENUE BONDS; NONLIABILITY OF INDIVIDUALS.]

~~Neither~~ The members of the ~~administration~~ ~~nor~~ *authority and its staff* and any person executing the bonds ~~is liable~~ *are not personally liable* on the bonds or subject to any personal liability or accountability by reason of their issuance.

Sec. 27. Minnesota Statutes 1986, section 41B.19, subdivision 5, is amended to read:

Subd. 5. [RURAL FINANCE ~~ADMINISTRATION~~ ~~AUTHORITY~~ SECURITY ACCOUNT.] The commissioner of finance shall maintain a separate state building fund account designated as the rural finance ~~administration~~ *authority* security account, into which must be deposited the proceeds of the rural renewal general obligation bonds issued as provided in this section. The commissioner of finance shall maintain a separate bookkeeping account to record receipts and disbursements of money transferred to or from the security account and to record income from the investment of money in the account. Upon the written request of the ~~administration~~ *authority*, the commissioner of finance shall transfer from the security account to an account or accounts the ~~administration~~ *authority* shall designate, a sum of money sufficient in amount, if available, when added to the balances then on hand in the designated accounts, to pay bonds issued by the ~~administration~~ *authority* under sections 41B.01 to 41B.23 and the interest on them due and to become due on the next succeeding date for the payment of the principal of and interest on the bonds of the administration or to restore to any debt service reserve fund established in connection with the bonds any amount withdrawn from the debt service reserve account to pay the bonds. *When no revenue bonds secured by the security account are outstanding under the resolution authorizing their issuance, the commissioner of finance shall further transfer from all money and securities on hand in the security account on or before the date on which any installment of the principal of and interest on bonds authorized by this section is due, a sum sufficient in amount, when added to the balance then on hand in the rural renewal bond account, to pay all bonds issued under this section and the interest on them due and to become due on the next succeeding date for payment of the bonds to the state bond fund.*

Sec. 28. Minnesota Statutes 1986, section 41B.19, subdivision 6, is amended to read:

Subd. 6. [INVESTMENT OF SECURITY ACCOUNT.] (a) Money from time to time on deposit in the security account must be invested by the state board of investment at the request of the ~~administration~~ *authority* in any investment authorized by this subdivision. Money on deposit in the security account may be invested in:

(1) certificates of deposit insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation; (2) certificates of deposit issued by eligible agricultural lenders, whether or not fully insured or secured issued or interest-bearing time deposits with a national banking association or by a bank and trust company organized under the laws of any state;

(3) (2) deposits secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for those deposits;

(4) (3) qualified agricultural loans or in participation interests in qualified agricultural loans; or

(5) (4) qualified restructured loans.

(b) *The principal amount of the investment under paragraph (a), clause (1), must be fully insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation. If not fully insured, the institution issuing the certificate of deposit or accepting the time deposit must be rated in the AA or a higher category as defined by a nationally recognized bond rating agency or in an equivalent or higher rating category based on any later redefinition.*

(c) If and to the extent money has been transferred from the security account to provide for the timely payment of the principal of and interest on bonds issued by the ~~administration~~ authority, or to transfer money to a debt service reserve fund established in connection with the bonds, the ~~administration~~ authority shall transfer to the security account on or before December 1 of each succeeding year an amount equal to that previously transferred from the security account, provided that the ~~administration's~~ authority's obligation to transfer money to the security account is limited to money then on hand in funds or accounts of the ~~administration~~ authority in excess of those appropriated to other purposes or required to provide for the payment of the principal of and interest on bonds issued by the ~~administration~~ authority and to pay the costs of issuing, carrying, administering, and securing the bonds of the ~~administration~~ authority and of administering and implementing the programs of the ~~administration~~ authority financed by the bonds.

Sec. 29. [41B.195] [ADDITIONAL USE OF GENERAL OBLIGATION BONDS.]

Notwithstanding the limit set forth in section 41B.19, subdivision 1, the commissioner of finance, upon the request of the rural finance authority, may issue the general obligation bonds authorized by section 41B.19 and use the proceeds of the bonds to purchase participations in qualified agricultural loans if the commissioner determines that it is not practical or efficient to issue revenue bonds pursuant to section 41B.08 for the purpose of section 41B.04 and sections 13, 15, and 16 as a result of reduced program size or increased program costs. Subject to the other provisions of this section, the proceeds of the bonds must be deposited, held, and disbursed from a separate state building fund account, the bonds are payable from the bond account established by section 41B.19, subdivision 4, and the participations purchased with the bond proceeds must be held as assets of the bond account. If the rural finance authority later determines to issue revenue bonds pursuant to section 41B.08 for the purposes specified

in section 41B.04, the commissioner may by order provide for the transfer of all or a portion of the remaining bond proceeds and interest thereon, and all or a portion of the participations purchased with the bond proceeds and proceeds thereof, to be transferred to the security account established in section 41B.19, subdivision 5, and used for the purposes specified in section 41B.19, subdivisions 1 and 5.

Sec. 30. [41B.211] [DATA PRIVACY.]

Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding any authority loan and the name of each individual who is the recipient of a loan are private data on individuals, under chapter 13.

Sec. 31. [INSTRUCTIONS TO REVISOR.]

The revisor of statutes is instructed to change the phrases "rural finance administration" and "administration" when the term is applied to the rural finance administration to "rural finance authority" and "authority" respectively in Minnesota Statutes. The revisor is further instructed to rearrange the subdivisions of Minnesota Statutes 1986, section 41B.02, so that the terms defined therein are in alphabetical order.

The revisor of statutes shall renumber each section of Minnesota Statutes specified in column A with the number set forth in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

<i>Column A</i>	<i>Column B</i>
<i>41B.035</i>	<i>41B.025</i>
<i>41B.05</i>	<i>41B.036</i>

Sec. 32. [REPEALER.]

Minnesota Statutes 1986, sections 41B.02, subdivision 17; 41B.035, subdivision 4; and 41B.04, subdivisions 6, 13, 14, 15, and 16, are repealed.

Sec. 33. [EFFECTIVE DATE.]

This article is effective on the day following final enactment.

ARTICLE 2

RIGHT OF FIRST REFUSAL

Section 1. Minnesota Statutes 1986, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products or the production of poultry or poultry products.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the pur-

pose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) "Authorized farm corporation" means a corporation meeting the following standards:

- (1) Its shareholders do not exceed five in number;
- (2) All its shareholders, other than any estate are natural persons;
- (3) It does not have more than one class of shares; and
- (4) Its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and
- (5) Shareholders holding a majority of the shares must be residing on the farm or actively engaging in farming.

(e) "Agricultural land" means land used for farming.

(f) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm, authorized farm corporation or family farm corporation.

(g) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.

Sec. 2. Minnesota Statutes 1986, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] (a) A state or federal agency or a corporation, other than a family farm corporation or an authorized farm corporation, ~~when leasing may not lease or selling farm sell~~ agricultural land or a farm homestead ~~must offer that was acquired by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed, before offering or make~~ making a good faith effort to offer the land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. *The offer must be made on the notice to offer form under section 3. Selling or leasing property at a price is prima facie evidence that the price is acceptable to the seller or lessor.*

(b) *This subdivision applies to a seller or lessor for five years after the agricultural land is acquired. An offer to lease to the immediately preceding former owner is required only ~~on~~ until after the first occasion ~~on~~ which the property is leased. An offer to sell to the immediately preceding former owner is required only ~~on~~ until the first occasion ~~on~~ which the property is*

sold. The notice of an offer ~~delivered~~ under section 3 personally delivered with a receipt or sent by certified mail with a receipt of mailing to the immediately preceding former owner's last known address is a good faith offer.

(c) For purposes of this subdivision, the term "a price no higher than the highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one which involves simultaneous transfer of title. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by the current Federal Intermediate Credit Bank of St. Paul interest rate plus 1.5 percent. A time-price offer is an offer that defers payment of any portion of the price and does not involve a transfer of fee title until full payment is made.

(d) This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years or longer.

(e) For purposes of this subdivision, if the immediately preceding former owner is a bankruptcy estate the debtor in the bankruptcy is the immediately preceding owner.

(f) The immediately preceding former owner must exercise the right to lease ~~farm~~ agricultural land or a homestead located on agricultural land in writing within ~~ten~~ 15 days after ~~receiving~~ an offer to lease under this subdivision is mailed with a receipt of mailing or personally delivered. The immediately preceding former owner must exercise the right to buy ~~farm~~ the agricultural land or farm homestead located on agricultural land, in writing, within ~~60~~ 65 days after ~~receiving~~ an offer to buy under this subdivision. ~~This subdivision does not apply if the former owner is a bankruptcy estate.~~ is mailed with a receipt of mailing or is personally delivered. Within ten days after exercising the right to lease or buy by accepting the offer, the immediately preceding owner must fully perform according to the terms of the offer including paying the amounts due. A seller may sell and a lessor may lease the agricultural land or farm homestead subject to this subdivision to the third party in accordance with their lease or purchase agreement if:

(1) the immediately preceding former owner does not accept an offer to lease or buy before the offer terminates; or

(2) the immediately preceding former owner does not perform the obligations of the offer, including paying the amounts due, within ten days after accepting the offer.

(g) A certificate indicating whether or not the property contains agricultural land or a farm homestead that is signed by the county assessor where the property is located and recorded in the office of the county recorder or the registrar of titles where the property is located is prima facie evidence of whether the property is agricultural land or a farm homestead.

(h) As prima facie evidence that an offer to sell or lease agricultural land or a farm homestead has terminated, a receipt of mailing the notice under section 3 and an affidavit, signed by a person authorized to act on behalf of a state, federal agency, or corporation selling or leasing the

agricultural land or a farm homestead may be filed in the office of the county recorder or registrar of titles of the county where the agricultural land or farm homestead is located. The affidavit must state that:

(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable;

(2) the time period during which the immediately preceding former owner is required to exercise the right to buy or lease the agricultural land or farm homestead has expired;

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this subdivision or has accepted an offer and has not fully performed according to the terms of the offer; and

(4) the offer to the immediately preceding former owner has terminated.

(i) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision or to lease or purchase at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor may be extinguished or limited by an express statement signed by the immediately preceding owner that complies with the plain language requirements of section 325G.31. The right may not be extinguished or limited except by the express statement in a deed in lieu of foreclosure or in a deed in lieu of a termination of a contract for deed for the agricultural land.

(j) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision may not be assigned or transferred, but may be inherited.

Sec. 3. Minnesota Statutes 1986, section 500.24, is amended by adding a subdivision to read:

Subd. 7. [NOTICE OF OFFER.] (a) The state, a federal agency, or a corporation subject to subdivision 6 must provide a notice of an offer to sell or lease agricultural land substantially as follows, after inserting the appropriate terms within the parentheses:

"NOTICE OF OFFER TO (LEASE, BUY) AGRICULTURAL LAND

TO: (____Immediately preceding former owner____)

FROM: (____The state, federal agency, or corporation
subject to subdivision 6____)

DATE: (____date notice is mailed or personally delivered____)

(____The state, federal agency, or corporation____) HAS ACQUIRED THE AGRICULTURAL LAND DESCRIBED BELOW AND HAS RECEIVED AN ACCEPTABLE OFFER TO (LEASE, SELL) THE AGRICULTURAL LAND FROM ANOTHER PARTY. UNDER MINNESOTA STATUTES, SECTION 500.24, SUBDIVISION 6, AN OFFER FROM (____the state, federal agency, or corporation____) MUST BE MADE TO YOU AT A PRICE NO HIGHER THAN THE HIGHEST OFFER MADE BY ANOTHER PARTY.

THE AGRICULTURAL LAND BEING OFFERED CONTAINS APPROXIMATELY (____approximate number of acres____) ACRES AND IS INFORMALLY DESCRIBED AS FOLLOWS:

(Informal description of the agricultural land being offered that reasonably describes the land. This description does not need to be a legal description.)

(_____The state, federal agency, or corporation_____) OFFERS TO (SELL, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE FOR A CASH PRICE OF \$(_____cash price or equivalent cash price for lease and lease period, or cash price or equivalent cash price for sale of land_____), WHICH IS NOT HIGHER THAN THE PRICE OFFERED BY ANOTHER PARTY. THE PRICE IS OFFERED ON THE FOLLOWING TERMS:

(Terms, if any, of acceptable offer)

IF YOU WANT TO ACCEPT THIS OFFER YOU MUST NOTIFY (_____the state, federal agency, or corporation_____) IN WRITING THAT YOU ACCEPT THE OFFER OR SIGN UNDERNEATH THE FOLLOWING PARAGRAPH AND RETURN A COPY OF THIS NOTICE BY (15 for a lease, 65 for a sale) DAYS AFTER THIS NOTICE IS PERSONALLY DELIVERED OR MAILED TO YOU. THE OFFER IN THIS NOTICE TERMINATES ON (_____date of termination - 15 days for lease and 65 days for sale after date of mailing or personal delivery_____).

ACCEPTANCE OF OFFER

I ACCEPT THE OFFER TO (BUY, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE AT THE PRICE OFFERED TO ME IN THIS NOTICE. AS PART OF ACCEPTING THIS OFFER I WILL PERFORM ACCORDING TO THE TERMS OF THE OFFER, INCLUDING MAKING PAYMENTS DUE UNDER THE OFFER, WITHIN TEN DAYS AFTER THE DATE I ACCEPT THIS OFFER.

Signature of Former Owner Accepting Offer

Date"

(b) For an offer to sell, a copy of the purchase agreement containing the price and terms of the highest offer made by a third party that is acceptable to the seller must be included with the notice under this subdivision. At the seller's discretion, reference to the third party's identity may be deleted from the copy of the purchase agreement.

Sec. 4. [EFFECTIVE DATE.]

This article is effective July 1, 1987, except sections 1 to 3 apply to offers made under section 500.24, subdivision 6, after July 1, 1987.

ARTICLE 3

WAIVER OF DEBTOR'S RIGHTS

Section 1. [550.42] [WAIVER OF AGRICULTURAL DEBTOR'S RIGHTS.]

Subdivision 1. [WAIVER IS VOID.] (a) A waiver of statutory rights of a debtor in a contract, loan agreement, or security agreement as a condition for a loan of money for agricultural production is void unless the waiver is expressly authorized by law.

(b) A waiver of mediation rights under chapter 583, the right to an offer under section 500.24, subdivision 6, or the debtor's statutory rights under chapter 580, 581, or 582 for a mortgage on agricultural property, is void

unless the waiver is expressly authorized by law.

Subd. 2. [PENALTY.] A person, corporation, financial institution, or other legal entity is liable to a debtor for up to \$2,500 plus attorney fees that:

(1) requires a waiver subject to subdivision 1 in a contract, loan agreement, or security agreement, and does not acknowledge that the waiver subject to subdivision 1 is void; or

(2) attempts to enforce a waiver that is void under subdivision 1.

Sec. 2. [EFFECTIVE DATE.]

This article is effective July 1, 1987, except: section 1, subdivision 1, is effective the day after final enactment; and section 1, subdivision 2, applies to contracts, loan agreements, and security agreements entered into after July 1, 1987.

ARTICLE 4

DESIGNATION OF HOMESTEADS AND SEPARATE AGRICULTURAL TRACTS

Section 1. Minnesota Statutes 1986, section 582.041, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION OF HOMESTEAD DESIGNATION.] If a mortgage on real property is foreclosed and the property contains a portion of ~~the~~ a homestead ~~of the mortgagor~~, the ~~mortgagor~~ person in possession of the real property must be notified by the foreclosing mortgagee that the homestead may be sold and redeemed separately from the remaining property. The notice in subdivision 2 must be ~~included in~~ served with the notice of foreclosure that is served on the ~~mortgagor~~ under person in possession of the real property with the requirements in section ~~580.04~~ 580.03 or for a foreclosure by action under chapter 581, in the summons and complaint served on the person in possession of the real property.

Sec. 2. Minnesota Statutes 1986, section 582.041, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD DESIGNATION NOTICE.] (a) The following notice must be ~~included in~~ served with the foreclosure notice of property containing a homestead that is served on the ~~mortgagor~~ person in possession of the real property under section ~~580.04~~ 580.03. The notice is not to be published. The notice must be in 10-point capitalized letters.

"IF PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE, YOU MAY DESIGNATE AN AREA AS A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED BY TEN BUSINESS DAYS BEFORE THE DATE THE

PROPERTY IS TO BE SOLD.”

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of property containing a homestead under chapter 581. The notice must be in 10-point capitalized letters and *is not to be published with the summons if the summons is published.*

“IF PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE, YOU MAY DESIGNATE AN AREA AS A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE COURT WITH A LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED.”

Sec. 3. Minnesota Statutes 1986, section 582.041, subdivision 3, is amended to read:

Subd. 3. [DESIGNATION OF HOMESTEAD PROPERTY.] ~~The mortgagor~~ *person who is homesteading the property* must designate a legal description of the homestead property to be sold separately. The homestead property designated may include any amount of the property. The designation must conform to local zoning, include the dwelling occupied by the ~~mortgagor~~ *person homesteading the property*, and be compact so that it does not unreasonably affect the value of the remaining property. The ~~mortgagor~~ *person homesteading the property* must serve a copy of the designation on the foreclosing mortgagee, the sheriff, and the county recorder *or registrar of titles* by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the designation must be provided to the court.

Sec. 4. Minnesota Statutes 1986, section 582.041, subdivision 5, is amended to read:

Subd. 5. [REDEMPTION.] ~~The mortgagor~~ *A party who has a right of redemption* may redeem the designated homestead, the remaining property, or the entire property including the homestead. The period of redemption is the period for the entire property including the designated homestead.

Sec. 5. [582.042] [FORECLOSURE OF AGRICULTURAL LAND THAT INCLUDES SEPARATE TRACTS.]

Subdivision 1. [NOTIFICATION OF SEPARATE TRACT DESIGNATION.] If a mortgage on real property that is agricultural land is foreclosed and the property contains separate tracts, the person in possession of the real property must be notified by the foreclosing mortgagee that the separate tracts may be sold and redeemed separately. The notice in subdivision 2 must be served with the notice of foreclosure that is served on the person in possession of the property under section 580.03 or for a foreclosure by action under chapter 581, in the summons and complaint.

Subd. 2. [DESIGNATION NOTICE.] (a) The following notice must be served with the foreclosure notice of the property that is served on the person in possession of the real property under section 580.03. The notice

must be in 10-point capitalized letters and the notice is not to be published.

"IF THE PROPERTY TO BE SOLD CONTAINS SEPARATE TRACTS, YOU MAY REQUEST THAT THE TRACTS BE SOLD AND REDEEMED SEPARATELY. EACH OF THE SEPARATE TRACTS MUST CONFORM TO LOCAL ZONING ORDINANCES, MUST HAVE AN ENTRANCE BY DIRECT ACCESS TO A PUBLIC ROAD OR BY PERMANENT EASEMENT, AND MUST NOT UNREASONABLY AFFECT THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF, AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTIONS OF EACH OF THE TRACTS YOU HAVE DESIGNATED TO BE SOLD SEPARATELY BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of real property containing separate tracts under chapter 581. The notice must be in 10-point capitalized letters and is not to be published with the summons if the summons is published.

"IF THE PROPERTY TO BE SOLD CONTAINS SEPARATE TRACTS, YOU MAY REQUEST THAT THE TRACTS BE SOLD AND REDEEMED SEPARATELY. EACH OF THE SEPARATE TRACTS MUST CONFORM TO LOCAL ZONING ORDINANCES.

YOU MUST PROVIDE THE COURT WITH A COPY OF THE LEGAL DESCRIPTIONS OF EACH OF THE TRACTS YOU HAVE DESIGNATED TO BE SOLD SEPARATELY."

Subd. 3. [DESIGNATION OF SEPARATE TRACTS.] The person being foreclosed must designate legal descriptions of each of the tracts to be sold separately. The tracts designated must be previously recorded as separate tracts. Each of the separate tracts must conform to local zoning ordinances, must have an entrance by direct access to a public road or by permanent easement, and must not unreasonably affect the value of the remaining property. The person being foreclosed must serve a copy of the legal descriptions of the tracts to be sold separately on the foreclosing mortgagee, the sheriff, and the county recorder or registrar of titles by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the legal descriptions of the tracts to be sold separately must be provided to the court.

Subd. 4. [SALE OF PROPERTY.] If the sheriff receives a designation of separate tracts under subdivision 3, or is ordered by the court, the sheriff must offer and sell the tracts separately.

Subd. 5. [REDEMPTION.] The designated tracts may be redeemed separately or the entire foreclosed property may be redeemed. The period of redemption is the period for the entire property including all of the designated tracts.

Sec. 6. [EFFECTIVE DATE.]

This article is effective July 1, 1987, except: sections 1 to 5 apply to foreclosures where the first publication occurs on or after July 1, 1987, and to foreclosures under chapter 581 where the first service or publication occurs on or after July 1, 1987.

ARTICLE 5

AGRICULTURAL DATA COLLECTION TASK FORCE

Section 1. [REACTIVATION OF THE AGRICULTURAL COLLECTION DATA TASK FORCE.]

The agricultural data collection task force created by Laws 1985, chapter 19, as reactivated and amended by Laws 1986, chapter 398, article 11, is reactivated.

Sec. 2. Laws 1985, chapter 19, section 6, subdivision 6; as amended by Laws 1986, chapter 398, article 11, section 4, is amended to read:

Subd. 6. [EXPIRATION.] The data collection task force expires ~~January April 15, 1987~~ 1989, or 15 days after reporting to the legislature whichever date comes later, but in no circumstance later than ~~March June 1, 1987~~ 1989.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 6

MINNESOTA GROWN

Section 1. Minnesota Statutes 1986, section 17.102, is amended to read:

17.102 [MINNESOTA PRODUCTS, STATE LOGO OR GROWN LABEL.]

Subdivision 1. [ESTABLISHMENT AND USE OF LABEL.] (a) The commissioner shall establish a "Minnesota grown" logo or labeling statement for use in identifying ~~food agricultural products which are Minnesota grown, processed, or manufactured.~~ The commissioner shall promulgate rules authorizing and governing the use of the logo or labeling statement. *The Minnesota grown logo or labeling statement may be used on food products:*

(1) consisting of raw agricultural products that are not processed into a different physical form or frozen, only if 80 percent of the agricultural product is produced in this state; or

(2) other than raw agricultural products that are not processed into a different physical form or frozen, only if the agricultural product is processed or manufactured in this state.

(b) The Minnesota grown logo or labeling statement may not be used without a license from the commissioner.

Subd. 2. [LABEL DOES NOT REPLACE OTHER REQUIREMENTS.] The logo or labeling statement ~~shall~~ does not supersede or replace any federal label or grade standard ~~which~~ that is required by law ~~and its use shall be discretionary with a grower, processor, or manufacturer.~~

Subd. 3. [LICENSE.] *A person may not use the Minnesota grown logo or labeling without an annual license from the commissioner. The commissioner shall issue licenses for a fee of \$25.*

Subd. 4. [MINNESOTA GROWN ACCOUNT.] *The Minnesota grown account is established as an account in the state treasury. License fee receipts and penalties collected under this section must be deposited in the state treasury and credited to the Minnesota grown account. The money*

in the account is continuously appropriated to the commissioner to implement and enforce this section and to promote the Minnesota grown logo and labeling.

Subd. 5. [PENALTY.] A person who uses the Minnesota grown logo or labeling without a license after being notified by the commissioner that a license is required is subject to a civil penalty up to \$1,000.

Subd. 6. [RULES.] The commissioner shall promulgate rules authorizing and licensing the use of the logo or labeling statement.

Sec. 2. [MINNESOTA GROWN MATCHING ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota grown matching account is established as a separate account in the state treasury. The account shall be administered by the commissioner of agriculture as provided in this section.

Subd. 2. [FUNDING SOURCES.] The Minnesota grown matching account shall consist of contributions from private sources and appropriations.

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] (a) Appropriations to the Minnesota grown matching account may be expended only to the extent that they are matched with contributions to the account from private sources as provided in paragraph (b) for fiscal years 1988 and 1989. Appropriations to the account that are not matched by the end of the fiscal year of the appropriation cancel to the general fund.

(b) Private contributions shall be matched on a basis of four to one for the first \$50,000 of private contributions. Matching funds are not available after the first \$50,000 of private contributions in each fiscal year. Private contributions made from January 1, 1987, until the end of fiscal year 1987 shall be matched by the appropriation for fiscal year 1988.

Subd. 4. [EXPENDITURES.] The amount in the Minnesota grown matching account that is matched by private contributions and the private contributions are appropriated to the commissioner of agriculture for promotion of products using the Minnesota grown logo and labeling.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment.

ARTICLE 7

AGRICULTURAL PRESERVES

Section 1. Minnesota Statutes 1986, section 40A.03, subdivision 2, is amended to read:

Subd. 2. [PLANS AND OFFICIAL CONTROLS.] By July 4 December 31, 1987, each pilot county selected under subdivision 1 shall submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commis-

sioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review.

Sec. 2. Minnesota Statutes 1986, section 40A.15, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ASSISTANCE.] The commissioner shall administer grants for up to 50 percent of the cost of the activity to be funded, except that grants to the pilot counties shall be for 100 percent of the cost up to \$30,000 of preparing new plans and official controls required under this chapter. *Provided, however, that grants to eligible recipients other than the pilot counties shall not be available until the pilot county program has been completed and a report on the pilot county experiences has been presented to the legislature. This report shall be completed by July 1, 1988.* Grants may not be used to reimburse the recipient for activities that are already completed. Grants may be used to employ and train staff, contract with other units of government or private consultants, and pay other expenses related to promoting and implementing agricultural land preservation and conservation activities. The commissioner shall prepare and publish an inventory of sources of financial assistance. To the extent practicable, the commissioner shall assist recipients in obtaining matching grants from other sources.

Sec. 3. Minnesota Statutes 1986, section 40A.152, subdivision 1, is amended to read:

Subdivision 1. [FEE.] A county that *is a metropolitan county under section 473.121, subdivision 4*, has allowed exclusive agricultural zones to be created under this chapter, ~~that has designated lands eligible for agricultural preserves under section 473H.04~~, or that has elected to become an agricultural land preservation pilot county, shall impose an additional fee of ~~\$3~~ \$5 per transaction on the recording or registration of a mortgage subject to the tax under section 287.05 and an additional ~~\$3~~ \$5 on the recording or registration of a deed subject to the tax under section 287.21. One-half of the fee must be deposited in a special conservation account to be created in the county general revenue fund and one-half must be transferred to the commissioner of revenue for deposit in the state treasury and credited to the Minnesota conservation fund.

Sec. 4. Minnesota Statutes 1986, section 40A.152, subdivision 2, is amended to read:

Subd. 2. [USE OF ACCOUNT.] Money from the county conservation account must be spent by the county to reimburse the county and taxing jurisdictions within the county for revenue lost under the conservation tax credit under section 273.119 or the valuation of agricultural preserves under section 473H.10. *If expenditures from other county funds for the same purposes remain at least equal to the amount spent in the previous county budget year, money remaining in the account after these payments the reimbursements are made may be spent for the following purposes:*

- (1) agricultural land preservation and conservation planning and implementation of official controls under this chapter or chapter 473H;
- (2) soil conservation activities and enforcement of soil loss ordinances;
- (3) incentives for landowners who create exclusive agricultural use zones;
- (4) payments to municipalities within the county for the purposes of

clauses (1) to (3).

Sec. 5. Minnesota Statutes 1986, section 473H.10, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF TAX; STATE REIMBURSEMENT.] (a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the assessed value of those properties by applying the appropriate classification percentages. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the assessed value of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times 105 percent of the previous year's statewide average mill rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payments shall be made by the state as provided in section 273.13, subdivision 15a to each of the affected taxing jurisdictions if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. *If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.*

Sec. 6. Minnesota Statutes 1986, section 473H.17, subdivision 1, is amended to read:

Subdivision 1. Land within an agricultural preserve shall be maintained for agricultural production. The average maximum density of residential structures within an agricultural preserve shall not exceed one unit per 40 acres. The location of any new structure shall conform to locally applicable zoning regulations. Commercial and industrial uses shall not be permitted except that ~~small on-farm commercial or industrial operations normally associated with and important to farming in the area may be permitted by~~

the as provided in section 7 after the user is issued a permit by the authority. The authority shall be responsible for enforcing this section.

Sec. 7. Minnesota Statutes 1986, section 473H.17, is amended by adding a subdivision to read:

Subd. 1a. [ALLOWED COMMERCIAL AND INDUSTRIAL OPERATIONS.] (a) Commercial and industrial operations are not allowed on land within an agricultural preserve except:

(1) small on-farm commercial or industrial operations normally associated with and important to farming in the agricultural preserve area;

(2) storage use of existing farm buildings that does not disrupt the integrity of the agricultural preserve; and

(3) small commercial use of existing farm buildings for trades not disruptive to the integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop, and similar activities that a farm operator might conduct.

(b) "Existing" in paragraph (a), clauses (2) and (3), means existing on August 1, 1987.

Sec. 8. Minnesota Statutes 1986, section 473H.17, subdivision 2, is amended to read:

Subd. 2. [DENSITY RESTRICTION AFTER SUBDIVISION.] When a separate parcel is created for a residential structure, commercial, or industrial use permitted under subdivision 1, the parcel shall cease to be an agricultural preserve unless the eligibility requirements of section 473H.03 are met. However, the residential unit separate parcel shall continue to be included in remain under the maximum residential density restrictions in effect for the original preserve at the time it was placed into the preserve until the agricultural preserve status for the original parcel ends.

ARTICLE 8

AGRICULTURAL COMMODITIES UTILIZATION

Section 1. Minnesota Statutes 1986, section 17.03, is amended by adding a subdivision to read:

Subd. 6. [AGRICULTURAL DIVERSIFICATION.] The commissioner shall establish a program of agricultural diversification. The commissioner must assist the horticultural industry, help producers diversify farming operations, and coordinate state agency efforts regarding agricultural diversification, after consulting with farm groups, the University of Minnesota and applicable institutions of higher learning. The commissioner shall report to the governor and legislature annually on activities and actions that should be taken in these matters.

Sec. 2. [17.50] [POLICY.]

The state must explore alternative uses for agricultural products to enable the state's agricultural economy to reach its full potential. The state must promote and encourage cooperative efforts between public and private interests in conducting basic research and disseminating the results on agricultural commodity utilization.

Sec. 2. [AGRICULTURAL COMMODITIES UTILIZATION.]

Subdivision 1. [REVIEW AND STUDY.] The commissioner must review

and study basic research for commodity utilization.

Subd. 2. [CONTACTS.] *In conducting the review and study, the commissioner must contact knowledgeable people in all areas of basic research for commodity utilization including commodity groups, university and research facilities, private industry, farmers, farm groups, and other interested persons as determined by the commissioner.*

Subd. 3. [REPORT.] *The commissioner must prepare a report on the research findings and submit it to the agriculture committees of the legislature by February 1, 1988.*

Subd. 4. [RESPONSIBILITIES.] *The commissioner's report must include recommendations for:*

- (1) *defining the parameters of basic research for commodity utilization;*
- (2) *identifying appropriate entities to conduct basic research on commodity utilization;*
- (3) *establishing a procedure for disseminating information received through research efforts; and*
- (4) *the size and scope of state efforts including funding and time schedules.*

ARTICLE 9

APPROPRIATIONS

Section 1. [AGRICULTURAL DATA COLLECTION TASK FORCE.]

\$70,000 is appropriated from the general fund to the legislative advisory commission to fund the activities of the agricultural data collection task force to be available until June 30, 1989.

Sec. 2. [MINNESOTA GROWN MARKETING ACCOUNT.]

\$400,000 is appropriated from the general fund to the Minnesota grown marketing account to be available in the amounts for the fiscal years indicated

1988	1989
\$200,000	\$200,000

Sec. 3. [AGRICULTURAL PRESERVES DEFICIENCY.]

\$90,000 is appropriated from the general fund to the commissioner of revenue to pay for deficiencies in the agricultural preserves program for 1986.

Sec. 4. [AGRICULTURAL LAND PRESERVATION PLANNING GUIDE.]

\$60,000 is appropriated from the general fund to the commissioner of agriculture to provide technical assistance for agricultural land preservation and conservation activities, including preparation and publication of an agricultural land preservation planning handbook for use by local units of government, and for a study and report on the costs of providing public services to agricultural and other land uses.

Sec. 5. [AGRICULTURAL COMMODITIES UTILIZATION.]

\$25,000 is appropriated from the general fund to the commissioner of agriculture to conduct the review, study, and report on agricultural commodities utilization. This appropriation is not effective until it is matched by \$25,000 in private contributions.

Sec. 6. [INTERSTATE COMPACT ON GRAIN MARKETING.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture for payment of financing the operations of the state's portion of the interstate compact on grain marketing.

Sec. 7. [SUSTAINABLE AGRICULTURE CHAIR.]

Subdivision 1. [APPROPRIATION.] \$100,000 is appropriated from the general fund to the University of Minnesota to establish an endowment for a chair in sustainable agriculture subject to the conditions of subdivision 2. This appropriation is to be included in the nonstate sources of endowment under section 137.022, subdivision 3. Sustainable agriculture represents the best aspects of traditional and modern agriculture by utilizing a fundamental understanding of nature, as well as the latest scientific advances to create integrated, self-reliant, resource conserving practices that enhance the enrichment of the environment and provide short- and long-term productive agriculture.

Subd. 2. [PRIVATE CONTRIBUTIONS REQUIRED.] The appropriation under subdivision 1 is not effective until sufficient private contributions or pledges have been made so that the private contributions and pledges, plus the appropriation under subdivision 1, are sufficient to establish the endowment for a chair in sustainable agriculture. The appropriation cancels on June 30, 1992, if sufficient private contributions and pledges have not been made.

Sec. 8. [SWEET SORGHUM RESEARCH.]

\$394,000 is appropriated from the general fund to the state board of vocational technical education for a demonstration project at the Mankato vocational technical institute involving butanol and ethanol production from sweet sorghum, for the biennium ending June 30, 1989.

Sec. 9. [WILD RICE RESEARCH.]

\$48,000 is appropriated from the general fund to the University of Minnesota for the agricultural experimental station to conduct wild rice research to be available until June 30, 1989, as follows:

- | | |
|--|----------|
| (a) for experiments on use of fertilizers | \$10,000 |
| (b) for experiments on the influence of rotation and residue removal on diseases, weeds, and yield | \$10,000 |
| (c) to evaluate cost advantages and effect on yields of leveling and tiling | \$ 8,000 |
| (d) to conduct controlled-site experiments into the advantages of existing and future varieties of wild rice | \$20,000 |

Sec. 10. [STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION.]

Subdivision 1. [STAFF SUPPORT.] \$1,922,500 is appropriated from the general fund to the state board of vocational technical education for the biennium ending June 30, 1989, to provide the following services:

- | | |
|--|------------|
| (1) support staff for farm business management instructors | \$ 202,500 |
|--|------------|

(2) additional farm business and small business management programs	\$1,350,000
(3) workshops for farmers for marketing, alternative enterprises, and financial management	\$ 200,000
(4) staff development workshops	\$ 50,000
(5) beginning farmer programs	\$ 120,000

Subd. 2. [FARM OPERATION FINANCIAL PLANNING.] \$112,500 is appropriated from the general fund to the state board of vocational technical education, for the fiscal year ending June 30, 1987, to provide salary and travel to hire 15 support staff knowledgeable in financial planning for farm operations to assist farm business management instructors with unusually heavy workloads due to demand by farmers for assistance with mediation, obtaining credit, application for assistance programs such as interest buy-down, and in areas where bank closures may occur.

These 15 support staff shall be assigned to the area vocational technical institutes where area vocational agricultural coordinators are located. The area vocational agricultural coordinator shall then assign them to farm business management staff in their respective areas.

Funding must be used for salary and travel for up to three months at \$7,500 for each staff person.

Sec. 11. [FARM ADVOCATE PROGRAM.]

\$810,800 is appropriated from the general fund to the commissioner of agriculture in the fiscal years indicated for the farm advocate program for the following purposes:

	1988	1989
(a) Salary contracts	\$350,000	\$350,000
(b) Training, including FINPACK	46,000	25,000
(c) Expenses	23,300	16,500

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 12. [RURAL FINANCE AUTHORITY.]

Subdivision 1. [RURAL FINANCE AUTHORITY.] \$300,000 is appropriated from the general fund to the rural finance authority for administering the beginning farmer loan program.

The complement of the authority is increased by _____ positions.

Subd. 2. [DEBT SERVICE.] \$_____ is appropriated from the general fund to the rural finance authority for debt service on general obligation bonds issued for the beginning farmer program."

Delete the title and insert:

"A bill for an act relating to agriculture; amending the rural relief act; allowing an additional method to sell defaulted family farm security property; authorizing rural finance authority participation in a beginning farmer program; providing a homestead redemption loan program; amending duties and powers of the rural finance authority; amending and clarifying the right of farmers who have been foreclosed by corporations to receive an offer to

purchase or lease the farm; clarifying procedures to be used by a corporation offering a farm to a preceding former owner; voiding a waiver of statutory rights of a debtor as a condition for an agricultural production loan; voiding a waiver of mediation, right of first refusal, and mortgage rights of a debtor; providing penalties for persons who enforce voided waivers; amending notification procedures to designate a separate homestead after foreclosure; providing notification and designation of separate tracts of agricultural land after foreclosure; reactivating the agricultural data collection task force; restricting the use of the Minnesota grown labeling; providing a penalty for unauthorized use of the Minnesota grown label; extending the deadline for pilot counties to submit agricultural land preservation plans and controls; increasing a certain portion of fees for recording and registering mortgages and deeds that are deposited into the Minnesota conservation fund; allowing reimbursement to the Minnesota conservation fund from the general fund under certain conditions; allowing certain commercial and industrial use of metropolitan agricultural preserves; establishing a program and policy for agricultural commodities utilization and diversification; appropriating money; amending Minnesota Statutes 1986, sections 17.03, by adding a subdivision; 17.102; 40A.03, subdivision 2; 40A.15, subdivision 4; 40A.152, subdivisions 1 and 2; 41.56, subdivision 4; 41B.01, subdivision 2; 41B.02, subdivisions 4, 5, 6, 9, 11, 13, 14, and 15; 41B.03; 41B.035, subdivision 5, and by adding a subdivision; 41B.04, subdivisions 7, 8, 9, 10, 11, and 12; 41B.05; 41B.08, subdivision 4; 41B.12; 41B.19, subdivisions 5 and 6; 473H.10, subdivision 3; 473H.17, subdivisions 1 and 2, and by adding a subdivision; 500.24, subdivisions 2 and 6, and by adding a subdivision; 582.041, subdivisions 1, 2, 3, and 5; Laws 1985, chapter 19, section 6, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 17, 41B, 550, and 582; repealing Minnesota Statutes 1986, sections 41B.02, subdivision 17; 41B.035, subdivision 4; 41B.04, subdivisions 6, 13, 14, 15, and 16."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was re-referred

S.F. No. 841: A bill for an act relating to natural resources; conservation reserve program; definitions, eligibility for inclusion, applications, agreements, payments, and other terms and conditions; native prairie bank program; applications, agreements, payments, and other terms and conditions; appropriating funds; amending Minnesota Statutes 1986, sections 40.41; 40.42, subdivision 5, and by adding a subdivision; 40.43, subdivisions 2, 5, 6, and 7; 40.44, subdivisions 2 and 3; 84.943, subdivisions 1, 3, and 5; 84.944, subdivision 1; 84.95, by adding a subdivision; 105.391, subdivision 3; 105.392, subdivisions 1, 2, 3, 4, 5, and 6; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 17, insert:

"Sec. 4. Minnesota Statutes 1986, section 40.42, is amended by adding a subdivision to read:

Subd. 7. [WINDBREAK.] "Windbreak" means a strip or belt of trees,

shrubs, or grass barriers at least six rows deep and within 300 feet of the right-of-way of a highway."

Page 2, line 27, delete "or"

Page 2, line 34, before the period, insert "; or"

(4) is land that with a windbreak would be beneficial to resource protection, including protection of marginal land"

Page 2, line 36, before the comma, insert "*except for a windbreak*"

Page 5, line 18, delete "7" and insert "16"

Page 6, after line 22, insert:

"(c) The commissioner of transportation must provide technical advice and assistance to the commissioners of agriculture and natural resources on the planting of windbreaks adjacent to highways."

Page 6, delete section 9

Page 8, after line 30, insert:

"Sec. 14. Minnesota Statutes 1986, section 84.95, subdivision 2, is amended to read:

Subd. 2. [PURPOSES AND EXPENDITURES.] Money from the reinvest in Minnesota resources fund may only be spent for the following fish and wildlife conservation enhancement purposes:

(1) development and implementation of the comprehensive fish and wildlife management plan under section 84.942;

(2) implementation of the conservation reserve program established by section 40.43;

(3) soil and water conservation practices to improve water quality, reduce soil erosion and crop surpluses;

(4) enhancement of fish and wildlife habitat on lakes, streams, wetlands, and public and private forest lands;

(5) acquisition and development of public access sites and recreation easements to lakes, streams, and rivers for fish and wildlife oriented recreation;

(6) matching funds with government agencies, *federally recognized Indian tribes and bands*, and the private sector for acquisition and improvement of fish and wildlife habitat;

(7) research and surveys of fish and wildlife species and habitat;

(8) enforcement of natural resource laws and rules;

(9) information and education;

(10) implementing the aspen recycling program under section 88.80; and

(11) necessary support services to carry out these purposes."

Page 10, lines 4 to 11, reinstate the stricken language

Page 10, line 12, reinstate the stricken "benefits" and after the reinstated "benefits" insert "*from agricultural use*" and reinstate the stricken "to the owner or owners which would result from"

Page 10, lines 13 to 17, reinstate the stricken language

Page 13, line 1, reinstate the stricken "shall (1) make" and after the stricken "payment" insert "payments" and reinstate the stricken "to the"

Page 13, lines 2 to 4, reinstate the stricken language

Page 13, line 5, delete "must"

Page 13, lines 7 to 10, reinstate the stricken language

Page 13, line 10, after the reinstated "program" insert a period

Page 13, line 11, after "must" insert "offer to" and after "make" insert ", as a minimum,"

Page 14, delete section 22

Page 16, after line 25, insert:

"Sec. 25. [84.961] [PRAIRIE LAND MANAGEMENT.]

Subdivision 1. [NATIVE PRAIRIE VALUES.] The commissioner of natural resources must recognize the values of native prairie resources taking into consideration the wildlife, scientific, erosion control, educational, and recreational benefits of native prairie.

Subd. 2. [PLANNING.] The commissioner must plan for management, development and restoration of:

(1) prairie land under the commissioner's jurisdiction; and

(2) prairie landscape reserves comprised of an integrated network of protected prairie lands, prairie restoration sites, and private prairie lands.

Subd. 3. [PRAIRIE LANDSCAPE RESERVES.] The commissioner must develop and manage permanent prairie landscape reserves to maintain the native plant and animal populations, landscape features, and habitat types that are characteristic of intact native prairie ecosystems. Management practices may include haying and grazing.

Subd. 4. [PRAIRIE BIOLOGIST.] The position of prairie biologist is established in the department of natural resources as part of the scientific and natural areas program to plan, develop, and manage native prairie reserves and prairie land. The prairie biologist shall be located within the prairie region.

Sec. 26. [84.963] [PRAIRIE PLANT SEED PRODUCTION AREAS.]

The commissioner of natural resources shall study the feasibility of establishing private or public prairie plant seed production areas within prairie land locations. If prairie plant seed production is feasible, the commissioner may aid the establishment of production areas. The commissioner may enter cost-share or sharecrop agreements with landowners having easements for conservation purposes of ten or more years on their land to commercially produce prairie plant seed of Minnesota origin. The commissioner may aid prairie plant seed production areas only on agricultural land used to produce crops before December 23, 1985, and cropped three out of five years between 1981 and 1985.

Sec. 27. [EXISTING AND NEW EMERGENCY RULES.]

The commissioner of agriculture may adopt emergency rules to implement this act. The emergency rules adopted on August 27, 1986, shall

remain in effect until amended or replaced by emergency or permanent rules."

Page 17, line 15, after "expended" insert:

"The commissioner shall provide the necessary professional services for the performance of duties under this clause from the amount appropriated for the various purposes"

Page 17, lines 28 and 30, delete "21" and insert "22"

Page 17, line 31, delete "\$13,500,000" and insert "\$14,000,000"

Page 17, after line 53, insert:

“(c) from the bond proceeds account of the reinvest in Minnesota resources fund for improvements and acquisition of native prairie land *\$ 500,000”*

Page 18, lines 4 and 6, delete "21" and insert "22"

Renumber the sections in sequence

Delete the title and insert:

“A bill for an act relating to natural resources; amending requirements for eligibility, applications, agreements, payments, and other terms and conditions of the conservation reserve program; changing requirements to drain privately owned inventoried wetlands and public waters; amending and changing requirements for the waterbank program; changing requirements for persons selling land under a waterbank agreement; establishing a native prairie bank program; providing for prairie management applications, agreements, payments, and other terms and conditions; appropriating funds; amending Minnesota Statutes 1986, sections 40.41; 40.42, subdivision 5, and by adding subdivisions; 40.43, subdivisions 2, 5, 6, and 7; 40.44, subdivision 2; 84.943, subdivisions 1, 3, and 5; 84.944, subdivision 1; 84.95, subdivision 2, and by adding a subdivision; 105.391, subdivision 3; 105.392, subdivisions 1, 2, 3, 4, 5, and 6; proposing coding for new law in Minnesota Statutes, chapter 84.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1412, 1051, 459, 649, 1081, 928, 1204, 1097, 1088, 1268, 1145, 343, 1369, 1226, 1313, 995, 791, 1230, 1273, 1261, 1159, 167, 802, 260, 100, 1194, 1048, 1349, 1265, 1308, 728, 966, 1323 and 1433 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 436, 235, 656 and 1119 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Lessard moved that the names of Mrs. Lantry, Messrs. Samuelson,

Purfeerst and Knaak be added as co-authors to S.F. No. 2. The motion prevailed.

Mr. Frederickson, D.R. moved that the name of Mr. Beckman be added as a co-author to S.F. No. 370. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Beckman be added as a co-author to S.F. No. 738. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Storm be added as a co-author to S.F. No. 834. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Pehler be added as a co-author to S.F. No. 1048. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Knaak be added as a co-author to S.F. No. 1142. The motion prevailed.

Ms. Peterson, D.C. moved that the names of Messrs. Marty; Moe, D.M. and DeCramer be added as co-authors to S.F. No. 1309. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Renneke be added as a co-author to S.F. No. 1349. The motion prevailed.

Ms. Berglin moved that the names of Messrs. Samuelson, Benson and Knutson be added as co-authors to S.F. No. 1396. The motion prevailed.

Mr. Metzen moved that the name of Mr. Jude be added as a co-author to S.F. No. 1428. The motion prevailed.

Mr. Dahl moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1430. The motion prevailed.

Mr. Pehler introduced—

Senate Resolution No. 53: A Senate resolution congratulating the Huskies men's basketball team from St. Cloud State University for winning the North Central Conference title.

Referred to the Committee on Rules and Administration.

Messrs. Belanger and Freeman introduced—

Senate Resolution No. 54: A Senate resolution congratulating the Jefferson Jaguars Boys Basketball Team of Bloomington for winning the 1987 Class AA Boys State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 55: A Senate resolution congratulating the Spartans girls basketball team from Rocori High School, Cold Spring, for winning second place in the 1987 Class AA State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Davis moved that S.F. No. 1 be withdrawn from the Committee on Rules and Administration. The motion prevailed.

Mr. Moe, R.D. moved that the report from the Committee on Governmental Operations, on S.F. No. 1, reported in the Journal Thursday, April

9, 1987, be now adopted. The motion prevailed. Amendments adopted. Report adopted.

CALENDAR

S.F. No. 63: A bill for an act relating to motor vehicles; providing that passenger automobile license plates be issued for a six-year period; providing for license plate replacement fees; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5; repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4.

Pursuant to Rule 22, Mr. Waldorf moved to be excused from voting on all matters pertaining to S.F. No. 63. The motion prevailed.

S.F. No. 63 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 34 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Johnson, D.J.	Mehrkens	Piper
Belanger	Diessner	Knutson	Metzen	Purfeerst
Bernhagen	Frederick	Laidig	Moe, D.M.	Schmitz
Brataas	Frederickson, D.J.	Lantry	Moe, R.D.	Storm
Chmielewski	Freeman	Larson	Novak	Taylor
Cohen	Hughes	Lessard	Olson	Wegscheid
DeCramer	Johnson, D.E.	McQuaid	Pehler	

Those who voted in the negative were:

Adkins	Dahl	Langseth	Peterson, R.W.	Solon
Beckman	Davis	Luther	Pogemiller	Spear
Berg	Frank	Marty	Ramstad	Stumpf
Berglin	Frederickson, D.R.	Merriam	Reichgott	Vickerman
Bertram	Jude	Morse	Renneke	Willet
Brandl	Kroening	Peterson, D.C.	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 593: A bill for an act relating to human services; clarifying statutes relating to the preadmission screening program; amending Minnesota Statutes 1986, section 256B.091, subdivisions 2, 3, 4, 6, and 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, D.M.	Renneke
Anderson	DeCramer	Kroening	Moe, R.D.	Samuelson
Beckman	Dicklich	Laidig	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Freeman	Marty	Piper	Vickerman
Brataas	Hughes	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Merriam	Ramstad	Willet
Dahl	Jude	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 248: A bill for an act relating to elections; ensuring the availability of absentee ballots for statewide elections; amending Minnesota Statutes 1986, sections 40.05, subdivision 3; 203B.05, subdivision 2; 204B.09,

subdivision 2; 204B.35, subdivision 4; 205.065, subdivisions 2 and 3; and 205.13, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	DeCramer	Knutson	Moe, D.M.	Renneke
Beckman	Dicklich	Kroening	Moe, R.D.	Samuelson
Belanger	Diessner	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederick	Lantry	Olson	Spear
Bernhagen	Frederickson, D.J.	Larson	Pehler	Storm
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Brandl	Freeman	Luther	Peterson, R.W.	Taylor
Brataas	Hughes	Marty	Piper	Vickerman
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid
Dahl	Jude	Merriam	Ramstad	Willet

So the bill passed and its title was agreed to.

S.F. No. 557: A bill for an act relating to Ramsey county; providing for a charter commission to recommend a form of county government and providing for its adoption.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Jude	Moe, R.D.	Samuelson
Beckman	Dicklich	Knutson	Morse	Schmitz
Belanger	Diessner	Langseth	Olson	Solon
Berg	Frank	Lantry	Pehler	Spear
Berglin	Frederick	Larson	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Piper	Taylor
Bertram	Frederickson, D.R.	Luther	Pogemiller	Vickerman
Chmielewski	Freeman	Marty	Purfeerst	Waldorf
Cohen	Hughes	McQuaid	Ramstad	Wegscheid
Dahl	Johnson, D.E.	Mehrkens	Reichgott	Willet
Davis	Johnson, D.J.	Metzen	Renneke	

Those who voted in the negative were:

Brandl	Knaak	Laidig	Moe, D.M.	Storm
Brataas	Kroening	Merriam	Peterson, R.W.	

So the bill passed and its title was agreed to.

CONSENT CALENDAR

S.F. No. 464: A bill for an act relating to natural resources; authorizing counties to retain certain fees for the issuance of cross country ski licenses; amending Minnesota Statutes 1986, section 85.41, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, R.D.	Solon
Anderson	DeCramer	Laidig	Morse	Spear
Beckman	Dicklich	Langseth	Olson	Storm
Belanger	Frank	Lantry	Pehler	Stumpf
Berg	Frederick	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Piper	Waldorf
Bertram	Freeman	Marty	Purfeerst	Wegscheid
Brandl	Hughes	McQuaid	Ramstad	Willet
Brataas	Johnson, D.E.	Mehrkens	Reichgott	
Chmielewski	Johnson, D.J.	Merriam	Renneke	
Cohen	Jude	Metzen	Samuelson	
Dahl	Knaak	Moe, D.M.	Schmitz	

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 614: A bill for an act relating to natural resources; authorizing the commissioner to set the date for "Take a Kid Fishing Weekend"; amending Minnesota Statutes 1986, section 97A.445, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Samuelson
Anderson	DeCramer	Knutson	Moe, D.M.	Schmitz
Beckman	Dicklich	Kroening	Moe, R.D.	Spear
Belanger	Diessner	Laidig	Morse	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Hughes	Marty	Purfeerst	Willet
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	
Cohen	Johnson, D.J.	Mehrkens	Reichgott	
Dahl	Jude	Merriam	Renneke	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 250, 1015, 348, 737, 424, 1110, 916, 494, 793 and H.F. Nos. 554 and 469, which the committee recommends to pass.

H.F. No. 28, which the committee recommends to pass, subject to the following motion:

Mr. Cohen moved that the amendment made to H.F. No. 28 by the Committee on Rules and Administration in the report adopted March 30, 1987, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 783, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 1, line 16, after "includes" insert "(1)"

Page 1, line 18, strike ", and" and insert "; (2)"

Page 1, line 21, strike the the period and delete "*Minimum 911*" and insert "; and (3)"

Page 1, line 22, delete "*service also includes the*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Merriam, Knutson, Novak, Renneke and Metzen introduced—

S.F. No. 1440: A bill for an act relating to motor vehicles; providing for authority to levy wheelages taxes in metropolitan counties; repealing certain mandatory levy reductions; amending Minnesota Statutes 1986, section 163.051.

Referred to the Committee on Transportation.

Mr. Moe, R.D. introduced—

S.F. No. 1441: A bill for an act relating to taxation; property; allowing the county board to grant a reduction in property taxes on nonhomestead property that is accidentally destroyed; amending Minnesota Statutes 1986, section 273.123, subdivision 7.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pehler, Mrs. Adkins and Mr. Frank introduced—

S.F. No. 1442: A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers, governmental entities, and labor organizations; proposing coding for new law in Minnesota Statutes, chapter 222.

Referred to the Committee on Employment.

Ms. Piper introduced—

S.F. No. 1443: A bill for an act relating to vocational rehabilitation; establishing a legislative commission to study and make recommendations regarding job and training options for persons with mental illness; appropriating funds.

Referred to the Committee on Health and Human Services.

Ms. Piper introduced—

S.F. No. 1444: A bill for an act relating to veterans affairs; requiring a study on the use of regional treatment centers to provide care to veterans.

Referred to the Committee on Veterans.

Mr. Willet introduced—

S.F. No. 1445: A bill for an act relating to natural resources; defining state forest management roads; providing for the establishment, construction, administration, and maintenance of state forest management roads; amending Minnesota Statutes 1986, sections 89.001, by adding a subdivision; and 89.19; proposing coding for new law in Minnesota Statutes, chapter 89.

Referred to the Committee on Environment and Natural Resources.

Messrs. Benson, Mehrkens and Larson introduced—

S.F. No. 1446: A bill for an act relating to education; proposing initiatives in testing, teaching, teacher choice, and school based management; appropriating money; amending Minnesota Statutes 1986, sections 121.11, subdivision 8; 121.165; 121.20; 123.3514, subdivisions 2, 3, and 4; 123.39, by adding a subdivision; 123.58, subdivision 8; 124A.036, by adding a subdivision; 125.185, by adding subdivisions; and 126.70, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 121; 125; and 126.

Referred to the Committee on Education.

Messrs. Stumpf, Wegscheid and Hughes introduced—

S.F. No. 1447: A bill for an act relating to education; authorizing the legislative commission on public education to contract for a project; requiring reports; appropriating money.

Referred to the Committee on Education.

Messrs. Frederick, Taylor and Beckman introduced—

S.F. No. 1448: A bill for an act relating to appropriations; appropriating funds to the city of Waseca for lake rehabilitation.

Referred to the Committee on Environment and Natural Resources.

Messrs. Novak and Pogemiller introduced—

S.F. No. 1449: A bill for an act relating to taxation; requiring a registration certificate for park trailers; imposing a registration tax on park trailers; requiring unregistered park trailers to pay property tax; imposing motor vehicle excise tax on park trailers; providing that motor vehicle dealers may sell park trailers; amending Minnesota Statutes 1986, sections 168.011, subdivisions 4 and 8; 168.012, subdivision 9; 168.013, subdivision 1, and by adding a subdivision; 168.053, subdivision 2; 168.27, subdivision 1; and 297B.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Stumpf, Berg and Bertram introduced—

S.F. No. 1450: A bill for an act relating to game and fish; establishing game refuge advisory committees; proposing coding for new law in Min-

nesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Benson; Frederickson, D.R. and Larson introduced—

S.F. No. 1451: A bill for an act relating to taxation; property; modifying the method of determining certain adjusted assessed value; modifying the method of determining agricultural market value for property tax purposes; amending Minnesota Statutes 1986, sections 124.2131, subdivision 1; and 273.11, subdivision 1, and by adding a subdivision.

Referred to the Committee on Agriculture.

Messrs. Fredrickson, D.J. and Langseth introduced—

S.F. No. 1452: A bill for an act relating to state departments and agencies; abolishing the Minnesota humane society as a state agency and authorizing its formation as a state federation of county and district societies; providing for the powers and duties of county and district societies and for the prevention of cruelty to animals; amending Minnesota Statutes 1986, sections 16B.51, subdivision 1; 43A.27, subdivision 2; 343.01; 343.06; 343.10; 343.12; 343.22, subdivision 1; 343.29, subdivision 1; 346.37, subdivision 6; and 347.37; repealing Minnesota Statutes 1986, section 343.08.

Referred to the Committee on General Legislation and Public Gaming.

Ms. Piper, Mr. Vickerman, Ms. Berglin, Mr. Beckman and Mrs. Adkins introduced—

S.F. No. 1453: A bill for an act relating to human services; requiring notification to spouse of nursing home resident; amending Minnesota Statutes 1986, section 256B.48, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, DeCramer, Lessard, Benson and Gustafson introduced—

S.F. No. 1454: A bill for an act relating to small business; authorizing the bureau of small business within the department of energy and economic development to engage in certain collaborative activities with small business development centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Messrs. Waldorf, Vickerman, Benson and Moe, R.D. introduced—

S.F. No. 1455: A bill for an act relating to human services; providing an incentive for refinancing of nursing home debt; authorizing a limited grandfather for those nursing homes over the rental rate; allowing nursing homes receiving less than the rental to receive an accelerated phase-up to the rental rate; defining changes of ownership and reorganization of a provider entity; amending Minnesota Statutes 1986, sections 256B.421; and 256B.431, by adding subdivisions.

Referred to the Committee on Health and Human Services.

Mr. Langseth introduced—

S.F. No. 1456: A bill for an act relating to boilers; regulating allowable pressure in stationary show boilers; amending Minnesota Statutes 1986, section 183.56.

Referred to the Committee on Employment.

Mr. Cohen introduced—

S.F. No. 1457: A bill for an act relating to public safety; providing for access to criminal justice datacommunications network and defining purposes for its use; amending Minnesota Statutes 1986, sections 299C.46, subdivision 3; and 299C.48.

Referred to the Committee on Judiciary.

Mr. Langseth introduced—

S.F. No. 1458: A bill for an act relating to commerce; modifying various statutory fees collected by the commissioner; amending Minnesota Statutes 1986, sections 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; and 332.33, subdivisions 3 and 4.

Referred to the Committee on Commerce.

Messrs. Frederickson, D.J. and DeCramer introduced—

S.F. No. 1459: A bill for an act relating to education; appropriating money to the department of education for independent school district No. 892, Clarkfield and independent school district No. 775, Kerkhoven.

Referred to the Committee on Education.

Messrs. Vickerman and DeCramer introduced—

S.F. No. 1460: A bill for an act relating to education; appropriating money to the department of education for a grant to the Des Moines river valley telecommunications project.

Referred to the Committee on Education.

Messrs. Frederickson, D.J. and DeCramer introduced—

S.F. No. 1461: A bill for an act relating to education; appropriating money for a grant for the Redwood county telecommunications network.

Referred to the Committee on Education.

Mr. Dahl introduced—

S.F. No. 1462: A bill for an act relating to housing; enabling counties and cities to establish low income housing trust funds; assessing a mortgage registry tax to finance the low income housing trust fund, and providing for the uses of the funds; amending Minnesota Statutes 1986, sections 287.05, by adding a subdivision; and 287.12; proposing coding for new law in Minnesota Statutes, chapters 373 and 462.

Referred to the Committee on Economic Development and Housing.

MEMBERS EXCUSED

Mr. Benson was excused from the Session of today. Mr. Gustafson was excused from the Session of today from 2:00 to 3:00 p.m. Mr. Knaak was excused from the Session of today from 2:15 to 2:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 15, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-THIRD DAY

St. Paul, Minnesota, Tuesday, April 14, 1987

The House of Representatives met on Tuesday, April 14, 1987, which was the Thirty-Third Legislative Day of the Seventy-Fifth Session of the Minnesota State Legislature. The Senate did not meet on this date.

THIRTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, April 15, 1987

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Frank imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Kenneth L. O'Hotto.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Jude	Metzen	Renneke
Anderson	Davis	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Vickerman
Brañdl	Freeman	Marty	Piper	Waldorf
Brataas	Gustafson	McQuaid	Pogemiller	Wegscheid
Chmielewski	Hughes	Mehrkens	Ramstad	Willet
Cohen	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

January 13, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Council on Quality Education is hereby respectfully submitted to the Senate for confirmation as required by law:

Helen M. Johnson, 408 N. Cherry, Braham, Isanti County, has been appointed by me, effective January 17, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Education.)

Sincerely,

Rudy Perpich, Governor

April 9, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 117, 245 and 499.

Sincerely,

Rudy Perpich, Governor

April 10, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1987 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
	1	15	April 7	April 7
	127	16	April 7	April 7
	166	17	April 7	April 7
	364	18	April 7	April 7
97		19	April 7	April 7
137		20	April 7	April 7
306		21	April 7	April 7
529		22	April 7	April 7
653		Res. No. 3		April 7
	737	Res. No. 4		April 9
	369	23	April 9	April 9
117		24	April 9	April 9
245		25	April 9	April 9
499		26	April 9	April 9

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 9: A House concurrent resolution designating the "Red Ribbon" to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 13, 1987

Mr. Moe, R.D. moved that House Concurrent Resolution No. 9 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 440: A bill for an act relating to statutes; removing certain substantive gender references in Minnesota Statutes; amending Minnesota Statutes 1986, sections 13.83, subdivision 2; 88.11, subdivision 1; 176.111, subdivisions 3, 15, and 21; 218.021, subdivision 2; 252.07; 315.44; 315.48; 353.01, subdivision 2b; 358.14; 387.15; 387.16; 540.05; 548.06; 593.01, subdivision 1; 631.412; 641.06; 641.14; and 642.08; repealing Minnesota Statutes 1986, sections 176.011, subdivision 13; 315.49; 382.17; 459.16; and 593.02.

Senate File No. 440 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 13, 1987

CONCURRENCE AND REPASSAGE

Ms. Piper moved that the Senate concur in the amendments by the House to S.F. No. 440 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 440: A bill for an act relating to statutes; removing certain substantive gender references in Minnesota Statutes; amending Minnesota Statutes 1986, sections 13.83, subdivision 2; 88.11, subdivision 1; 176.111, subdivisions 15 and 21; 218.021, subdivision 2; 252.07; 315.44; 315.48; 353.01, subdivision 2b; 358.14; 387.15; 387.16; 540.05; 548.06; 593.01, subdivision 1; 631.412; 641.06; 641.14; and 642.08; repealing Minnesota Statutes 1986, sections 176.011, subdivision 13; 315.49; 382.17; and 593.02.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Samuelson
Anderson	Davis	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Kroening	Moe, R.D.	Solon
Belanger	Dicklich	Laidig	Morse	Spear
Benson	Diessner	Langseth	Novak	Storm
Berg	Frank	Lantry	Olson	Stumpf
Berglin	Frederick	Larson	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Brandl	Freeman	Marty	Piper	Wegscheid
Brataas	Gustafson	McQuaid	Pogemiller	Willet
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Renneke	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 200, 308, 332, 234, 1077, 1159, 1042, 1207, 1223, 1083, 1390 and 1416.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 13, 1987.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 404, 499, 534, 556, 643, 677, 772, 823, 836, 983, 1028, 1127, 1224, 839, 924 and 948.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 14, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 200: A bill for an act relating to abuse and neglect reporting; providing a standard for the disclosure of a reporter's name under the child abuse reporting act and the vulnerable adults reporting act; amending Minnesota Statutes 1986, sections 626.556, subdivision 11; and 626.557, subdivision 12.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 424, now on the Calendar.

H.F. No. 308: A bill for an act relating to crimes; including live performances in the statute regulating exposure of minors to sexually provocative material; amending Minnesota Statutes 1986, sections 617.291; and 617.294.

Referred to the Committee on Judiciary.

H.F. No. 332: A bill for an act relating to environment; authorizing the pollution control agency to issue administrative orders assessing penalties; establishing a hearing procedure; providing for the distribution and expenditure of monetary penalties; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 234: A bill for an act relating to employment; establishing unpaid leave of absences for new parents; setting conditions on return from leave; creating a cause of action; prohibiting cost of parental leave from increasing unemployment insurance experience rating; amending Minnesota Statutes 1986, section 268.06, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

H.F. No. 1077: A bill for an act relating to retirement; conforming mandatory retirement provisions for public employees to the federal Age Discrimination in Employment Amendments of 1986; amending Minnesota Statutes 1986, sections 43A.34, subdivisions 1 and 4; 181.81, subdivision 1; 181.811; 354.44, subdivision 1a; 354A.21; 422A.09, subdivision 3; and 423.076; repealing Minnesota Statutes 1986, sections 43A.34, subdivision 2; 125.12, subdivision 5; and 473.419.

Referred to the Committee on Governmental Operations.

H.F. No. 1159: A bill for an act relating to retirement; public pension plan or fund assets; prohibiting certain transfers or uses of assets; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

H.F. No. 1042: A bill for an act relating to motor carriers; exempting drivers of intrastate charter carriers from having in possession a medical examiner certificate if the driver has a school bus endorsement; amending Minnesota Statutes 1986, section 221.031, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 988.

H.F. No. 1207: A bill for an act relating to real property; altering certain redemption periods; amending Minnesota Statutes 1986, section 580.23, subdivision 2.

Referred to the Committee on Agriculture.

H.F. No. 1223: A bill for an act relating to Morrison county; removing special qualifications for newspapers; repealing Laws 1980, chapter 526.

Referred to the Committee on Local and Urban Government.

H.F. No. 1083: A bill for an act relating to government liability; authorizing municipal insurers to settle tort claims; clarifying that instrumentalities of municipalities incorporated as nonprofit corporations may be included in the self insurance pool; amending Minnesota Statutes 1986, sections 466.06; 466.08; and 471.98, subdivision 2.

Referred to the Committee on Judiciary.

H.F. No. 1390: A bill for an act relating to utilities; providing for representation of small business by attorney general in certain proceedings relating to utility rates, service, and other matters; amending Minnesota

Statutes 1986, section 8.33.

Referred to the Committee on Public Utilities and Energy.

H.F. No. 1416: A bill for an act relating to the city of Minneapolis; providing for the appointment of the director of the office of emergency preparedness; amending Laws 1969, chapter 937, section 1, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

H.F. No. 404: A bill for an act relating to railroads; providing for designation of exempt railroad grade crossings; requiring stop signs at railroad grade crossings; amending Minnesota Statutes 1986, sections 169.28; and 219.20.

Referred to the Committee on Transportation.

H.F. No. 499: A bill for an act relating to metropolitan government; changing the treatment of current value credits and modifying the cost allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1986, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9; repealing Minnesota Statutes 1986, section 473.517, subdivisions 4, 5, and 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 348, now on the Calendar.

H.F. No. 534: A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, non-public, and protected nonpublic; clarifying issues relating to the administration of data; amending Minnesota Statutes 1986, sections 13.03, subdivision 3; 13.04, subdivision 2; 13.05, subdivision 4; 13.38; 13.39, subdivision 3; 13.41, subdivision 4; 13.43, by adding a subdivision; 13.46, subdivision 7, and by adding a subdivision; and 13.76; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

H.F. No. 556: A bill for an act relating to human services; establishing difficulty of care payments for children in foster care; amending Minnesota Statutes 1986, section 256.82, subdivision 3, and by adding a subdivision.

Referred to the Committee on Finance.

H.F. No. 643: A bill for an act relating to domestic abuse; prohibiting modification or vacation of certain orders for protection in a marriage dissolution proceeding; providing that certain actions are not violations of an order for protection; requiring written notice to respondents of penalties for violation of an order; requiring notice to peace officers; requiring recording of hearings; amending Minnesota Statutes 1986, sections 518.131, subdivision 2; and 518B.01, subdivisions 4, 6, 14, and by adding subdivisions.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 539, now on General Orders.

H.F. No. 677: A bill for an act relating to education; requiring school districts to establish local literacy policies and standards for high school graduation; amending Minnesota Statutes 1986, section 126.66, by adding

a subdivision.

Referred to the Committee on Education.

H.F. No. 772: A bill for an act relating to retirement; establishing a voluntary retirement plan for certain qualified employees of public and private ambulance services; proposing coding for new law as Minnesota Statutes, chapter 353A.

Referred to the Committee on Governmental Operations.

H.F. No. 823: A bill for an act relating to labor; prohibiting certain terminations; requiring notice of reasons for terminations; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 701, now on General Orders.

H.F. No. 836: A bill for an act relating to natural resources; revising the boundary of Lost River State Forest; amending Minnesota Statutes 1986, section 89.021, subdivision 59.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 983: A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; clarifying certain duties of the state board of vocational technical education and the state director of vocational technical education; applying a consistent name to schools operating under standards of the state board of vocational technical education; amending Minnesota Statutes 1986, sections 15.014, subdivision 3; 120.05; 121.901, subdivision 1; 121.933; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 126.12, subdivision 2; 136C.04, subdivision 12, and by adding a subdivision; and 136C.29, subdivision 5; repealing Minnesota Statutes 1986, sections 136C.32; and 136C.35.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 929.

H.F. No. 1028: A bill for an act relating to labor; regulating mediation, fact finding, and other functions of the bureau of mediation services; providing for violations of the labor union democracy act; amending Minnesota Statutes 1986, sections 179.02, subdivision 2, and by adding a subdivision; 179.07; 179.08; 179.083; 179.22; 179.38; proposing coding for new law in Minnesota Statutes, chapter 179; repealing Minnesota Statutes 1986, sections 179.05; 179.23; and 179.24.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1110, now on the Calendar.

H.F. No. 1127: A bill for an act relating to utilities; providing for the establishment of flexible gas utility rates for certain customers subject to effective competition; requiring the department of public service to conduct a study; providing for recovery of study costs; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Public Utilities and Energy.

H.F. No. 1224: A bill for an act relating to local government; permitting the establishment of a joint economic development authority in Cook county; authorizing a lodging tax in certain towns.

Referred to the Committee on Economic Development and Housing.

H.F. No. 839: A bill for an act relating to public safety; local emergency telephone service; requiring automatic location identification for public safety answering points; amending Minnesota Statutes 1986, section 403.02, subdivision 6, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 783, now on the Calendar.

H.F. No. 924: A bill for an act relating to corrections; removing the Minnesota correctional industries from state competitive bidding requirements; amending Minnesota Statutes 1986, section 241.27, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1159, now on General Orders.

H.F. No. 948: A bill for an act relating to state government; providing for affirmative action improvements; regulating job eligibility lists; providing for the title of state agency heads; giving the commissioner of health access to private or confidential data on individual state employees for purposes of epidemiologic studies; setting a mandatory age for certain employees and abolishing it for others; regulating hiring and personnel practices; amending Minnesota Statutes 1986, sections 15.06, subdivision 1; 15.46; 43A.08, subdivision 1; 43A.13, subdivisions 1 and 7; 43A.18, subdivision 4; 43A.191, subdivision 3; 43A.24, subdivision 2; 43A.30, subdivision 4; 43A.33, subdivision 3; 43A.34, subdivisions 1, 3, and 4; repealing Minnesota Statutes 1986, sections 15.45, subdivision 3; 15.47; and 43A.34, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 981, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 156, 1044 and 187. The motion prevailed.

Mr. Willet from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 69: A bill for an act relating to agriculture; establishing a commercial fish raising program; proposing coding for new law in Minnesota Statutes, chapter 17.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [17.50] [PROGRAM ESTABLISHMENT.]

The commissioner shall establish and promote a program for the commercial raising of fish in fish farms in consultation with an advisory committee consisting of the aquaculture section of the fish and wildlife division of the University of Minnesota, the commissioner of natural resources, representatives of private fish raising industry, and the chairs of the fish and wildlife subcommittees of the house of representatives and senate.

Sec. 2. Minnesota Statutes 1986, section 97A.475, is amended by adding a subdivision to read:

Subd. 29a. [FISH FARMS.] The fees for the following licenses to be issued to residents and nonresidents are:

- (1) for a fish farm, \$250; and*
- (2) to take sucker eggs from public waters for a fish farm, \$150, plus \$3 for each quart in excess of 100 quarts.*

Sec. 3. [97C.203] [DISPOSAL OF STATE HATCHERY EGGS OR FRY.]

(a) The commissioner shall dispose of game fish eggs and fry according to the following order of priorities:

- (1) distribution of fish eggs and fry to state hatcheries to hatch fry or raise fingerlings for stocking waters of the state for recreational fishing;*
- (2) sale of fish eggs and fry to private fish hatcheries to hatch fry or raise fingerlings to stock waters of this state with fingerlings for recreational fishing; and*
- (3) sale of fish eggs and fry to private fish hatcheries and fish farms to hatch fry or raise fingerlings for sale.*

(b) Until July 1, 1990, the commissioner must make at least two percent of the game fish eggs collected available to private hatcheries.

Sec. 4. [97C.209] [FISH FARMS.]

Subdivision 1. [LICENSE REQUIRED.] A person may not operate a fish farm without a fish farm license. A fish farm is a facility for commercially raising fish for sale or human consumption.

Subd. 2. [ACQUISITION OF FISH.] (a) A person operating a fish farm may not obtain fish or fish eggs outside of the state unless the fish are approved by the commissioner. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval.

(b) If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:

- (1) designate approved sources to obtain the desired fish or fish eggs; or*
- (2) sell the fish or fish eggs from state fish hatcheries at fair market value.*

Subd. 3. [RULES FOR OPERATION.] The commissioner shall prescribe rules that allow a person to maintain and operate a fish farm to raise and dispose of fish. The commissioner shall prescribe and assess a fee to cover the cost of inspection and disease certification of fish farms.

Sec. 5. Minnesota Statutes 1986, section 97C.211, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] A person may not operate a private fish hatchery without a private fish hatchery license. A private fish hatchery is a facility for raising fish for sale for stocking waters.

Sec. 6. Minnesota Statutes 1986, section 97C.211, subdivision 2, is amended to read:

Subd. 2. [RULES FOR OPERATION.] The commissioner shall prescribe rules that allow a person to maintain and operate a private fish hatchery to raise and dispose of fish ~~indigenous to state waters~~. *The commissioner shall establish and assess a fee to cover the cost of inspection and disease certification of private hatcheries.*

Sec. 7. Minnesota Statutes 1986, section 97C.211, is amended by adding a subdivision to read:

Subd. 2a. [ACQUISITION OF FISH.] (a) *A private fish hatchery may not obtain fish outside of the state unless the fish are approved by the commissioner. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval.*

(b) *If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:*

- (1) *designate approved sources to obtain the desired fish; or*
- (2) *sell the fish or fish eggs from state fish hatcheries at fair market value.*

Sec. 8. Minnesota Statutes 1986, section 97C.391, is amended to read:

97C.391 [BUYING AND SELLING FISH.]

Subdivision 1. [GENERAL RESTRICTIONS.] A person may not buy or sell fish taken from the waters of this state, except:

- (1) minnows;
- (2) rough fish excluding ciscoes;
- (3) fish taken under licensed commercial fishing operations;
- (4) *fish raised in a fish farm that are identified as prescribed by the commissioner;*
- ~~(4)~~ (5) *fish raised in a private hatchery that are tagged or labeled or otherwise identified as prescribed by the commissioner; and*
- ~~(5)~~ (6) *fish lawfully taken and subject to sale from other states and countries.*

Subd. 2. [RESTRICTIONS ON CERTAIN GAME FISH.] *Largemouth bass, smallmouth bass, rock bass, muskellunge, and sunfish may not be bought or sold, unless bought or sold by a private hatchery or fish farm to stock waters for recreational fishing as prescribed by the commissioner."*

Delete the title and insert:

"A bill for an act relating to natural resources; establishing a commercial fish raising program; amending Minnesota Statutes 1986, sections 97A.475, by adding a subdivision; 97C.211, subdivisions 1 and 2, and by adding a subdivision; and 97C.391; proposing coding for new law in Minnesota Statutes, chapters 17 and 97C."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 810: A bill for an act relating to human services; requiring court-ordered group health insurance benefits be paid to providers; requiring all parties to sign workers' compensation settlement agreements; requiring notification to commissioner regarding workers' compensation payments; establishing a public assistance lien; establishing third party payer liability; requiring reporting of group insurance coverage; providing for reimbursement of benefits from programs with federal participation; amending Minnesota Statutes 1986, sections 62A.046; 256B.02, by adding a subdivision; 256B.042, subdivisions 2, 3, and by adding subdivisions; 256B.37, subdivisions 1, 2, and by adding subdivisions; 256D.03, by adding a subdivision; 268.121; 473.405, subdivision 13; and 514.69; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 16, delete "An attorney representing" and delete "on" and insert "who is a party to"

Page 8, line 7, delete "An attorney representing" and delete "on" and insert "who is a party to"

Page 11, line 1, delete "An attorney representing" and delete "on" and insert "who is a party to"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 652: A bill for an act relating to agriculture; providing a computerized filing system and central data base for uniform commercial code financing statements and lien statements; imposing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 336.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 336.9-407, is amended to read:

336.9-407 [INFORMATION FROM FILING OFFICER.]

(1) If the person filing any financing statement, termination statement, statement of assignment, or statement of release, furnishes the filing officer a copy thereof, the filing officer shall upon request note upon the copy the file number and date and hour of the filing of the original and deliver or send the copy to such person.

(2) Upon request of any person, the filing officer shall conduct a search of a file for any effective financing statements naming a particular debtor and any statement of assignment thereof. The filing officer shall report the findings as of that date and hour by issuing:

(a) a certificate listing the file number, date, and hour of each filing and the names and addresses of each secured party therein;

(b) photocopies of the original documents on file; or,

(c) upon request, both the certificate and photocopies of the statements.

The uniform fee for conducting the search and for preparing a certificate showing up to five listed filings or for preparing up to five photocopies of original documents, or any combination of up to five listed filings and photocopies, shall be \$5 if the request is in the standard form prescribed by the secretary of state and otherwise shall be \$10. Another fee, at the same rate, shall also be charged for conducting a search and preparing a certificate showing federal and state tax liens on file with the filing officer naming a particular debtor. There shall be an additional fee of 50 cents for each financing statement and each statement of assignment or tax lien listed on the certificate and for each photocopy prepared in excess of the first five. *Notwithstanding the fees set in this section, a natural person who is the subject of data to be searched must, upon the person's request, be shown the data without charge, and upon request be provided with certificates and photocopies of the data upon payment of the actual cost of making, certifying, and compiling copies.*"

Page 2, line 36, delete "(a) Except as provided in (b),"

Page 3, delete lines 5 to 8

Page 3, line 17, after the period, insert "*The surcharge does not apply to a search request made by a natural person who is the subject of the data to be searched.*"

Page 3, line 24, delete "1" and insert "2" and delete "3" and insert "4"

Page 3, line 30, delete "*this article*" and insert "*section 2*"

Page 4, line 7, delete "*This article is*" and insert "*Sections 2 to 5 are*"

Page 4, lines 10 and 12, delete "1" and insert "2"

Page 4, line 19, delete "3" and insert "4"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, after the third semicolon, insert "amending Minnesota Statutes 1986, section 336.9-407;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 915: A bill for an act relating to crime; prohibiting harassment on private property; prohibiting following and stalking with intent to harass, abuse, or threaten; removing requirement that caller not disclose identity for purposes of misdemeanor harassing telephone calls; making it a misdemeanor to intentionally harass another by delivering a letter or object; providing penalties; amending Minnesota Statutes 1986, sections 609.746; 609.79, subdivision 1; and 609.795.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 609.605, subdivision 1,

is amended to read:

Subdivision 1. [MISDEMEANOR.] Whoever intentionally does any of the following is guilty of a misdemeanor:

(1) smokes in a building, area, or common carrier in which "no smoking" notices have been prominently posted, or when requested not to by the operator of the common carrier; or

(2) trespasses or permits animals under the actor's control to trespass upon a railroad track; or

(3) permits domestic animals or fowls under the actor's control to go upon the lands of another within a city; or

(4) interferes unlawfully with any monument, sign, or pointer erected or marked to designate a point of a boundary, line or a political subdivision, or of a tract of land; or

(5) trespasses upon the premises of another and, without claim of right, refuses to depart therefrom on demand of the lawful possessor thereof; or

(6) occupies or enters the dwelling of another, without claim of right or consent of the owner or the consent of one who has the right to give consent, except in an emergency situation. As used in this clause, "dwelling" means the building or part of the building used by an individual as a place of residence on either a full-time or a part-time basis. The dwelling may be part of a multidwelling or multipurpose building, or a manufactured home as defined in section 168.011, subdivision 8; or

(7) enters the premises of another with intent to take or injure any fruit, fruit trees, or vegetables growing thereon without the permission of the owner or occupant; or

(8) refuses the request of the operator of a public conveyance to either pay the required fare or leave the conveyance; or

(9) takes any animal on a public conveyance without the consent of the operator; or

(10) without the permission of the owner, tampers with or gets into or upon a motor vehicle as defined in section 609.55, subdivision 1, or rides in or upon such motor vehicle knowing it was taken and is being driven by another without the permission of the owner; or

(11) enters or is found upon the premises of a public or private cemetery without authorization during hours the cemetery is posted as closed to the public; or

(12) without authorization of the adjutant general enters or is present upon the Camp Ripley military reservation; or

(13) *returns to the property of another with the intent to harass, abuse, or threaten another, after being told to leave the property and not to return, if the actor has no claim of right to the property and no consent of one with authority to consent.*

Sec. 2. Minnesota Statutes 1986, section 609.746, is amended to read:

609.746 [INTERFERENCE WITH PRIVACY.]

Subdivision 1. [SURREPTITIOUS INTRUSION.] Any A person who enters upon another's property and surreptitiously gazes, stares, or peeps

in the window of a house or place of dwelling of another with intent to intrude upon or interfere with the privacy of a member of the household thereof is guilty of a misdemeanor.

Subd. 2. [INTRUSION ON PRIVACY.] A person who, with the intent to harass, abuse, or threaten another, repeatedly follows or stalks another, after being told not to do so by the person being followed or stalked, is guilty of a misdemeanor.

Sec. 3. Minnesota Statutes 1986, section 609.79, subdivision 1, is amended to read:

Subdivision 1. Whoever,

(1) By means of a telephone,

(a) Makes any comment, request, suggestion or proposal which is obscene, lewd, or lascivious, filthy or indecent,

(b) Repeatedly makes a telephone call, whether or not conversation ensues, without disclosing the caller's identity and with intent to annoy, abuse, threaten, or harass any person at the called number,

(c) Makes or causes the telephone of another repeatedly or continuously to ring, with intent to harass any person at the called number, or

(2) Having control of a telephone, knowingly permits it to be used for any purpose prohibited by this section, shall be guilty of a misdemeanor.

Sec. 4. Minnesota Statutes 1986, section 609.795, is amended to read:

609.795 [~~OPENING SEALED LETTER, TELEGRAM, OR PACKAGE;~~ OPENING; HARASSMENT.]

Whoever does either any of the following is guilty of a misdemeanor:

(1) Knowing that the actor does not have the consent of either the sender or the addressee, intentionally opens any sealed letter, telegram, or package addressed to another; or

(2) Knowing that a sealed letter, telegram, or package has been opened without the consent of either the sender or addressee, intentionally publishes any of the contents thereof; or

(3) With the intent to harass, abuse, or threaten, repeatedly uses the mails or delivers letters, telegrams, or packages.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1987, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; amending trespass law to prohibit harassment on private property; prohibiting following and stalking with intent to harass, abuse, or threaten; removing requirement that caller not disclose identity for purposes of misdemeanor harassing telephone calls; prohibiting intentional harassment by delivering a letter or object; providing penalties; amending Minnesota Statutes 1986, sections 609.605, subdivision 1; 609.746; 609.79, subdivision 1; and 609.795."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 785: A bill for an act relating to crimes; authorizing filing of felony charges before the 14-day requirement when the crime charged is depriving another of parental rights; amending Minnesota Statutes 1986, section 609.26, subdivisions 2 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 609.26, subdivision 2, is amended to read:

Subd. 2. [DEFENSES.] No person violates subdivision 1 if the action:

(1) is taken to protect the child from physical or sexual assault or substantial emotional harm;

(2) is taken to protect the person taking the action from physical or sexual assault; *or*

(3) is consented to by the parent, stepparent, or legal custodian seeking prosecution; *or*

(4) is otherwise authorized by a court order issued prior to the violation of subdivision 1.

The defenses provided in this subdivision are in addition to and do not limit other defenses available under this chapter or chapter 611.

Sec. 2. Minnesota Statutes 1986, section 609.26, subdivision 5, is amended to read:

Subd. 5. [DISMISSAL OF CHARGE.] A felony charge brought under this section shall be dismissed if:

(a) the person voluntarily returns the child within 14 days after taking, detaining, or failing to return the child in violation of this section; *or*

(b)(1) the person taking the action and the child have not left the state of Minnesota; and (2) within a period of 14 days after taking the action, (i) a motion or proceeding under chapter 518, 518A, 518B, or 518C is commenced by the person taking the action, or (ii) the attorney representing the person taking the action has consented to service of process by the party whose rights are being deprived, for any motion or action pursuant to chapter 518, 518A, 518B, or 518C.

Clause (a) does not apply if the person returns the child as a result of being located by law enforcement authorities.

This subdivision does not prohibit the filing of felony charges or an offense report before the expiration of the 14 days.

Sec. 3. Minnesota Statutes 1986, section 609.26, subdivision 6, is amended to read:

Subd. 6. [PENALTY.] Except as otherwise provided in subdivision 5, whoever violates this section may be sentenced to imprisonment for not more than ~~one year and one day~~ *two years* or to payment of a fine of ~~\$3,000~~ *\$4,000*, or both."

Delete the title and insert:

"A bill for an act relating to crimes; eliminating consent defense to charge of depriving another of parental rights; allowing filing of felony charges before 14 days have elapsed; increasing penalty for depriving another of parental rights; amending Minnesota Statutes 1986, section 609.26, subdivisions 2, 5, and 6."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

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

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, strike "patently offensive"

Page 3, line 21, delete everything after "effective" and insert "August 1, 1987, and applies to crimes committed on or after that date."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1007: A bill for an act relating to courts; providing court of appeals representation on the sentencing guidelines commission; clarifying the membership on judicial appeal panels; permitting retired judges to solemnize marriages; clarifying judicial representation on the judicial standards board; authorizing the supreme court to adopt court rules; restricting mileage reimbursement for law clerks; amending Minnesota Statutes 1986, sections 244.09, subdivision 2; 253B.19, subdivision 1; 480.051; 484.545, subdivision 3; 484.62; 490.15, subdivision 1; 517.04; and 525.06.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 30, strike "; RULES"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 1279: A bill for an act relating to agriculture; clarifying and amending the required offer of the state, a federal agency, or a corporation to offer a lease or sale of agricultural land to the immediately preceding owner; clarifying and amending provisions relating to designating a homestead and allowing designation of separate agricultural tracts in foreclosure proceedings; prohibiting waiver of statutory rights of debtors and allowing damages against persons who violate waiver prohibitions; amending Minnesota Statutes 1986, sections 500.24, subdivisions 2, 6, and by adding a subdivision; and 582.041, subdivisions 1, 2, 3, and 5; proposing coding for new law in Minnesota Statutes, chapters 550 and 582.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 27, before the semicolon, insert "*or has accepted an offer and has not fully performed according to the terms of the offer*"

Page 7, line 5, after "*cash price*" insert "*or equivalent cash price*"

Page 7, line 6, after "*price*" insert "*or equivalent cash price*" and delete "*or equivalent cash offer*"

Page 8, line 10, before the period, insert "*unless the waiver is expressly authorized by law*"

Page 9, line 8, before "The" insert "*The notice is not to be published.*"

Page 11, line 3, before the period, insert "*and the notice is not to be published*"

Page 12, line 16, delete "*August*" and insert "*July*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 830: A bill for an act relating to commerce; regulating nonrenewals and transfers of franchises; providing civil liability for unfair practices in relation to franchises; amending Minnesota Statutes 1986, sections 80C.14; and 80C.17, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, delete "*subdivisions*" and insert "*subdivision*"

Page 2, line 10, delete "*and*" and insert "*or*"

Page 3, line 10, reinstate the stricken "*has been*"

Page 3, line 11, reinstate the stricken "*given*" and after the reinstated "*given*" insert "*the right*" and reinstate the stricken "*to recover the franchisee's*" and after the reinstated "*franchisee's*" insert "*fair market value of the franchise as a going concern*"

Page 3, line 12, reinstate the stricken "*unless the failure to renew is for good cause as*"

Page 3, line 13, reinstate the stricken "*defined in*" and after the reinstated "*in*" insert "*subdivision 3,*" and reinstate the stricken "*clause (b)*" and delete "*either.*"

Page 3, delete lines 14 to 18

Page 3, line 19, delete the new language

Page 3, delete lines 20 to 30 and insert:

"*Subd. 5. [WITHHOLDING CONSENT TO TRANSFER.] It is unfair and inequitable for a person to unreasonably withhold consent to an assignment, transfer, or sale of the franchise whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees of the particular franchisor.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 446: A bill for an act relating to civil actions; limitations on commencement of actions; providing for the limitation of actions before administrative agencies; amending Minnesota Statutes 1986, section 541.01.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 541.07, is amended to read:

541.07 [TWO OR THREE YEAR LIMITATIONS.]

Except where the uniform commercial code or this section otherwise prescribes, the following actions shall be commenced within two years:

(1) For libel, slander, assault, battery, false imprisonment, or other tort, resulting in personal injury, and all actions against physicians, surgeons, dentists, other health care professionals as defined in section 145.61, and veterinarians as defined in chapter 156, hospitals, sanatoriums, for malpractice, error, mistake or failure to cure, whether based on contract or tort; provided a counter-claim may be pleaded as a defense to any action for services brought by a physician, surgeon, dentist or other health care professional or veterinarian, hospital or sanatorium, after the limitations herein described notwithstanding it is barred by the provisions of this chapter, if it was the property of the party pleading it at the time it became barred and was not barred at the time the claim sued on originated, but no judgment thereof except for costs can be rendered in favor of the party so pleading it;

(2) Upon a statute for a penalty or forfeiture;

(3) For damages caused by a dam, other than a dam used for commercial purposes; but as against one holding under the preemption or homestead laws, the limitations shall not begin to run until a patent has been issued for the land so damaged;

(4) Against a master for breach of an indenture of apprenticeship; the limitation runs from the expiration of the term of service;

(5) For the recovery of wages or overtime or damages, fees or penalties accruing under any federal or state law respecting the payment of wages or overtime or damages, fees or penalties except, that if the employer fails to submit payroll records by a specified date upon request of the department of labor and industry or if the nonpayment is willful and not the result of mistake or inadvertence, the limitation is three years. *The limitation periods in this paragraph apply whether the action is brought in court or before an administrative agency.* (The term "wages" means all remuneration for services or employment, including commissions and bonuses and the cash value of all remuneration in any medium other than cash, where the relationship of master and servant exists and the term "damages," means single, double, or treble damages, accorded by any statutory cause of action whatsoever and whether or not the relationship of master and servant exists);

(6) For damages caused by the establishment of a street or highway grade or a change in the originally established grade;

(7) For sales or use taxes imposed by the laws of any other state;

(8) Against the person who applies the pesticide for injury or damage to property resulting from the application, but not the manufacture or sale, of a pesticide.”

Amend the title as follows:

Page 1, line 3, after the second “actions” insert “for the recovery of wages”

Page 1, line 5, delete “541.01” and insert “541.07”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 577: A bill for an act relating to business corporations; regulating mergers and exchanges; amending Minnesota Statutes 1986, sections 302A.471, subdivisions 1 and 3; 302A.601, subdivision 2; 302A.611; 302A.613; 302A.615; 302A.631; and 302A.641, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1986, section 302A.111, subdivision 2, is amended to read:

Subd. 2. [STATUTORY PROVISIONS THAT MAY BE MODIFIED ONLY IN ARTICLES.] The following provisions govern a corporation unless modified in the articles:

- (a) A corporation has general business purposes (section 302A.101);
- (b) A corporation has perpetual existence and certain powers (section 302A.161);
- (c) The power to adopt, amend, or repeal the bylaws is vested in the board (section 302A.181);
- (d) A corporation must allow cumulative voting for directors (section 302A.215);
- (e) The affirmative vote of a majority of directors present is required for an action of the board (section 302A.237);
- (f) A written action by the board taken without a meeting must be signed by all directors (section 302A.239);
- (g) The board may authorize the issuance of securities and rights to purchase securities (section 302A.401, subdivision 1);
- (h) All shares are common shares entitled to vote and are of one class and one series (section 302A.401, subdivision 2, clauses (a) and (b));
- (i) All shares have equal rights and preferences in all matters not otherwise provided for by the board (section 302A.401, subdivision 2, clause (b));
- (j) The par value of shares is fixed at one cent per share for certain purposes and may be fixed by the board for certain other purposes (section 302A.401, subdivision 2, clause (c));

(k) The board or the shareholders may issue shares for any consideration or for no consideration to effectuate share dividends or splits, and determine the value of nonmonetary consideration (section 302A.405, subdivision 1);

(l) Shares of a class or series must not be issued to holders of shares of another class or series to effectuate share dividends or splits, unless authorized by a majority of the voting power of the shares of the same class or series as the shares to be issued (section 302A.405, subdivision 1);

(m) A corporation may issue rights to purchase securities whose terms, provisions, and conditions are fixed by the board (section 302A.409);

(n) A shareholder has certain preemptive rights, unless otherwise provided by the board (section 302A.413);

(o) The affirmative vote of the holders of a majority of the voting power of the shares present and entitled to vote at a duly held meeting is required for an action of the shareholders, except where this chapter requires the affirmative vote of a majority of the voting power of all shares entitled to vote (section 302A.437, subdivision 1);

(p) Shares of a corporation acquired by the corporation may be reissued (section 302A.553, subdivision 1); *and*

~~(q) An exchange need not be approved by shareholders of the acquiring corporation unless the outstanding shares entitled to vote of that corporation will be increased by more than 20 percent immediately after the exchange (section 302A.613, subdivision 3, clause (c));~~

~~(r) An exchange need not be approved by shareholders of the acquiring corporation unless the outstanding participating shares of that corporation will be increased by more than 20 percent immediately after the exchange (section 302A.613, subdivision 3, clause (d)); and~~

~~(s) Each share has one vote unless otherwise provided in the terms of the share (section 302A.445, subdivision 3)."~~

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "sections" insert "302A.111, subdivision 2;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

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

Reports the same back with the recommendation that the bill be amended as follows:

Page 59, after line 3, insert:

"Sec. 103. [EFFECTIVE DATE.]

This act is effective August 1, 1988."

And when so amended the bill do pass. Mr. Solon questioned the ref-

erence thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1340: A bill for an act relating to courts; authorizing the court of appeals to publish only certain decisions; amending Minnesota Statutes 1986, sections 480A.08; and 480A.09, subdivisions 1, 2, and 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 896: A bill for an act relating to probate; providing for the award of sentimental property to the decedent's children; amending Minnesota Statutes 1986, sections 525.15; and 525.151; proposing coding for new law in Minnesota Statutes, chapter 525.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, after line 25, insert:

"Sec. 4. [EFFECTIVE DATE.]

This act is effective August 1, 1987, and applies to estates of decedents dying on or after that date."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 321: A bill for an act relating to public safety; clarifying the evidentiary use of partial alcohol concentration breath tests; expanding the crimes of driving a motor vehicle or a motorboat while under the influence of alcohol or certain substances; amending Minnesota Statutes 1986, sections 169.121, subdivisions 1, 2, and 6; 169.123, subdivisions 2, 2a, 3, 4, and 6; 361.12, subdivisions 1, 3, and 4; and 361.121, subdivisions 1, 3, 4, and 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, delete the new language

Pages 3 to 8, delete sections 3 to 8

Pages 9 and 10, delete section 10

Page 10, line 18, delete the new language

Pages 11 to 13, delete sections 12 to 15

Page 13, line 20, delete "15" and insert "4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, delete lines 7 to 9 and insert "sections 169.121, subdivisions 1 and 2; and 361.12, subdivisions 1 and 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 537: A bill for an act relating to public safety; imposing mandatory minimum penalties on habitual DWI offenders; amending Minnesota Statutes 1986, section 169.121, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, delete "*section*" and insert "*sections 609.11 and*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1050: A bill for an act relating to property transfers; expanding the manner for creating custodial property under the uniform transfers to minors act; amending Minnesota Statutes 1986, section 527.29.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1117: A bill for an act relating to crimes; taxes; providing for collection from convicted person's tax refund of court-ordered restitution to crime victims; amending Minnesota Statutes 1986, sections 270A.02; and 270A.03, subdivisions 2, 5, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1222: A bill for an act relating to firearms; allowing possession of machine guns by ammunition manufacturers for testing purposes only; amending Minnesota Statutes 1986, section 609.67, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 872: A bill for an act relating to human services; regulating medical assistance payments for therapies provided to nursing home residents; permitting sanctions for unnecessary services; providing for monitoring of therapy costs; setting payment criteria; setting recordkeeping and cost-allocation requirements; providing penalties; amending Minnesota Statutes 1986, sections 256B.064, subdivision 1a; 256.421, subdivision 1; 256.433; 256B.47, subdivision 1, and by adding subdivisions; and 256B.48, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. [GROUNDS FOR MONETARY RECOVERY AND SANCTIONS AGAINST VENDORS.] The commissioner may seek monetary recovery and impose sanctions against vendors of medical care for any of the following: fraud, theft, or abuse in connection with the provision of medical care to recipients of public assistance; a pattern of presentment of false or duplicate claims or claims for services not medically necessary; a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the vendor is legally entitled; suspension or termination as a Medicare vendor; and refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients. ~~No sanction may be imposed or monetary recovery obtained against any vendor of nursing home or convalescent care for providing services not medically necessary when the services provided were ordered by a licensed health professional not an employee of the vendor.~~ The determination of services not medically necessary shall be made by the commissioner in consultation with a ~~provider~~ peer advisory committee appointed by the commissioner on the recommendation of appropriate professional organizations.

Sec. 2. Minnesota Statutes 1986, section 256B.421, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of this section and sections 256B.41, 256B.411, 256B.431, ~~256B.433~~, 256B.47, 256B.48, 256B.50, and 256B.502, the following terms and phrases shall have the meaning given to them.

Sec. 3. Minnesota Statutes 1986, section 256B.433, is amended to read:
256B.433 [ANCILLARY SERVICES.]

Subdivision 1. [SETTING PAYMENT; MONITORING USE OF THERAPY SERVICES.] The commissioner shall promulgate rules pursuant to the administrative procedure act to set the amount and method of payment for ancillary materials and services provided to recipients residing in ~~long-term care facilities~~ *nursing homes*. Payment for materials and services may be made to either the nursing home in the operating cost per diem, to the vendor of ancillary services pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080 or to a nursing home pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080. Payment for the same or similar service to a recipient shall not be made to both the nursing home and the vendor. The commissioner shall ensure *the avoidance of double payments through audits and adjustments to the nursing home's annual cost report as required by section 256B.47, and that charges for ancillary materials and services are as would be incurred by a prudent and cost conscious buyer. Therapy services provided to a recipient must be medically necessary and appropriate to the medical condition of the recipient. If the provider of therapy services or ordering physician cannot provide adequate medical necessity justification, as determined by the commissioner in consultation with an advisory committee that meets the requirements of section 256B.064, sub-*

division 1a, the commissioner may recover or disallow the payment for the services and may require prior authorization for therapy services as a condition of payment or may impose administrative sanctions to limit the provider of therapy services or ordering physician's participation in the medical assistance program. For purposes of sections 1 to 7, "provider of therapy services" means the person or organization who is enrolled in the medical assistance program and under whose provider number therapy services are billed.

Subd. 2. [CERTIFICATION THAT TREATMENT IS APPROPRIATE.] The physical therapist, occupational therapist, speech therapist, or audiologist who provides or supervises the provision of therapy services, other than an initial evaluation, to a medical assistance recipient must certify in writing that the therapy's nature, scope, duration, and intensity are appropriate to the medical condition of the recipient every 30 days. The therapist's statement of certification must be maintained in the recipient's medical record together with the specific orders by the physician and the treatment plan. If the recipient's medical record does not include these documents, the commissioner may recover or disallow the payment for such services. If the therapist determines that the therapy's nature, scope, duration, or intensity is not appropriate to the medical condition of the recipient, the therapist must provide a statement to that effect in writing to the nursing home for inclusion in the recipient's medical record. The commissioner shall utilize a peer review program that meets the requirements of section 256B.064, subdivision 1a, to make recommendations regarding the medical necessity of services provided.

Subd. 3. [SEPARATE BILLINGS FOR THERAPY SERVICES.] Until new procedures are developed pursuant to subdivision 4, payment for therapy services provided to nursing home residents that are billed separately from the nursing home's payment rate or according to Minnesota Rules, parts 9500.0750 to 9500.1080, shall be subject to the following requirements:

(a) The practitioner invoice must include, in a format specified by the commissioner, the provider number of the nursing home where the medical assistance recipient resides regardless of the service setting.

(b) The commissioner shall require reporting of all revenues relating to the provision of therapy services and shall establish a medical assistance cost to medical assistance revenue ratio for the reporting year ending in 1986. The commissioner shall determine the ratio as follows:

(1) For each nursing home, establish the medical assistance cost for therapy services by dividing the nursing home's total medical assistance revenues by total revenues for therapy services and multiplying the result by the costs for therapy services determined in section 256B.47.

(2) For each nursing home, establish the medical assistance cost to revenue ratio for therapy services by dividing the medical assistance cost for therapy services as determined in clause (1) by the medical assistance revenues for therapy services.

The commissioner shall establish a weighted average medical assistance cost to revenue ratio for therapy services for the nursing home industry based on individual nursing home ratios. Nursing homes with an individual medical assistance cost to revenue ratio that is equal to or greater than the industry's weighted average ratio are subject to paragraph (c). Nursing

homes with an individual medical assistance cost to revenue ratio that is less than the industry's weighted average ratio shall offset the lesser of the amount determined in paragraph (c) or the amount of offset that is imputed based on one minus the industry's weighted average ratio multiplied by the nursing home's medical assistance revenues for therapy services. In subsequent reporting years, the individual nursing home's cost to revenue ratio may increase five percentage points in total until a new base year is established under paragraph (f).

(c) Nursing homes that are related by ownership, control, agreement, affiliation, or employment status to the vendor of therapy services shall report, in a format specified by the commissioner, the revenues received during the reporting year for therapy services provided to residents of the nursing home. The commissioner shall offset the medical assistance revenues received during the reporting year for therapy services provided to residents of the nursing home to the total payment rate of the nursing home by dividing the amount of offset by the nursing home's actual resident days. Except as specified in paragraph (b), the amount of offset shall be the medical assistance revenues in excess of 105 percent of the medical assistance cost as determined in paragraph (b), clause (1), removed from the cost report resulting from the requirement of the commissioner to ensure the avoidance of double payments as determined by section 256B.47. In establishing a new base period for the purpose of setting operating cost payment rate limits and rates, the commissioner shall not include the medical assistance revenues offset in accordance with this section.

(d) Nursing homes shall limit charges in total to vendors of therapy services for renting space, equipment, or obtaining other services during the rate year to 105 percent of the annualized cost removed from the reporting year cost report resulting from the requirement of the commissioner to ensure the avoidance of double payments as determined by section 256B.47. If the arrangement for therapy services is changed so that a nursing home is subject to this paragraph instead of paragraphs (b) and (c), the cost that is used to determine rent must be adjusted to exclude the annualized costs for therapy services that are not provided in the rate year. The maximum charges to the vendors shall be based on the commissioner's determination of annualized cost and may be subsequently adjusted upon resolution of appeals.

(e) This section does not allow unrelated nursing homes to reorganize related organization therapy services and provide services among themselves to avoid offsetting revenues. Nursing homes that are found to be in violation of this provision shall be subject to the penalty requirements of section 256B.48, subdivision 1, paragraph (f).

(f) The commissioner may establish a new reporting year base for determining the cost to revenue ratios.

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall convene an advisory committee consisting of nursing home consumers, therapists from each discipline, and representatives of the nursing home industry. The commissioner, in consultation with the advisory committee, shall study alternative methods of payment for therapy services provided to nursing home residents and report to the legislature by February 1, 1989.

Sec. 4. Minnesota Statutes 1986, section 256B.47, subdivision 1, is amended to read:

Subdivision 1. [NONALLOWABLE COSTS.] The following costs shall not be recognized as allowable: (1) political contributions; (2) salaries or expenses of a lobbyist, as defined in section 10A.01, subdivision 11, for lobbying activities; (3) advertising designed to encourage potential residents to select a particular nursing home; (4) assessments levied by the commissioner of health for uncorrected violations; (5) legal and related expenses for unsuccessful challenges to decisions by governmental agencies; (6) memberships in sports, health or similar social clubs or organizations; ~~and~~ (7) costs incurred for activities directly related to influencing employees with respect to unionization; and (8) direct and indirect costs of providing services which are billed separately from the nursing home's payment rate or pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080. The commissioner shall by rule exclude the costs of any other items not directly related to the provision of resident care.

Sec. 5. Minnesota Statutes 1986, section 256B.47, is amended by adding a subdivision to read:

Subd. 3. [ALLOCATION OF COSTS.] To ensure the avoidance of double payments as required by section 256B.433, the direct and indirect reporting year costs of providing residents of nursing homes that are not hospital-attached with therapy services that are billed separately from the nursing home payment rate or according to Minnesota Rules, parts 9500.0750 to 9500.1080, must be determined and deducted from the appropriate cost categories of the annual cost report as follows:

(a) The costs of wages and salaries for employees providing or participating in providing and consultants providing services shall be allocated to the therapy service based on direct identification.

(b) The costs of fringe benefits and payroll taxes relating to the costs in paragraph (a) must be allocated to the therapy service based on direct identification or the ratio of total costs in paragraph (a) to the sum of total allowable salaries and the costs in paragraph (a).

(c) The costs of housekeeping, plant operations and maintenance, real estate taxes, special assessments, property and insurance, other than the amounts classified as a fringe benefit, must be allocated to the therapy service based on the ratio of service area square footage to total facility square footage.

(d) The costs of bookkeeping and medical records must be allocated to the therapy service either by the method in paragraph (e) or based on direct identification. Direct identification may be used if adequate documentation is provided to, and accepted by, the commissioner.

(e) The costs of administrators, bookkeeping, and medical records salaries, except as provided in paragraph (d), must be allocated to the therapy service based on the ratio of the total costs in paragraphs (a) to (d) to the sum of total allowable nursing home costs and the costs in paragraphs (a) to (d).

Sec. 6. Minnesota Statutes 1986, section 256B.47, is amended by adding a subdivision to read:

Subd. 4. [ALLOCATION OF COSTS; HOSPITAL-ATTACHED FACILITIES.] To ensure the avoidance of double payments as required by section 256B.433, the direct and indirect reporting year costs of providing therapy services to residents of a hospital-attached nursing home, when the services

are billed separately from the nursing home's payment rate or according to Minnesota Rules, parts 9500.0750 to 9500.1080, must be determined and deducted from the appropriate cost categories of the annual cost report based on the Medicare step-down as prepared in accordance with instructions provided by the commissioner.

Sec. 7. Minnesota Statutes 1986, section 256B.48, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED PRACTICES.] A nursing home is not eligible to receive medical assistance payments unless it refrains from *all of the following*:

(a) Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients as determined by the prospective desk audit rate, except under the following circumstances: the nursing home may (1) charge private paying residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance residents are charged separately at the same rate for the same services in addition to the daily rate paid by the commissioner. Services covered by the payment rate must be the same regardless of payment source. Special services, if offered, must be offered to all residents and charged separately at the same rate. Residents are free to select or decline special services. Special services must not include services which must be provided by the nursing home in order to comply with licensure or certification standards and that if not provided would result in a deficiency or violation by the nursing home. Services beyond those required to comply with licensure or certification standards must not be charged separately as a special service if they were included in the payment rate for the previous reporting year. A nursing home that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing home that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing home may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of an administrative law judge under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The administrative law judge shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as skilled or intermediate care facilities level I or II for reimbursement through medical assistance;

(b) Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay any fee or deposit in excess of \$100, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home;

(c) Requiring any resident of the nursing home to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by

the nursing home;

(d) Providing differential treatment on the basis of status with regard to public assistance;

(e) Discriminating in admissions, services offered, or room assignment on the basis of status with regard to public assistance. Admissions discrimination shall include, but is not limited to:

(1) basing admissions decisions upon assurance by the applicant to the nursing home, or the applicant's guardian or conservator, that the applicant is neither eligible for nor will seek public assistance for payment of nursing home care costs; and

(2) engaging in preferential selection from waiting lists based on an applicant's ability to pay privately.

The collection and use by a nursing home of financial information of any applicant pursuant to the preadmission screening program established by section 256B.091 shall not raise an inference that the nursing home is utilizing that information for any purpose prohibited by this paragraph.

(f) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay *any amount based on utilization or service levels* or any portion of the vendor's fee to the nursing home except as payment for renting or leasing space or equipment ~~of the nursing home~~ or purchasing support services; ~~if those from the nursing home as limited by section 256B.433. All agreements are must be disclosed to the commissioner; and upon request of the commissioner. Nursing homes and vendors of ancillary services that are found to be in violation of this provision shall each be subject to an action by the state of Minnesota or any of its subdivisions or agencies for treble civil damages on the portion of the fee in excess of that allowed by this provision and section 256B.433. Damages awarded must include three times the excess payments together with costs and disbursements including reasonable attorney fees or their equivalent.~~

(g) Refusing, for more than 24 hours, to accept a resident returning to the same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

The prohibitions set forth in clause (b) shall not apply to a retirement home with more than 325 beds including at least 150 licensed nursing home beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) accounts for all of the applicant's assets which are required to be assigned to the home so that only expenses for the cost of care of the applicant may be charged against the account; and

(3) agrees in writing at the time of admission to the home to permit the applicant, or the applicant's guardian, or conservator, to examine the records relating to the applicant's account upon request, and to receive an audited statement of the expenditures charged against the applicant's individual account upon request; and

(4) agrees in writing at the time of admission to the home to permit the

applicant to withdraw from the home at any time and to receive, upon withdrawal, the balance of the applicant's individual account.

For a period not to exceed 180 days, the commissioner may continue to make medical assistance payments to a nursing home or boarding care home which is in violation of this section if extreme hardship to the residents would result. In these cases the commissioner shall issue an order requiring the nursing home to correct the violation. The nursing home shall have 20 days from its receipt of the order to correct the violation. If the violation is not corrected within the 20-day period the commissioner may reduce the payment rate to the nursing home by up to 20 percent. The amount of the payment rate reduction shall be related to the severity of the violation, and shall remain in effect until the violation is corrected. The nursing home or boarding care home may appeal the commissioner's action pursuant to the provisions of chapter 14 pertaining to contested cases. An appeal shall be considered timely if written notice of appeal is received by the commissioner within 20 days of notice of the commissioner's proposed action.

In the event that the commissioner determines that a nursing home is not eligible for reimbursement for a resident who is eligible for medical assistance, the commissioner may authorize the nursing home to receive reimbursement on a temporary basis until the resident can be relocated to a participating nursing home.

Certified beds in facilities which do not allow medical assistance intake on July 1, 1984, or after shall be deemed to be decertified for purposes of section 144A.071 only."

Amend the title as follows:

Page 1, line 9, delete "256.421" and insert "256B.421" and delete "256.433" and insert "256B.433"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 175: A bill for an act relating to health; health maintenance organizations; requiring disclosure of certain exclusions and limitations on coverage; amending Minnesota Statutes 1986, sections 62D.05, subdivision 2; 62D.07, subdivision 3; and 62D.12, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, after line 24, insert:

"Sec. 4. [EFFECTIVE DATE.]

Sections 1, 2, and 3 are effective January 1, 1988."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 817: A bill for an act relating to human services; providing a grant program for on-site employer child care services; appropriating money;

proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [245.829] [EMPLOYER DAY CARE GRANTS.]

Subdivision 1. [GRANT AMOUNTS; COVERED EXPENSES.] The commissioner of human services shall administer a program to provide grants to employers who want to provide child day care services for the benefit of their employees at the site of employment or within close proximity to the site of employment and who meet the criteria listed in subdivision 2. The grant shall be equal to 50 percent of total expenditures paid or incurred by the employer during the first two years for planning, site preparation, construction, renovation, or acquisition of facilities to establish a child care facility for use by the children of the employer's employees, including equipment installed for permanent use and kitchen appliances for use in delivering meals to the children. No employer may receive a grant in excess of \$40,000 in either of the first two years of the day care services operation.

If two or more employers share in the cost of establishing or operating a facility for the children of their employees, the commissioner shall apportion the grant between the employers in relation to the respective share paid by the employer to the total expenditures for the services during the year. If the grant is apportioned, the total amount of the grant apportioned may not exceed \$40,000.

Subd. 2. [GRANT PRIORITIES.] In reviewing grant proposals for funding, the commissioner will give priority to employers who will:

(1) provide day care services in accordance with all day care licensing laws;

(2) provide day care services at the site of employment or within reasonable walking distance of the employment site;

(3) provide day care services for infants and toddlers;

(4) allow employees with children using the day care services provided under this section flexibility in work schedules to enable visiting time; and

(5) agree to pay child care workers at least 125 percent of the median wages for child care workers in the county.

The employer may not receive any profit from the provision of the day care services or rent from the child care site. In addition, an employer receiving a grant under this section must continue to provide the day care services program for four years after state funding under this section has ended. If the employer does not continue the program, the state's attorney general shall seek to recover the full amount of the grant from the employer.

Subd. 3. [RULES.] The commissioner may adopt rules under chapter 14 necessary to administer and implement the grant program established under this section.

Sec. 2. [APPROPRIATION.]

\$500,000 is appropriated from the general fund to the commissioner of human services for the purpose of administering the grant program and

allocating grants under the provisions of section 1. The appropriation is available until expended. The amount of the appropriation available to the commissioner for administrative expenses must not exceed three percent."

Amend the title as follows:

Page 1, line 3, delete "on-site"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 962: A bill for an act relating to health; prohibiting smoking in day care homes and centers, schools, and health care facilities; prohibiting free distribution of smoking tobacco products; restricting sales and advertising of tobacco products; amending Minnesota Statutes 1986, sections 144.412; 144.414; and 325F77, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 2, line 5, after "in" insert "certain"

Page 2, line 36, after "nursing home" insert ", boarding care facility, or licensed residential facility"

Page 3, line 1, after "treatment program" insert "or mental health program"

Page 3, delete section 4

Page 3, line 19, delete "3" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 4 and 5

Page 1, line 6, delete "products;"

Page 1, line 7, after "144.412;" insert "and" and delete everything after "144.414" and insert a period

Page 1, delete lines 8 and 9

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 4: A bill for an act relating to workers' compensation; making technical changes in benefit levels; authorizing the commissioner of labor and industry to perform various tasks; imposing a filing fee for certain appeals; making various administrative changes; providing penalties; amending Minnesota Statutes 1986, sections 176.011, subdivisions 2 and 7a; 176.101, subdivisions 3a, 3b and 3j; 176.102, subdivision 3a; 176.103, subdivision 3; 176.105, subdivision 4; 176.129, subdivisions 11 and 13;

176.131, subdivisions 1, 1a, and 8; 176.139; 176.179; 176.181, subdivision 3; 176.182; 176.191, subdivisions 1 and 2; 176.225, subdivision 2; 176.2421, subdivision 1; 176.511, subdivisions 1 and 3; repealing Minnesota Statutes 1986, section 176.243.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 14.48, is amended to read:

14.48 [CREATION OF OFFICE OF ADMINISTRATIVE HEARINGS; CHIEF ADMINISTRATIVE LAW JUDGE APPOINTED; OTHER ADMINISTRATIVE LAW JUDGES APPOINTED.]

A state office of administrative hearings is created. The office shall be under the direction of a chief administrative law judge who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. Senate confirmation of the chief administrative law judge shall be as provided by section 15.066. The chief administrative law judge *may hear cases and* shall appoint additional administrative law judges and compensation judges to serve in the office as necessary to fulfill the duties prescribed in sections 14.48 to 14.56 *and chapter 176*. The chief administrative law judge may delegate to a subordinate employee the exercise of a specified statutory power or duty as deemed advisable, subject to the control of the chief administrative law judge. Every delegation must be by written order filed with the secretary of state. All administrative law judges and compensation judges shall be in the classified service except that the chief administrative law judge shall be in the unclassified service, but may be removed only for cause. All administrative law judges shall have demonstrated knowledge of administrative procedures and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner. All workers' compensation judges shall be learned in the law, shall have demonstrated knowledge of workers' compensation laws and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner.

Sec. 2. Minnesota Statutes 1986, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which consists of five representatives of employers and five representatives of employees; five nonvoting members representing the general public; ~~and~~ two persons who have received or are currently receiving workers' compensation benefits under chapter 176 *and the chairpersons of the rehabilitation review panel and the medical services review board*. The council may consult with any party it desires. The terms and removal of members shall be as provided in section 15.059. The council is not subject to section 15.059, subdivision 5.

Sec. 3. Minnesota Statutes 1986, section 175.101, subdivision 2, is amended to read:

Subd. 2. The commissioner shall keep a full and true record of all proceedings of the workers' compensation division, issue all necessary processes, writs, warrants, and notices which the division is required or

authorized to issue and generally act as the administrator of the division of workers' compensation in the department of labor and industry. Notices and other documents required to be served or filed on the division of workers' compensation ~~or the workers' compensation court of appeals~~ shall be served on the commissioner.

Sec. 4. Minnesota Statutes 1986, section 176.011, subdivision 2, is amended to read:

Subd. 2. [CHILD.] "Child" includes a posthumous child, a child entitled by law to inherit as a child of a deceased person, a child of a person adjudged by a court of competent jurisdiction to be the father of the child, and a stepchild, grandchild, or foster child who was a member of the family of a deceased employee at the time of injury and dependent upon the employee for support. *A stepchild is a "child" within the meaning of section 176.041.*

Sec. 5. Minnesota Statutes 1986, section 176.011, subdivision 6, is amended to read:

Subd. 6. (1) "Court of appeals" means the workers' compensation court of appeals of Minnesota.

(2) "Division" means the workers' compensation division of the department of labor and industry.

(3) "Department" means the department of labor and industry.

(4) "Commissioner", unless the context clearly indicates otherwise, means the commissioner of labor and industry.

(5) "Office" means the office of administrative hearings.

Sec. 6. Minnesota Statutes 1986, section 176.011, subdivision 7a, is amended to read:

Subd. 7a. [COMPENSATION JUDGE.] ~~The title referee as used in this chapter, relating to workers' compensation is hereby changed to~~ (1) Compensation judge means a workers' compensation judge at the office of administrative hearings.

(2) "Calendar judge" means a workers' compensation judge at the office of administrative hearings.

(3) "Settlement judge" means a compensation judge at the department of labor and industry. Settlement judges may conduct settlement conferences, issue summary decisions, approve settlements and issue awards thereon, determine petitions for attorney fees and costs, and make other determinations, decisions, orders, and awards as may be delegated to them by the commissioner.

Sec. 7. Minnesota Statutes 1986, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire including the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, police officer, firefighter, county highway engineer, and peace officer while engaged in the enforce-

ment of peace or in the pursuit or capture of any person charged with or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;

(4) a county assessor;

(5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision in it. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(6) an executive officer of a corporation, ~~except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (e), or an executive officer of a closely held corporation who is referred to in section 176.012 those executive officers excluded by section 176.041;~~

(7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of human services and state institutions under the commissioner of corrections similar to those of officers and employees of these institutions, and whose services have been accepted or contracted for by the commissioner of human services or the commissioner of corrections as authorized by law, shall be employees. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision of it, shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services where the services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program established by a county welfare board shall be an employee. In the event of injury or death of the voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of the injury or death for similar services where the services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(11) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The

daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(13) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota School for the Deaf or the Minnesota Braille and Sight-Saving School, and whose services have been accepted or contracted for by the state board of education, as authorized by law, shall be an employee. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(14) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law, is an employee. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(15) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of human services for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose;

(16) those students enrolled in and regularly attending the medical school of the University of Minnesota, whether in the graduate school program or the post-graduate program, notwithstanding that the students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation payable under this chapter, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits payable under this chapter;

(17) a faculty member of the University of Minnesota employed for the current academic year is also an employee for the period between that academic year and the succeeding academic year if:

(a) the faculty member has a contract or reasonable assurance of a contract from the University of Minnesota for the succeeding academic year; and

(b) the personal injury for which compensation is sought arises out of and in the course of activities related to the faculty member's employment

by the University of Minnesota; and

(18) a worker who performs volunteer ambulance driver or attendant services is an employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other entity for which the worker performs the services. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(19) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the department of administration. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services were performed by paid employees.

In the event it is difficult to determine the daily wage as provided in this subdivision, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 8. Minnesota Statutes 1986, section 176.011, subdivision 17, is amended to read:

Subd. 17. [PHYSICIAN.] "~~Physician~~" means one ~~authorized by law to practice the medical profession within one of the United States and in good standing in the profession, and includes surgeon licensed by the Minnesota state board of medical examiners or other comparable licensing authority in other states of the United States, to practice medicine.~~

Sec. 9. Minnesota Statutes 1986, section 176.011, is amended by adding a subdivision to read:

Subd. 17a. [ATTORNEY.] "Attorney" means a person licensed to practice law in Minnesota.

Sec. 10. Minnesota Statutes 1986, section 176.011, is amended by adding a subdivision to read:

Subd. 17b. [CHIROPRACTOR.] "Chiropractor" means a person licensed to practice chiropractic by the state board of chiropractic examiners.

Sec. 11. Minnesota Statutes 1986, section 176.011, is amended by adding a subdivision to read:

Subd. 27. [ADMINISTRATIVE CONFERENCE.] An "administrative conference" is a meeting conducted by a commissioner's designee where parties can discuss on an expedited basis and in an informal setting their viewpoints concerning disputed issues arising under section 176.102, 176.103, 176.135, 176.136, or section 60. If the parties are unable to resolve the dispute, the commissioner's designee shall issue an administrative decision under section 27 or 60.

Sec. 12. Minnesota Statutes 1986, section 176.021, subdivision 1a, is amended to read:

Subd. 1a. [BURDEN OF PROOF] All disputed issues of fact arising under this chapter shall be determined by a preponderance of the evidence, and in accordance with the principles laid down in section 176.001. Preponderance of the evidence means evidence produced in substantiation of

a fact which, when weighed against the evidence opposing the fact, has more convincing force and greater probability of truth. *The possible etiology of an injury must be included in reports and evidence submitted by those licensed as physicians or chiropractors.*

Questions of law arising under chapter 176 shall be determined on an even-handed basis in accordance with the principles laid down in section 176.001.

Sec. 13. Minnesota Statutes 1986, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to *any of the following*:

(a) a person employed by a common carrier by railroad engaged in interstate or foreign commerce and who is covered by the Federal Employers' Liability Act, United States Code, title 45, sections 51 to 60, or other comparable federal law;

~~to~~ (b) a person employed by a family farm as defined by section 176.011, subdivision 11a~~;~~;

~~or~~ (c) the spouse, parent, and child, regardless of age, of a farmer-employer working for the farmer-employer;

(d) a sole proprietor, or the spouse, parent, and child, regardless of age, of a sole proprietor;

~~to~~ (e) a partner engaged in a farm operation or a partner engaged in a business and the spouse, parent, and child, regardless of age, of a partner in the farm operation or business;

~~to~~ (f) an executive officer of a family farm corporation;

~~to~~ (g) an executive officer of a closely held corporation ~~referred to in section 176.012~~ having less than 22,880 hours of payroll in the preceding calendar year, if that executive officer owns at least 25 percent of the stock of the corporation;

~~to~~ (h) a spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, and employed by that family farm corporation;

~~to~~ (i) a spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation ~~referred to in section 176.012~~ who is referred to in paragraph (g);

~~to~~ (j) another farmer or ~~to~~ a member of the other farmer's family exchanging work with the farmer-employer or family farm corporation operator in the same community;

~~to~~ (k) a person whose employment at the time of the injury is casual and not in the usual course of the trade, business, profession, or occupation of the employer;

(l) persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83 except that this exclusion does not apply to an employee of an independent contractor; ~~nor does this chapter apply to~~

(m) an officer or a member of a veterans' organization whose employment relationship arises solely by virtue of attending meetings or conventions

of the veterans' organization, unless the veterans' organization elects by resolution to provide coverage under this chapter for the officer or member-;

~~Neither does the chapter apply to~~ (n) a person employed as a household worker in, for, or about a private home or household who earns less than \$1,000 in cash in a three-month period from a single private home or household provided that a household worker who has earned \$1,000 or more from the household worker's present employer in a three-month period within the previous year is covered by this chapter regardless of whether or not the household worker has earned \$1,000 in the present quarter-;

~~This chapter does not apply to those~~ (o) persons employed by a *closely held* corporation if ~~those persons who~~ are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to ~~the officers an officer~~ of the corporation, ~~and who is referred to in paragraph (g), if the corporation files a written election with the commissioner to have those persons excluded from this chapter except that exclude such individuals.~~ A written election is not required for a person who is otherwise excluded from this chapter by this section-;

~~This chapter does not apply to~~ (p) a nonprofit association which does not pay more than \$1,000 in salary or wages in a year-;

~~This chapter does not apply to~~ (q) persons covered under the Domestic Volunteer Service Act of 1973, as amended, United States Code, title 42, sections 5011, et. seq.

Sec. 14. Minnesota Statutes 1986, section 176.041, is amended by adding a subdivision to read:

Subd. 1a. [ELECTION OF COVERAGE.] The persons, partnerships and corporations described in this subdivision may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c), may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) A person, partnership, or corporation hiring an independent contractor, as defined by rules adopted by the commissioner, may elect to provide coverage for that independent contractor.

A person, partnership, or corporation may charge the independent contractor a fee for providing the coverage only if the independent contractor (1) elects in writing to be covered, (2) is issued an endorsement setting forth the terms of the coverage, the name of the independent contractors, and the fee and how it is calculated.

The persons, partnerships and corporations described in this subdivision may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible

for coverage under this subdivision. Coverage may be elected for a spouse, parent or child whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this subdivision shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this subdivision shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this subdivision. An election of coverage under this subdivision shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this subdivision shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 15. Minnesota Statutes 1986, section 176.081, subdivision 2, is amended to read:

Subd. 2. An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the ~~division~~ commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by *the commissioner*, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested and the basis for the request and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 16. Minnesota Statutes 1986, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services; ~~the fitness of qualified rehabilitation consultants and vendors to continue to be approved under this section and has authority to discipline, by fine or otherwise, the consultants or vendors who act in violation of this chapter or rules adopted pursuant to this chapter.~~ The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 17. Minnesota Statutes 1986, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review

panel composed of the commissioner or a designee, who shall serve as an ex officio member and two members each from employers, insurers, rehabilitation, and medicine, one member representing chiropractors, and four members representing labor. The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and make a determination with respect to ~~(a) appeals regarding eligibility for rehabilitation services, rehabilitation plans and rehabilitation benefits under subdivisions 9 and 11; (b) appeals on any other rehabilitation issue the commissioner determines under this section; and (c) appeals from orders of the commissioner regarding fee disputes, penalties, discipline, certification approval or revocation of registration of qualified rehabilitation consultants and approved vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.~~

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery and, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation.

Sec. 18. Minnesota Statutes 1986, section 176.102, subdivision 3a, is amended to read:

Subd. 3a- 3b. [REVIEW PANEL APPEALS DETERMINATIONS.] Appeals to the review panel Recommendations from the administrative law judge following a contested case hearing shall be heard before determined by a panel of five members designated by the review panel. Each five-member panel shall consist of at least one labor member, at least one employer or insurer member, and at least one member representing medicine, chiropractic, or rehabilitation. The number of labor members and employer or insurer members on the five-member panel shall be equal. The determination of the five-member panel shall be by a majority vote and shall represent the determination of the entire review panel and is not subject to review by the panel as a whole. When conducting a review of the commissioner's determination regarding any rehabilitation issue or plan the panel shall give the parties notice that the appeal will be heard. This notice shall be given at least ten working days prior to the hearing. The notice shall state that parties may be represented by counsel at the hearing. In conducting its review the panel shall permit an interested party to present

relevant, competent, oral or written evidence and to cross-examine opposing evidence. Evidence presented is not limited to the evidence previously submitted to the commissioner. A record of the proceeding shall be made by the panel. Upon determination of the issue presented, the panel shall issue to the interested parties a written decision and order. The decision need not contain a recitation of the evidence presented at the hearing, but shall be limited to the panel's basis for the decision. The panel may adopt rules of procedure which may be joint rules with the medical services review board.

Sec. 19. Minnesota Statutes 1986, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. *The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.*

~~Upon receipt of the notice of objection, the commissioner may schedule an administrative conference for the purpose of determining which qualified rehabilitation consultant may be mutually acceptable. On an employee's first request for appointment or change of qualified rehabilitation consultant, the employee has the final decision on which qualified rehabilitation consultant is to be utilized. After the employee has chosen a qualified rehabilitation consultant, subsequent requests shall be determined by the commissioner or compensation judge according to the best interests of the parties.~~

The employee and employer shall enter into a program if one is prescribed

in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner.

(b) If the employer does not provide rehabilitation consultation as required by this section, the commissioner *or compensation judge* shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner *or compensation judge* shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner *or compensation judge* determines the consultation is not required.

(c) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) The commissioner *or compensation judge* may waive rehabilitation ~~consultation services~~ under this section if the commissioner *or compensation judge* is satisfied that the employee will return to work in the near future or that rehabilitation ~~consultation services~~ will not be useful in returning an employee to work.

Sec. 20. Minnesota Statutes 1986, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner *or a compensation judge* shall determine eligibility for rehabilitation services and shall review, approve, modify or reject rehabilitation plans developed under subdivision 4. The commissioner *or a compensation judge* shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. ~~A decision of the commissioner may be appealed to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the panel may be appealed to the workers' compensation court of appeals in the same manner as other matters appealed to the court.~~

Sec. 21. Minnesota Statutes 1986, section 176.102, subdivision 8, is amended to read:

Subd. 8. [PLAN MODIFICATION.] Upon request to the commissioner *or compensation judge* by the employer, the insurer, or employee, or upon the commissioner's own request, the plan may be suspended, terminated or altered upon a showing of good cause, including:

(a) a physical impairment that does not allow the employee to pursue the rehabilitation plan;

(b) the employee's performance level indicates the plan will not be successfully completed;

(c) an employee does not cooperate with a plan;

(d) that the plan or its administration is substantially inadequate to achieve the rehabilitation plan objectives;

(e) that the employee is not likely to benefit from further rehabilitation services.

An employee may request a change in a rehabilitation plan once because the employee feels ill-suited for the type of work for which rehabilitation is being provided. If the rehabilitation plan includes retraining, this request must be made within 90 days of the beginning of the retraining program. ~~Any decision of the commissioner regarding a change in a plan may be appealed to the rehabilitation review panel within 30 days of the decision.~~

Sec. 22. Minnesota Statutes 1986, section 176.102, subdivision 10, is amended to read:

Subd. 10. [REHABILITATION; CONSULTANTS AND VENDORS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules adopted by the commissioner for rehabilitation consultants. A consultant may be an individual or public or private entity, but may not be a vendor or the agent of a vendor of rehabilitation services. *The commissioner shall also approve rehabilitation vendors if they satisfy rules adopted by the commissioner.*

Sec. 23. Minnesota Statutes 1986, section 176.102, subdivision 13, is amended to read:

Subd. 13. [DISCONTINUANCE.] All benefits payable under chapter 176 may, after a determination and order by the commissioner *or compensation judge*, be discontinued or forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures ordered by the commissioner *or compensation judge* to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan. A discontinuance under this section is governed by ~~section 176.242~~ *sections 59 and 60.*

Sec. 24. [176.1021] [CONTINUING EDUCATION; COMPENSATION JUDGES.]

The commissioner and the chief administrative law judge shall provide continuing education and training for workers' compensation judges in the conduct of administrative hearings, new trends in workers' compensation, techniques of alternative dispute resolution and, at least annually, continuing education in the areas of physical and vocational rehabilitation.

Sec. 25. Minnesota Statutes 1986, section 176.103, subdivision 2, is amended to read:

Subd. 2. [SCOPE.] (a) The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. ~~The commissioner may penalize, disqualify, or suspend a provider from receiving payment for services rendered under this chapter, if the commissioner determines that the provider has violated any part of this chapter or rule adopted under this chapter.~~ *The commissioner shall report the results of the monitoring to the medical services review board. The commissioner may, either as a result of the monitoring or as a result of an investigation following receipt of a complaint, if the commissioner*

believes that any provider of health care services has violated any provision of this chapter or rules adopted under this chapter, initiate a contested case proceeding under chapter 14. In these cases, the medical services review board shall make the final decision following receipt of the report of an administrative law judge. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section, but does not include the authority to make the initial determination of primary liability.

Except as provided in paragraph (b), the commissioner has the sole authority to make determinations under this section with a right of appeal to the medical services review board as provided in subdivision 3 and the workers' compensation court of appeals. A compensation judge has no jurisdiction in making determinations under this section.

(b) The commissioner has authority under this section to make determinations regarding medical causation. Objections to these determinations shall be referred to the chief administrative law judge for a de novo hearing before a compensation judge, with a right to review by the workers' compensation court of appeals, as provided in this chapter.

Sec. 26. Minnesota Statutes 1986, section 176.103, subdivision 3, is amended to read:

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, and six physicians representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. ~~The board shall appoint from among its clinical members a clinical advisory subcommittee on clinical quality and a clinical advisory subcommittee on clinical cost containment. Each subcommittee shall consist of at least three members one of whom shall be a member who is not a chiropractor or licensed physician. The board may appoint from its members whatever subcommittees it deems appropriate.~~

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one chiropractor, one hospital administrator, three physicians, one employee representative, one employer or insurer representative, and one representative of the general public.

The ~~clinical quality subcommittee~~ board shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

The ~~clinical cost containment subcommittee~~ board shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. ~~The subcommittees shall make regular reports to the board and the commissioner which shall evaluate the reports for the purpose of determining whether or not a particular health care provider continues~~

to qualify for payment under this chapter or is subject to any other sanctions or penalties authorized under this section and to determine whether an employee has been off work longer than necessary. *The board shall assist the commissioner in accomplishing public education.*

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

- (1) the clinical effectiveness of the treatment;
- (2) the clinical cost of the treatment; and
- (3) the length of time of treatment.

In its consideration of these factors, the board shall utilize the information and recommendations developed by the subcommittees. In addition, the board shall utilize any other data developed by the subcommittees pursuant to the duties assigned to the subcommittees under this section.

After making a determination, the board shall submit its recommendation in writing to the commissioner. The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) *The board shall appoint three of its members to hear appeals from decisions of the commissioner regarding quality control and supervision of medical care; any other disputes regarding medical, surgical, and hospital care; decisions regarding the eligibility of medical providers to receive payments; or any other determinations of the commissioner pursuant to subdivision 2. The three-member panel shall be composed of one member who does not represent a health care specialty, one member who represents the same specialty as the specialty at issue or, if the same specialty is not available, one member whose specialty is as close as possible considering the board's composition, and one member representing a different specialty. The three-member panel shall conduct a hearing in the same manner, giving the same notice and following other procedures required of the rehabilitation review panel in section 176.102, subdivision 3a. A majority vote of the three-member panel constitutes the decision of the full board. This decision may be appealed to the workers' compensation court of appeals. The medical services review board may, upon petition from the commissioner and after hearing, issue a penalty of \$100 per violation, disqualify, or suspend a provider from receiving payment for services rendered under this chapter if a provider has violated any part of this chapter or rule adopted under this chapter. The hearings are initiated by the commissioner under the contested case procedures of chapter 14. The board shall make the final decision following receipt of the recommendation of the administrative law judge. The board's decision is appealable to the workers' compensation court of appeals in the manner provided by section 176.421.*

(c) *In any situation where a conflict of interest prevents the appointment of a full three-member panel or in any other situation where the commissioner deems it necessary to resolve a conflict of interest, the commissioner may appoint a temporary substitute board member to serve until the situation creating the conflict of interest has been resolved.*

(d) *The board may adopt rules of procedure. The rules may be joint rules with the rehabilitation review panel.*

Sec. 27. [176.106] [ADMINISTRATIVE CONFERENCE.]

Subdivision 1. [SCOPE.] All determinations by the commissioner pursuant to section 176.102, 176.103, 176.135, or 176.136 shall be in accordance with the procedures contained in this section.

Subd. 2. [REQUEST FOR CONFERENCE.] Any party may request an administrative conference by filing a request on a form prescribed by the commissioner.

Subd. 3. [CONFERENCE.] The matter shall be scheduled for an administrative conference within 60 days after receipt of the request for a conference. Notice of the conference shall be served on all parties no later than 14 days prior to the conference, unless the commissioner determines that a conference shall not be held. The commissioner may order an administrative conference whether or not a request for conference is filed.

The commissioner, at his discretion, may refuse to hold an administrative conference and refer the matter for a settlement or pretrial conference or may certify the matter to the office of administrative hearings for a full hearing before a compensation judge.

Subd. 4. [APPEARANCES.] All parties shall appear either personally, by telephone, by representative, or by written submission. The commissioner shall determine the issues in dispute based upon the information available at the conference.

Subd. 5. [DECISION.] A written decision shall be issued by the commissioner or an authorized representative determining all issues considered at the conference or if a conference was not held, based on the written submissions. Disputed issues of fact shall be determined by a preponderance of the evidence. The decision must be issued within 30 days after the close of the conference or if no conference was held, within 60 days after receipt of the request for conference. The decision must include a statement indicating the right to request a de novo hearing before a compensation judge and how to initiate the request.

Subd. 6. [PENALTY.] At a conference, if the insurer does not provide a specific reason for nonpayment of the items in dispute, the commissioner may assess a penalty of \$300 payable to the special compensation fund, unless it is determined that the reason for the lack of specificity was the failure of the insurer, upon timely request, to receive information necessary to remedy the lack of specificity. This penalty is in addition to any penalty that may be applicable for nonpayment.

Subd. 7. [REQUEST FOR HEARING.] Any party aggrieved by the decision of the commissioner may request a formal hearing by filing the request with the commissioner no later than 30 days after the decision. The request shall be referred to the office of administrative hearings for a de novo hearing before a compensation judge. The commissioner shall refer a timely request to the office of administrative hearings within five working days after filing of the request and the hearing at the office of administrative hearings must be held on the first date that all parties are available but not later than 60 days after the office of administrative hearings receives the matter. Following the hearing, the compensation judge must issue the decision within 30 days. The decision of the compensation judge is appealable pursuant to section 176.421.

Subd. 8. [DENIAL OF PRIMARY LIABILITY.] The commissioner does

not have authority to make determinations relating to medical or rehabilitation benefits when there is a genuine dispute over whether the injury initially arose out of and in the course of employment, except as provided by section 176.305.

Subd. 9. [SUBSEQUENT CAUSATION ISSUES.] If initial liability for an injury has been admitted or established and an issue subsequently arises regarding causation between the employee's condition and the work injury, the commissioner may make the subsequent causation determination subject to de novo hearing by a compensation judge with a right to review by the court of appeals, as provided in this chapter.

Sec. 28. Minnesota Statutes 1986, section 176.111, subdivision 17, is amended to read:

Subd. 17. [PARTIAL DEPENDENTS.] Partial dependents are entitled to receive only that proportion of the benefits provided for actual dependents which the average amount of wages regularly contributed by the deceased to such partial dependents at the time of and for a reasonable time immediately prior to the injury bore to the total income of the dependent during the same time; and if the amount regularly contributed by the deceased to such partial dependents cannot be ascertained because of the circumstances of the case, the *commissioner*, compensation judge, or ~~workers' compensation~~ court of appeals, in cases upon appeal, shall make a reasonable estimate thereof taking into account all pertinent factors of the case.

Sec. 29. Minnesota Statutes 1986, section 176.133, is amended to read:

176.133 [ATTORNEY'S FEES, SUPPLEMENTARY BENEFITS.]

Attorney's fees may be approved by *the commissioner*, a compensation judge, or by the workers' compensation court of appeals from the supplementary workers' compensation benefits provided by section 176.132 if the case involves the obtaining of supplementary workers' compensation benefits. When such fees are allowed an amount equal to 25 percent of that portion of the fee which is in excess of \$250 shall be added to the employee's benefit as provided in section 176.081 rather than deducted as a portion thereof. The fees shall be determined according to section 176.081.

Sec. 30. Minnesota Statutes 1986, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of the employer's inability or refusal seasonably to

do so the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability. ~~Except as provided in paragraph (b), orders of the commissioner with respect to this subdivision may be reviewed by the medical services review board pursuant to section 176.103. Orders of the medical services review board with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party pursuant to section 176.103. Orders of the court of appeals may be reviewed by writ of certiorari to the supreme court.~~

(b) ~~The commissioner has authority to make determinations regarding medical causation and regarding the question whether the medical condition, which required the furnished treatment or supplies, is a consequence of the injury. Objections to any order of the commissioner with respect to this paragraph shall be referred to the chief administrative law judge for a de novo hearing before a compensation judge, with a right to review by the workers' compensation court of appeals, as provided in this chapter. Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with section 27 and section 176.305.~~

Sec. 31. Minnesota Statutes 1986, section 176.135, subdivision 1a, is amended to read:

Subd. 1a. [NONEMERGENCY SURGERY; SECOND SURGICAL OPINION.] ~~The employer is required to furnish surgical treatment pursuant to subdivision 1 only after the employee has obtained two surgical opinions concerning whether when the surgery is reasonably required to cure and relieve the effects of the personal injury or occupational disease. If at least one of the opinions affirms that the surgery is reasonably required, the employee may choose to undergo the surgery. An employee may not be compelled to undergo surgery. If an employee desires a second opinion on the necessity of the surgery, the employer shall pay the costs of obtaining the second opinion. The employer is required to pay the reasonable value of the surgery unless the commissioner or compensation judge determines that the surgery is not reasonably required. A second surgical opinion is not required in cases of emergency surgery or when the employer and employee agree that the opinion is not necessary.~~

Sec. 32. Minnesota Statutes 1986, section 176.135, subdivision 2, is amended to read:

Subd. 2. [CHANGE OF PHYSICIANS, PODIATRISTS, OR CHIROPRACTORS.] ~~The commissioner of the department of labor and industry shall make the necessary adopt rules for establishing standards and criteria to be used when a dispute arises over a change of physicians, podiatrists, or chiropractors in the case that either the employee or the employer desire a change and for the designation of a physician, podiatrist, or chiropractor suggested by the injured employee or the commissioner of the department of labor and industry. In such case If a change is agreed upon or ordered, the expense thereof medical expenses shall be borne by the employer upon the same terms and conditions as provided in subdivision 1 and for medical, podiatric, chiropractic and surgical treatment and attendance.~~

Sec. 33. Minnesota Statutes 1986, section 176.135, subdivision 3, is amended to read:

Subd. 3. [LIMITATION OF LIABILITY.] The pecuniary liability of the employer for the treatment, articles and supplies required by this section shall be limited to the charges therefor as prevail in the same community for similar treatment, articles and supplies furnished to injured persons of a like standard of living when the same are paid for by the injured persons. On this basis the commissioner, ~~medical services review board, or workers' compensation court of appeals on appeal or compensation judge~~ may determine the reasonable value of all such services and supplies and the liability of the employer is limited to the amount so determined.

Sec. 34. Minnesota Statutes 1986, section 176.135, is amended by adding a subdivision to read:

Subd. 6. [COMMENCEMENT OF PAYMENT.] *As soon as reasonably possible, and no later than 30 calendar days after receiving the bill, the employer or insurer shall pay the charge or any portion of the charge which is not denied, deny all or a part of the charge on the basis of excessiveness or noncompensability, or specify the additional data needed, with written notification to the employee and the provider.*

Sec. 35. Minnesota Statutes 1986, section 176.135, is amended by adding a subdivision to read:

Subd. 7. [MEDICAL BILLS AND RECORDS.] *Health care providers shall submit to the insurer an itemized statement of charges as well as copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury. No charge may be made for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter.*

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

Sec. 36. Minnesota Statutes 1986, section 176.136, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVE FEES.] *If the payer employer or insurer determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter unless the commissioner, ~~medical services review board compensation judge, or workers' compensation court of appeals~~ determines otherwise. In such a case, the health care provider may initiate an action under this chapter for recovery of the amounts deemed excessive by the employer or insurer, but the employer or insurer shall have the burden of proving excessiveness.*

Sec. 37. Minnesota Statutes 1986, section 176.1361, is amended to read:

176.1361 [TESTIMONY OF PROVIDERS.]

When the commissioner, a compensation judge, or the ~~workers' compensation court of appeals~~ has reason to believe that a medical or other provider of treatment services has submitted false testimony or a false report in any proceeding under this chapter, the commissioner, compensation judge, or the ~~workers' compensation court of appeals~~ shall refer the matter to an appropriate licensing body or other professional certifying organization for

review and recommendations. Based upon their recommendation, the ~~commissioner~~ *medical services review board, after hearing*, may bar the provider from making an appearance, and disallow the admission into evidence of written reports of the provider, in any proceeding under this chapter for a period not to exceed one year in the first instance and three years in the second instance, and may permanently bar the provider from appearance and the provider's reports from admission in evidence thereafter.

Sec. 38. Minnesota Statutes 1986, section 176.139, is amended to read:
176.139 [NOTICE OF RIGHTS POSTED.]

~~A notice, in form approved by the commissioner of labor and industry, shall be posted in a conspicuous place at each place of employment Subdivision 1. [POSTING REQUIREMENT.] All employers required or electing to carry workers' compensation coverage in the state of Minnesota shall post and display in a conspicuous location a notice, in a form approved by the commissioner, advising employees of their rights and obligations under this chapter, assistance available to them, and the operation of the workers' compensation system, the name and address of the workers' compensation carrier insuring them or the fact that the employer is self-insured.~~

The notice shall be displayed at all locations where the employer is engaged in business.

Subd. 2. [FAILURE TO POST; PENALTY.] The commissioner may assess a penalty of \$300 against the employer payable to the special compensation fund if, after notice from the commissioner, the employer violates the posting requirement of this section.

Sec. 39. Minnesota Statutes 1986, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. The employee is entitled upon request to have a personal physician present at any such examination. Each party shall defray the cost of that party's physician. Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury, shall be made available, upon request and without charge, to the injured employee or representative of the employee. *The employer shall pay reasonable travel expenses incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination. A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition.*

No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted

by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather addition information which was not included on the petition as required by section 176.291.

Sec. 40. Minnesota Statutes 1986, section 176.155, subdivision 2, is amended to read:

Subd. 2. [NEUTRAL PHYSICIAN.] In each case of dispute as to the injury the commissioner of labor and industry, or in case of a hearing the compensation judge conducting the hearing, or the workers' compensation court of appeals if the matter is before it, may with or without the request of any interested party, designate a neutral physician from the list of neutral physicians developed by the commissioner of labor and industry to make an examination of the injured worker and report the findings to the commissioner of labor and industry, compensation judge, or the workers' compensation court of appeals, as the case may be; provided that the request of the interested party must comply with the rules of the commissioner of labor and industry and the workers' compensation court of appeals regulating the proper time and forms for the request, and further provided that when an interested party requests, not later than 30 days prior to a scheduled prehearing conference, that a neutral physician be designated, the compensation judge shall make such a designation. When a party has requested the designation of a neutral physician prior to a prehearing conference, that party may withdraw the request at any time prior to the hearing. The commissioner of labor and industry, compensation judge, or the workers' compensation court of appeals, as the case may be, may request the neutral physician to answer any particular question with reference to the medical phases of the case, including questions calling for an opinion as to the cause and occurrence of the injury insofar as medical knowledge is relevant in the answer. A copy of the signed certificate of the neutral physician shall be mailed to the parties in interest and either party, within five days from date of mailing, may demand that the physician be produced for purposes of cross-examination. The signed certificate of a neutral physician is competent evidence of the facts stated therein. The expense of the examination shall be paid as ordered by the commissioner of labor and industry, compensation judge, or the workers' compensation court of appeals. *The neutral physician must also send a copy of the signed certificate to the medical services review board. If the board determines that the physician's certificate indicates a pattern of a lack of neutrality, the commissioner must remove the physician from the list of neutrals.*

The commissioner of labor and industry shall develop and maintain a list of neutral physicians available for designation pursuant to this subdivision or section 176.391, subdivision 2.

Sec. 41. Minnesota Statutes 1986, section 176.155, subdivision 3, is amended to read:

Subd. 3. [REFUSAL TO BE EXAMINED.] If the injured employee refuses to comply with any reasonable request for examination, the right to compensation may be suspended by order of the ~~division, commissioner or a compensation judge or workers' compensation court of appeals in a matter before it~~, and no compensation shall be paid while the employee continues in the refusal.

Sec. 42. Minnesota Statutes 1986, section 176.155, subdivision 5, is amended to read:

Subd. 5. [TESTIMONY OF HEALTH CARE PROVIDER.] Any physician or other health care provider designated by the commissioner, or compensation judge, ~~or workers' compensation court of appeals~~ or whose services are furnished or paid for by the employer, or who treats, examines, or is present at any examination, of an injured employee, may be required to testify as to any knowledge acquired by the physician or health care provider in the course of the treatment or examination relative to the injury or disability resulting from the injury only ~~if the commissioner or a compensation judge makes a written finding that the appearance of the physician or health care provider is crucial to the accurate determination of the employee's disability in cases involving occupational disease, cardiopulmonary injuries or diseases, injuries resulting from cumulative trauma, issues of apportionment of liability, and mental disorders, or upon an order of a compensation judge.~~ In all other cases all evidence related to health care must be submitted by written report as prescribed by the chief administrative law judge. A party may cross-examine by deposition a physician or health care provider who has examined or treated the employee. If a physician or health care provider is not available for cross-examination prior to the hearing and the physician's or health care provider's written report is submitted at the hearing, the compensation judge shall, upon request of the adverse party, require the physician or health care provider to testify at the hearing *or to be present at a posthearing deposition* for the purpose of being cross-examined by the adverse party. All written evidence relating to health care must be submitted prior to or at the time of the hearing and no evidence shall be considered which was submitted after the hearing unless the compensation judge orders otherwise, *and, in no case later than 30 days following the final hearing date unless an extension is granted by the compensation judge. Existing medical reports must be submitted with a claim petition or answer as provided in sections 176.291 and 176.321. All reports shall substantially conform to rules prescribed by the chief administrative law judge. When a written report is used to present the testimony, it shall be admitted into evidence without the necessity for foundational testimony and shall be considered as prima facie evidence of the opinions it contains.*

Sec. 43. Minnesota Statutes 1986, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation di-

vision, a compensation judge, or court of appeals relative to a claim by an injured employee or the employee's survivors, and received in good faith by the employee or the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a full credit against future lump sum benefit entitlement and as a partial credit against future weekly benefits. The credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits, death benefits, or weekly payments of economic recovery or impairment compensation shall not exceed 20 percent of the amount that would otherwise be payable.

A credit may not be applied against medical expenses due or payable.

Sec. 44. Minnesota Statutes 1986, section 176.185, is amended by adding a subdivision to read:

Subd. 5a. [PENALTY FOR IMPROPER WITHHOLDING.] An employer who violates subdivision 5 after notice from the commissioner is subject to a penalty of 200 percent of the amount withheld from or charged the employee. The penalty shall be imposed by the commissioner. Fifty percent of this penalty is payable to the special compensation fund and 50 percent is payable to the employee.

Sec. 45. Minnesota Statutes 1986, section 176.191, subdivision 1, is amended to read:

Subdivision 1. Where compensation benefits are payable under this chapter, and a dispute exists between two or more employers or two or more insurers as to which is liable for payment, the commissioner, compensation judge, or ~~workers' compensation~~ court of appeals upon appeal shall direct, unless action is taken under subdivision 2, that one or more of the employers or insurers make payment of the benefits pending a determination of liability. *A temporary order may be issued under this subdivision whether or not the employers or insurers agree to pay under the order.*

When liability has been determined, the party held liable for the benefits shall be ordered to reimburse any other party for payments which the latter has made, including interest at the rate of 12 percent a year. The claimant shall also be awarded a reasonable attorney fee, to be paid by the party held liable for the benefits.

An order directing payment of benefits pending a determination of liability may not be used as evidence before a compensation judge, the workers' compensation court of appeals, or court in which the dispute is pending.

Sec. 46. Minnesota Statutes 1986, section 176.191, subdivision 2, is amended to read:

Subd. 2. Where compensation benefits are payable under this chapter, and a dispute exists between two or more employers or two or more insurers as to which is liable for payment, the commissioner or a compensation judge upon petition shall ~~authorize order~~, unless action is taken under subdivision 1, the special compensation fund established in section 176.131 to make payment of the benefits pending a determination of liability.

The personal injury for which the commissioner or a compensation judge shall order compensation from the special fund is not limited by section 176.131, subdivision 8.

When liability has been determined, the party held liable for benefits shall be ordered to reimburse the special compensation fund for payments made, including interest at the rate of 12 percent a year.

Sec. 47. [176.194] [PROHIBITED PRACTICES.]

Subdivision 1. [CLAIMS PRACTICES.] Notwithstanding section 72A.20, subdivision 12a, paragraph (j), any insurer authorized to sell workers' compensation insurance pursuant to section 60A.06, subdivision 1, clause (5), item (b), or any employer authorized to self-insure workers' compensation liability pursuant to section 176.181, subdivision 2, shall be subject to sections 72A.17 to 72A.325 and rules adopted pursuant thereto relating to the regulation of trade practices, except (a) to the extent that the nature of workers' compensation insurance of self-insurance renders such sections clearly inappropriate and (b) that enforcement shall be by the commissioner of labor and industry and not the commissioner of commerce.

Subd. 2. [SELF-INSURANCE AUTHORITY.] In addition to any other penalties imposed for violation of subdivision 1, the commissioner of labor and industry may revoke the authority of any employer to self-insure granted under section 176.181. The commissioner of labor and industry shall advise the commissioner of commerce immediately of the revocation.

Sec. 48. Minnesota Statutes 1986, section 176.195, is amended by adding a subdivision to read:

Subd. 1b. [AGENTS.] For purposes of this section and section 47, an adjuster licensed pursuant to section 72B.03, subdivision 2, clause (a), who acts on behalf of an insurer, self-insured, employer plan administrator, or vendor of risk management services licensed pursuant to section 60A.23, subdivision 8, shall be deemed to be an agent of the insurer, self-insurer, vendor, or the assigned risk plan established pursuant to sections 79.251 and 79.252 on whose behalf the adjuster acts. A violation of this section or section 47 by an adjuster shall, in addition to other violations enumerated, be a cause for denial, suspension, or revocation of an adjuster's license pursuant to section 72B.08.

Sec. 49. Minnesota Statutes 1986, section 176.195, subdivision 3, is amended to read:

Subd. 3. [COMPLAINT, ANSWER; HEARING.] A complaint against an insurer shall include a notice and order for hearing, shall be in writing and shall specify clearly the grounds upon which the license is sought to be suspended or revoked. The insurer may shall file a written answer to the complaint and is entitled to receive a hearing in its own behalf before the commissioner of commerce within 20 days of service of the complaint. The hearing shall be conducted under chapter 14.

Sec. 50. Minnesota Statutes 1986, section 176.195, is amended by adding a subdivision to read:

Subd. 5a. [CIVIL PENALTIES.] After a hearing as provided in this section, the commissioner may impose a civil penalty of not more than \$5,000 for each offense.

Sec. 51. Minnesota Statutes 1986, section 176.221, subdivision 1, is

amended to read:

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation shall commence. Within 14 days of notice to or knowledge by an employer of a new period of temporary total disability which is caused by an old injury compensable under this chapter, the payment of temporary total compensation shall commence; provided that the employer or insurer may file for an extension with the commissioner within this 14-day period, in which case the compensation need not commence within the 14-day period but shall commence no later than 30 days from the date of the notice to or knowledge by the employer of the new period of disability. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer has on any claim or incident either with respect to the compensability of the claim under this chapter or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. Liability for compensation under this chapter may be denied by the employer or insurer by giving the employee written notice of the denial of liability. If liability is denied for an injury which is required to be reported to the commissioner under section 176.231, subdivision 1, the denial of liability must be filed with the commissioner within 14 days after notice to or knowledge by the employer of an injury which is alleged to be compensable under this chapter. If the employer or insurer has commenced payment of compensation under this subdivision but determines within 30 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be terminated upon the filing of a notice of denial of liability within 30 days of notice or knowledge. After the 30-day period, payment may be terminated only by the filing of a notice as provided under section 176.242 60. Upon the termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

Sec. 52. Minnesota Statutes 1986, section 176.221, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] If the employer or insurer does not begin payment of compensation within the time limit prescribed under subdivision 1 or 8, the commissioner may assess a penalty, payable to the special compensation fund, ~~of up to 100 percent which shall be a percentage of the amount of compensation to which the employee is entitled because of the injury to receive up to the date compensation payment is made to the employee or the compensation to which the employee is entitled to receive up to the date the penalty is imposed; in addition to any other penalty otherwise provided by statute. This penalty may also be imposed on an employer or insurer who violates section 176.242 or 176.243 including, but not limited to, violating the commissioner's decision not to discontinue compensation.~~

The amount of penalty shall be determined as follows:

<i>Numbers of days late</i>	<i>Penalty</i>
<i>1 - 15</i>	<i>25 percent of compensation due, not to exceed \$375,</i>
<i>16 - 30</i>	<i>50 percent of compensation due, not to exceed \$1,140,</i>
<i>31 - 60</i>	<i>75 percent of compensation due, not to exceed \$2,878,</i>
<i>61 or more</i>	<i>100 percent of compensation due, not to exceed \$3,838.</i>

The penalty under this section is in addition to any penalty otherwise provided by statute.

Sec. 53. Minnesota Statutes 1986, section 176.221, subdivision 7, is amended to read:

Subd. 7. [INTEREST.] Any payment of ~~compensation~~, charges for treatment under section 176.135 or rehabilitation expenses under 176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent a year from the due date to the date the payment is made or the rate set by section 549.09, subdivision 1, whichever is greater. *Any compensation due and payable to an employee or to the dependents of an employee that is not paid when due, whether due periodically or otherwise, and penalties assessed under this chapter, shall bear interest at the rate of 15 percent a year, computed from the due date to the date of payment.*

For the purposes of this subdivision, permanent partial disability payment is due 14 days after receipt of the first medical report which contains a disability rating if such payment is otherwise due under this chapter, and charges for treatment under section 176.135 are due 30 calendar days after receiving the bill and necessary medical data.

If the claim of the employee or dependent for compensation is contested in a proceeding before a compensation judge or the commissioner, the decision of the judge or commissioner shall provide for the payment of unpaid interest on all compensation awarded, including interest accruing both before and after the filing of the decision.

Sec. 54. Minnesota Statutes 1986, section 176.225, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] Upon reasonable notice and hearing or opportunity to be heard, the ~~division commissioner~~, a compensation judge, or upon appeal, the ~~workers' compensation~~ court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

- (a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,
- (b) unreasonably or vexatiously delayed payment; or,

- (c) neglected or refused to pay compensation; or,
- (d) intentionally underpaid compensation; or

(e) unreasonably or vexatiously discontinued compensation in violation of ~~section 176.242~~ sections 59 and 60.

Sec. 55. Minnesota Statutes 1986, section 176.225, subdivision 4, is amended to read:

Subd. 4. [HEARING BEFORE COMMISSIONER OF COMMERCE.] Upon receipt of a complaint filed under subdivision 3, the commissioner of commerce shall hear and determine the matter in the manner provided by ~~this~~ chapter 14. On finding that a charge made by the complaint is true, the commissioner of commerce ~~shall~~ *may suspend or* revoke the license of the insurer to do business in this state. The insurer may appeal from the action of the commissioner revoking the license in the manner provided in ~~this~~ chapter 14.

Sec. 56. Minnesota Statutes 1986, section 176.231, subdivision 2, is amended to read:

Subd. 2. [INITIAL REPORT, WRITTEN REPORT.] Where subdivision 1 requires an injury to be reported within 48 hours, the employer may make an initial report by telephone, telegraph, or personal notice, and file a written report of the injury within seven days from its occurrence or within such time as the commissioner of labor and industry designates. All written reports of injuries required by subdivision 1 shall include the date of injury, amounts of payments made, if any, and the date of the first payment. The reports shall be ~~in quadruplicate~~ on a form designed by the commissioner, with ~~two copies~~ *the original* to the commissioner and, ~~and~~, *one copy* to the insurer, ~~and one copy to the employee.~~

If an insurer or self-insurer repeatedly fails to pay benefits within three days of the due date, pursuant to section 176.221, the insurer or self-insurer shall be ordered by the commissioner to explain, in person, the failure to pay benefits due in a reasonable time. If prompt payments are not thereafter made, the commissioner shall refer the insurer or self-insurer to the commissioner of commerce for action pursuant to section 176.225, subdivision 4.

Sec. 57. Minnesota Statutes 1986, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] If an employer, *insurer*, physician, chiropractor, or other health provider fails to file with the commissioner any report required by this section in the manner and within the time limitations prescribed, or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each failure.

The imposition of a penalty may be appealed to a compensation judge within 30 days of notice of the penalty.

Penalties collected by the state under this subdivision shall be paid into the special compensation fund.

Sec. 58. Minnesota Statutes 1986, section 176.231, is amended by adding a subdivision to read:

Subd. 11. [FAILURE TO FILE REQUIRED REPORT; SUBSTITUTE

FILING.] *Where this section requires the employer to file a report of injury with the commissioner, and the employer is unable or refuses to file the report, the insurer shall file the report within ten days of a request from the division. The report shall be filed in the manner prescribed by this section. If both the employer and the insurer fail to file the report within 30 days of notice of the injury, the commissioner shall file the report.*

The filing of a report of injury by the commissioner does not subject an employee or the dependents of an employee to the three-year time limitations under section 176.151, paragraphs (1) and (2).

A substitute filing under this subdivision shall not be a defense to a penalty assessed under subdivision 10.

Sec. 59. [176.238] [NOTICE OF DISCONTINUANCE OF TEMPORARY TOTAL, TEMPORARY PARTIAL, OR PERMANENT TOTAL COMPENSATION.]

Subdivision 1. [NECESSITY FOR NOTICE AND SHOWING; CONTENTS.] Except as provided in section 176.221, subdivision 1, once the employer has commenced payment of benefits, the employer may not discontinue payment of compensation until it provides the employee with notice in writing of intention to do so. A copy of the notice shall be filed with the division by the employer. The notice to the employee and the copy to the division shall state the date of intended discontinuance and set forth a statement of facts clearly indicating the reason for the action. Copies of whatever medical reports or other written reports in the employer's possession which are relied on for the discontinuance shall be attached to the notice.

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] (a) [DISCONTINUANCE BECAUSE OF RETURN TO WORK.] If the reason for discontinuance is that the employee has returned to work, temporary total compensation may be discontinued effective the day the employee returned to work. Written notice shall be served on the employee and filed with the division within 30 days of the date the employer has notice that the employee has returned to work.

(b) [DISCONTINUANCE FOR REASONS OTHER THAN RETURN TO WORK.] If the reason for the discontinuance is for other than that the employee has returned to work, the liability of the employer to make payments of compensation continues until the copy of the notice and reports have been filed with the division. When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended, except as provided in the following subdivisions and in section 60.

Subd. 3. [INTERIM ADMINISTRATIVE DECISION.] An employee may request the commissioner to schedule an administrative discontinuance conference to obtain an expedited interim decision concerning the discontinuance of compensation. Procedures relating to discontinuance conferences are set forth in section 60.

Subd. 4. [OBJECTION TO DISCONTINUANCE.] An employee may serve on the employer and file with the commissioner an objection to discontinuance if:

(a) the employee elects not to request an administrative conference under section 60;

(b) if the employee fails to timely proceed under that section;

(c) if the discontinuance is not governed by that section; or

(d) if the employee disagrees with the commissioner's decision issued under that section. Within ten calendar days after receipt of an objection to discontinuance, the commissioner shall refer the matter to the office for a de novo hearing before a compensation judge to determine the right of the employee to further compensation.

Subd. 5. [PETITION TO DISCONTINUE.] Instead of filing a notice of discontinuance, an employer may serve on the employee and file with the commissioner a petition to discontinue compensation. A petition to discontinue compensation may also be used when the employer disagrees with the commissioner's decision under section 60. Within ten calendar days after receipt of a petition to discontinue, the commissioner shall refer the matter to the office for a de novo hearing before a compensation judge to determine the right of the employer to discontinue compensation.

The petition shall include copies of medical reports or other written reports or evidence in the possession of the employer bearing on the physical condition or other present status of the employee which relate to the proposed discontinuance. The employer shall continue payment of compensation until the filing of the decision of the compensation judge and thereafter as the compensation judge, court of appeals, or the supreme court directs, unless, during the interim, occurrences arise justifying the filing of a notice under subdivision 1 or 2 and the discontinuance is permitted by the commissioner's order or no conference under section 60 is requested.

Subd. 6. [EXPEDITED HEARING BEFORE A COMPENSATION JUDGE.] A hearing before a compensation judge shall be scheduled within 30 calendar days after the office receives the file from the commissioner if:

(a) an objection to discontinuance has been filed under subdivision 4 within 60 calendar days after the notice of discontinuance was filed and where no administrative conference has been held;

(b) an objection to discontinuance has been filed under subdivision 4 within 60 calendar days after the commissioner's decision under this section has been issued;

(c) a petition to discontinue has been filed by the insurer in lieu of filing a notice of discontinuance; or

(d) a petition to discontinue has been filed within 60 calendar days after the commissioner's decision under this section has been issued.

If the petition or objection is filed later than the deadlines listed above, the expedited procedures in this section apply only where the employee is unemployed at the time of filing the objection and shows, to the satisfaction of the chief administrative judge, by sworn affidavit, that the failure to file the objection within the deadlines was due to some infirmity or incapacity of the employee or to circumstances beyond the employee's control. The hearing shall be limited to the issues raised by the notice or petition unless all parties agree to expanding the issues. If the issues are expanded, the time limits for hearing and issuance of a decision by the compensation judge under this subdivision shall not apply.

Once a hearing date has been set, a continuance of the hearing date will be granted only under the following circumstances:

(a) the employer has agreed, in writing, to a continuation of the payment of benefits pending the outcome of the hearing; or

(b) the employee has agreed, in a document signed by the employee, that benefits may be discontinued pending the outcome of the hearing.

Absent a clear showing of surprise at the hearing or the unexpected unavailability of a crucial witness, all evidence must be introduced at the hearing. If it is necessary to accept additional evidence or testimony after the scheduled hearing date, it must be submitted no later than 14 days following the hearing, unless the compensation judge, for good cause, determines otherwise.

The compensation judge shall issue a decision pursuant to this subdivision within 30 days following the close of the hearing record.

Subd. 7. [ORDER OF COMPENSATION JUDGE.] If the order of the compensation judge confirms a discontinuance of compensation, the service and filing of the order relieves the employer from further liability for compensation subject to the right of review provided by this chapter, and to the right of the compensation judge to set aside the order at any time prior to the review and to grant a new hearing pursuant to this chapter. Once an appeal to the workers' compensation court of appeals is filed, a compensation judge may not set aside the order. In any appeal from the compensation judge's decision under this section, the court of appeals shall conclude any oral arguments by the parties within 60 days following certification of the record from the office.

Subd. 8. [NOTICE FORMS.] Notices under this section shall be on forms prescribed by the commissioner.

Subd. 9. [SERVICE ON ATTORNEY.] If the employee is presently represented by an attorney for the same injury, all notices required by this section shall also be served on the attorney.

Subd. 10. [FINES; VIOLATION.] An employer who violates requirements set forth in this section or section 60 is subject to a fine of up to \$500 for each violation payable to the special compensation fund.

Subd. 11. [APPLICATION OF SECTION.] This section shall not apply to those employees who have been adjudicated permanently totally disabled, or to those employees who have been administratively determined pursuant to division rules to be permanently totally disabled.

Sec. 60. [176.239] [ADMINISTRATIVE DECISION CONCERNING DISCONTINUANCE OF COMPENSATION.]

Subdivision 1. [PURPOSE.] The purpose of this section is to provide a procedure for parties to obtain an expedited interim administrative decision in disputes over discontinuance of temporary total, temporary partial, or permanent total compensation.

Subd. 2. [REQUEST FOR ADMINISTRATIVE CONFERENCE.] If the employee disagrees with the notice of discontinuance, the employee may request that the commissioner schedule an administrative conference to be conducted pursuant to this section.

If temporary total, temporary partial, or permanent total compensation has been discontinued because the employee has returned to work, and the employee believes benefits should be reinstated due to occurrences during the initial 14 calendar days of the employee's return to work, the employee's request must be received by the commissioner within 21 calendar days after the employee has returned to work. If the employer has failed to properly serve and file the notice as provided in section 59, the employee's time period to request an administrative conference is extended up to and including the 40th calendar day subsequent to the return to work.

If temporary total, temporary partial, or permanent total compensation has been discontinued for a reason other than a return to work, the employee's request must be received by the commissioner within 12 calendar days after the notice of discontinuance is received by the commissioner. If the employer discontinues compensation without giving notice as required by section 59, the employee's time period for requesting an administrative conference is extended up to and including the 40th calendar day after which the notice should have been served and filed.

The commissioner may determine that an administrative conference is not necessary under this section for reasons prescribed by rule and permit the employer to discontinue compensation, subject to the employee's right to file an objection to discontinuance under section 59, subdivision 4.

In lieu of making a written request for an administrative conference with the commissioner, an employee may make an in-person or telephone request for the administrative conference.

Subd. 3. [PAYMENT THROUGH DATE OF DISCONTINUANCE CONFERENCE.] *If a notice of discontinuance has been served and filed due to the employee's return to work, and the employee requests a conference, the employer is not obligated to reinstate or otherwise pay temporary total, temporary partial, or permanent total compensation unless so ordered by the commissioner.*

When an administrative conference is conducted under circumstances in which the employee has not returned to work, compensation shall be paid through the date of the administrative conference unless:

- (a) the employee has returned to work since the notice was filed;*
- (b) the employee fails to appear at the scheduled administrative conference; or*
- (c) due to unusual circumstances or pursuant to the rules of the division, the commissioner orders otherwise.*

Subd. 4. [SCHEDULING OF CONFERENCE.] *If the employee timely requests an administrative conference under this section, the commissioner shall schedule a conference within ten calendar days after receiving the request.*

Subd. 5. [CONTINUANCES.] *An employee or employer may request a continuance of a scheduled administrative conference. If the commissioner determines there is good cause for a continuance, the commissioner may grant the continuance for not more than 14 calendar days unless the parties agree to a longer continuance. If compensation is payable through the day of the administrative conference pursuant to subdivision 3, and the employee is granted a continuance, compensation need not be paid during*

the period of continuance unless the commissioner orders otherwise. If the employer is granted a continuance and compensation is payable through the day of the administrative conference pursuant to subdivision 3, then compensation shall continue to be paid during the continuance. The commissioner may grant an unlimited number of continuances provided that payment of compensation during any continuance is subject to this subdivision.

Subd. 6. [SCOPE OF THE ADMINISTRATIVE DECISION.] If benefits have been discontinued due to the employee's return to work, the commissioner shall determine whether, as a result of occurrences arising during the initial 14 calendar days after the return to work, the employee is entitled to additional payment of temporary total, temporary partial, or permanent total compensation.

If periodic payment of temporary total, temporary partial, or permanent total compensation has been discontinued for reasons other than a return to work, the commissioner shall determine whether the employer has reasonable grounds to support the discontinuance. Only information or reasons specified on the notice of discontinuance shall provide a basis for a discontinuance, unless the parties agree otherwise.

Subd. 7. [INTERIM ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference, the commissioner shall issue to all interested parties a written decision on payment of compensation. Administrative decisions under this section shall be issued within five working days from the close of the conference. Disputed issues of fact shall be determined by a preponderance of the evidence.

Subd. 8. [DISAGREEMENT WITH ADMINISTRATIVE DECISION.] An employee who disagrees with the commissioner's decision under this section may file an objection to discontinuance under section 59, subdivision 4. An employer who disagrees with the commissioner's decision under this section may file a petition to discontinue under section 59, subdivision 5.

Subd. 9. [ADMINISTRATIVE DECISION BINDING; EFFECT OF SUBSEQUENT DETERMINATIONS.] The commissioner's decision under this section is binding upon the parties and the rights and obligations of the parties are governed by the decision.

If an objection or a petition is filed under subdivision 8, the commissioner's administrative decision remains in effect and the parties' obligations or rights to pay or receive compensation are governed by the commissioner's administrative decision, pending a determination by a compensation judge pursuant to section 59, subdivision 6.

If the commissioner has denied a discontinuance or otherwise ordered commencement of benefits, the employer shall continue paying compensation until an order is issued by a compensation judge, the court of appeals, or the supreme court, allowing compensation to be discontinued, or unless, during the interim, occurrences arise justifying the filing of a notice under section 59, subdivision 1 or 2, and the discontinuance is permitted by the commissioner or no conference is requested. If a compensation judge, the court of appeals, or the supreme court later rules that the discontinuance was proper or that benefits were otherwise not owing the employee, payments made under the commissioner's administrative

decision and order shall be treated as an overpayment which the insurer may recover from the employee subject to section 176.179.

If the commissioner has permitted a discontinuance or otherwise not ordered commencement of benefits, the service and filing of the administrative decision relieves the employer from further liability for compensation subject to the right of review afforded by this chapter.

Subd. 10. [APPLICATION OF SECTION.] This section is applicable to all cases in which the employee's request for an administrative conference is received by the division after the effective date of this section even if the injury occurred prior to the effective date. This section shall not apply to those employees who have been adjudicated permanently totally disabled, or to those employees who have been administratively determined pursuant to division rules to be permanently totally disabled.

Sec. 61. Minnesota Statutes 1986, section 176.271, subdivision 1, is amended to read:

Subdivision 1. Unless otherwise provided by this chapter or by the commissioner of labor and industry, all proceedings before the division under this chapter are initiated by the filing of a written petition on a prescribed form with the commissioner of labor and industry at the commissioner's principal office. All claim petitions shall include the information required by section 176.291.

Sec. 62. Minnesota Statutes 1986, section 176.275, is amended to read:
176.275 [FILING OF PAPERS; PROOF OF SERVICE.]

Subdivision 1. [FILING.] If a document is required to be filed by this chapter or any rules adopted pursuant to authority granted by this chapter, the filing shall be completed by the receipt of the document at the division, department, office, or the court of appeals. The workers' compensation division, department, office, and the workers' compensation court of appeals shall file accept any paper document which has been delivered to it for legal filing immediately upon its receipt in the office of the commissioner of the department of labor and industry. The commissioner of the department of labor and industry shall file any paper which has been delivered to the commissioner for filing immediately upon its receipt.

A notice or other document required to be served or filed at either the department, the office, or the court of appeals which is inadvertently served or filed at the wrong one of these agencies shall be deemed to have been served or filed with the proper agency. The receiving agency shall note the date of receipt of a document and shall forward the documents to the proper agency no later than two working days following receipt.

Subd. 2. [PROOF OF SERVICE.] Whenever a provision of this chapter or rules adopted pursuant to authority granted by this chapter require either a proof of service or affidavit of service, the requirement is satisfied by the inclusion of a proof of service on the document which has been served, in a form acceptable by the state district courts or approved by the commissioner.

Sec. 63. Minnesota Statutes 1986, section 176.291, is amended to read:
176.291 [DISPUTES AND DEFAULTS; PETITIONS; PROCEDURE.]

Where there is a dispute as to a question of law or fact in connection with a claim for compensation, or where there has been a default in the

payment of compensation for a period of ten days, a party may present ~~serve on all other parties and file a verified notarized petition to~~ with the commissioner stating the matter in dispute ~~or the fact of default~~. The petition shall be on a form prescribed by the commissioner.

The petition shall also state and include, where applicable:

- (1) names and residence or business address of parties;
- (2) facts relating to the employment at the time of injury, including amount of wages received;
- (3) extent and character of injury;
- (4) notice to or knowledge by employer of injury;
- (5) facts which the commissioner by rule requires; and,
- ~~(6) such other facts as are necessary for the information of the commissioner, a compensation judge or the workers' compensation court of appeals copies of written medical reports or other information in support of the claim;~~
- (6) names and addresses of all known witnesses intended to be called in support of the claim;
- (7) the desired location of any hearing and estimated time needed to present evidence at the hearing;
- (8) any requests for a prehearing or settlement conference;
- (9) a list of all known third parties, including the departments of human services and jobs and training, who may have paid any medical bills or other benefits to the employee for the injuries or disease alleged in the petition or for the time the employee was unable to work due to the injuries or disease, together with a listing of the amounts paid by each;
- (10) the nature and extent of the claim; and
- (11) a request for an expedited hearing which must include an attached affidavit of significant financial hardship which complies with the requirements of section 79.

Incomplete petitions may be stricken from the calendar as provided by section 68. Within 30 days of a request by a party, an employee who has filed a claim petition pursuant to section 176.271 or this section shall furnish a list of physicians and health care providers from whom the employee has received treatment for the same or a similar condition as well as authorizations to release relevant information, data, and records to the requester. The petition may be stricken from the calendar upon motion of a party for failure to timely provide the required list of health care providers or authorizations.

Sec. 64. Minnesota Statutes 1986, section 176.301, subdivision 1, is amended to read:

Subdivision 1. [~~TRIAL BY COURT; REFERENCE TO COMMISSIONER CHIEF ADMINISTRATIVE LAW JUDGE.~~] When a workers' compensation issue ~~has been joined~~ is present in the district court action, the court may try the action itself without a jury, or refer the matter to the commissioner. ~~In the latter case, the commissioner shall refer the matter to the chief administrative law judge for assignment to a compensation judge. The compensation judge shall report findings and decisions to the~~

district court. The court may approve or disapprove such decision in the same manner as it approves or disapproves the report of a referee. The court shall enter judgment upon such decision.

Sec. 65. Minnesota Statutes 1986, section 176.305, subdivision 1, is amended to read:

Subdivision 1. [HEARINGS ON PETITIONS.] The petitioner shall serve a copy of the petition on each adverse party personally or by first class mail. The original petition shall then be filed with the commissioner together with an appropriate affidavit of service. When any petition has been filed with the workers' compensation division, the commissioner shall, within ten days, refer the matter presented by the petition to a settlement judge. ~~The settlement judge shall schedule a settlement conference if appropriate within 60 days. If a settlement conference is not appropriate, or if such a conference or conferences do not result in progress toward a settlement, the settlement judge shall certify the matter for a hearing before a compensation judge and shall refer the matter to the chief administrative law judge to be heard by a compensation judge for a settlement conference under this section, for an administrative conference under section 27, or for hearing to the office.~~

Sec. 66. Minnesota Statutes 1986, section 176.305, is amended by adding a subdivision to read:

Subd. 1a. [SETTLEMENT AND PRETRIAL CONFERENCES; SUMMARY DECISION.] The commissioner shall schedule a settlement conference, if appropriate, within 60 days after receiving the petition. All parties must appear at the conference, either personally or by representative, must be prepared to discuss settlement of all issues, and must be prepared to discuss or present the information required by the joint rules of the division and the office. If a representative appears on behalf of a party, the representative must have authority to fully settle the matter.

If settlement is not reached, the presiding officer may require the parties to present copies of all documentary evidence not previously filed and a summary of the evidence they will present at a formal hearing. If appropriate, a written summary decision shall be issued within ten days after the conference stating the issues and a determination of each issue. If a party fails to appear at the conference, all issues may be determined contrary to the absent party's interest, provided the party in attendance presents a prima facie case.

The summary decision is final unless a written request for a formal hearing is served on all parties and filed with the commissioner within 30 days after the date of service and filing of the summary decision. Within ten days after receipt of the request, the commissioner shall certify the matter to the office for a de novo hearing.

Sec. 67. Minnesota Statutes 1986, section 176.305, subdivision 2, is amended to read:

Subd. 2. [COPY OF PETITION.] The commissioner shall deliver the original petition and answer, after certification for a hearing ~~before a compensation judge by a settlement judge~~, to the office of administrative hearings for assignment to a compensation judge.

Sec. 68. Minnesota Statutes 1986, section 176.305, is amended by adding a subdivision to read:

Subd. 4. [STRIKING FROM CALENDAR.] A compensation judge or the commissioner, after receiving a properly served motion, may strike a case from the active trial calendar after the employee has been given 30 days to correct the deficiency if it is shown that the information on the petition or included with the petition is incomplete. Once a case is stricken, it may not be reinstated until the missing information is provided to the adverse parties and filed with the commissioner or compensation judge. If a case has been stricken from the calendar for one year or more and no corrective action has been taken, the commissioner or a compensation judge may, upon the commissioner's or judge's own motion or a motion of a party which is properly served on all parties, dismiss the case. The petitioner must be given at least 30 days advance notice of the proposed dismissal before the dismissal is effective.

Sec. 69. Minnesota Statutes 1986, section 176.306, subdivision 1, is amended to read:

Subdivision 1. [CHIEF ADMINISTRATIVE LAW JUDGE.] The chief administrative law judge shall schedule workers' compensation hearings on as regular a schedule as may be practicable in no fewer than six widely separated locations throughout the state, including at least four locations outside of the seven county metropolitan area and Duluth, for the purpose of providing a convenient forum for parties to a compensation hearing and shall maintain a permanent office in Duluth staffed by at least one compensation judge. *Continuances of the scheduled hearing date may be granted only under section 77.*

Sec. 70. Minnesota Statutes 1986, section 176.306, is amended by adding a subdivision to read:

Subd. 3. [SCHEDULING MATTERS.] A compensation judge may schedule a pretrial or settlement conference, whether or not a party requests such a conference.

Sec. 71. Minnesota Statutes 1986, section 176.312, is amended to read:

176.312 [AFFIDAVIT AFFIDAVITS OF PREJUDICE AND PETITIONS FOR REASSIGNMENT.]

In accordance with rules adopted by the chief administrative law judge, an affidavit of prejudice for cause may be filed by a party to the claim against a compensation judge, in the same manner as an affidavit of prejudice is filed pursuant to law or rule of district court assigned to hear a case. The filing of an affidavit of prejudice against a compensation judge has the same effect and shall be treated in the same manner as in district court.

A petition for reassignment of a case to a different compensation judge for hearing may be filed once, in any case, by a party to the claim within ten days after the filing party has received notice of the assigned judge. Upon receipt of a timely petition for reassignment, the chief administrative law judge shall assign the case to another judge.

An affidavit of prejudice or a petition for reassignment shall be filed with the chief administrative law judge and shall not result in the continuance or delay of a hearing scheduled under section 176.341.

This section does not apply to prehearing or settlement conferences.

Sec. 72. Minnesota Statutes 1986, section 176.321, subdivision 2, is

amended to read:

Subd. 2. [CONTENTS.] The answer shall admit, deny, or affirmatively defend against the substantial averments of the petition, and shall state the contention of the adverse party with reference to the matter in dispute.

Each fact alleged by the petition or answer and not specifically denied by the answer or reply is deemed admitted, but the failure to deny such a fact does not preclude the workers' compensation court of appeals, commissioner, or compensation judge from requiring proof of the fact.

The answer shall include the names and addresses of all known witnesses; whether or not the employer intends to schedule an adverse examination and, if known, the date, time, and place of all adverse examinations; the desired location for a hearing; any request for a prehearing or settlement conference; the estimated time needed to present evidence at a hearing; and, if an affidavit of significant financial hardship and request for an expedited hearing are included with the petition, any objection the employer may have to that request. If the date, time, and place of all adverse examinations is unknown at the time the answer is filed, the employer must notify the commissioner in writing of the date, time, and place of all adverse examinations within 50 days of the filing of the claim petition.

Sec. 73. Minnesota Statutes 1986, section 176.321, subdivision 3, is amended to read:

Subd. 3. [EXTENSION OF TIME IN WHICH TO FILE ANSWER.] Upon showing of cause, the commissioner of the department of labor and industry may extend the time in which to file an answer or reply for not more than 30 additional days. The time to file an answer or reply may also be extended upon agreement of the petitioner, *provided that the agreement must be filed with the commissioner, and provided that the commissioner must be notified in writing by the employer no later than five days beyond the time required for the filing of the answer of the fact that an agreement has been reached, including the length of the extension. If an answer is not filed and there has been no extension by order of the commissioner or by agreement, the failure to file an answer shall be treated as a default. Any case received by the office that does not include an answer or written extension order or agreement shall be immediately set for a hearing at the first available date under section 176.331.*

Sec. 74. [176.322] [SUMMARY JUDGMENT.]

If the parties agree to a stipulated set of facts and only legal issues remain, the commissioner or compensation judge may determine the matter without a hearing based upon the stipulated facts and the determination is appealable to the court of appeals pursuant to sections 176.421 and 176.442.

Sec. 75. Minnesota Statutes 1986, section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT PROCEEDINGS WHEN ANSWER NOT FILED.]

Except in cases involving multiple employers or multiple insurers, if an adverse party fails to file and serve an answer and the petitioner presents proof of this fact, the commissioner or compensation judge may enter whatever award or order to which the petitioner is entitled on the basis of the facts alleged in the petition, but the compensation judge may require

~~proof of an alleged fact. If the commissioner requires proof or obtain an extension from the commissioner or the petitioner as required by section 176.321, subdivision 3, the commissioner shall request refer the matter to the chief administrative law judge to assign the matter to a compensation judge for an immediate hearing and prompt award or other order. The adverse party that failed to file an answer may appear at the hearing, present evidence and question witnesses, but shall not be granted a continuance for any reason.~~

If an adverse party who fails to serve and file an answer is neither insured for workers' compensation liability nor a licensed self-insured as required by section 176.181 and the special compensation fund is a party to the proceeding, the commissioner or compensation judge may enter an order awarding benefits to the petitioning party without a hearing if so requested by the special compensation fund.

~~Where in a default case the petition does not state facts sufficient to support an award, the compensation judge shall give the petitioner or the petitioner's attorney written notice of this deficiency. The petitioner may thereupon serve and file another petition as in the case of an original petition.~~

Sec. 76. Minnesota Statutes 1986, section 176.341, subdivision 3, is amended to read:

Subd. 3. [NOTICE MAILED TO EACH PARTY.] *Unless section 79 applies, at least 30 days prior to the date of hearing, the chief administrative law judge shall mail a notice of the time and place of hearing to each interested party. This subdivision does not apply to hearings which have been continued from an earlier date. In those cases, the notice shall be given in a manner deemed appropriate by the chief administrative law judge after considering the particular circumstances in each case.*

Sec. 77. Minnesota Statutes 1986, section 176.341, is amended by adding a subdivision to read:

Subd. 4. [CONTINUANCES.] *Only the chief administrative law judge or designee, on a showing of good cause, may grant a continuance of a hearing at the office. Except in cases of emergency or other good cause shown, any request for a continuance must be signed by both the party and the attorney seeking the continuance.*

A continuance of a hearing will be granted only upon a showing of good cause. Good cause is established when the underlying eventuality is unforeseen, is not due to lack of preparation, is relevant, is brought to the chief administrative law judge's attention in a timely manner and does not prejudice the adversary.

Continuances will not be granted for the reason that an attorney for one of the parties has scheduled a vacation for the date set for the hearing unless the attorney has, prior to the setting of the hearing date, notified the office of the unavailable dates.

Continuances which are requested during the course of a hearing are subject to the same standards but may be granted or denied by the compensation judge assigned to the hearing. Continuances of prehearing or settlement conferences at the department or at the office are subject to the same standards but may be granted or denied by a settlement judge, the calendar judge, compensation judge, or other presiding officer assigned

to the prehearing or settlement conference.

Sec. 78. Minnesota Statutes 1986, section 176.341, is amended by adding a subdivision to read:

Subd. 5. [EVIDENCE.] Absent a clear showing of surprise at the hearing or the unexpected unavailability of a crucial witness, all evidence must be submitted at the time of the hearing. Upon a showing of good cause, the compensation judge may grant an extension not to exceed 30 days following the hearing date.

Sec. 79. Minnesota Statutes 1986, section 176.341, is amended by adding a subdivision to read:

Subd. 6. [SIGNIFICANT FINANCIAL HARDSHIP; EXPEDITED HEARINGS.] An employee may file a request for an expedited hearing which must be granted upon a showing of significant financial hardship. In determining whether a significant financial hardship exists, consideration shall be given to whether the employee is presently employed, the employee's income from all sources, the nature and extent of the employee's expenses and debts, whether the employee is the sole support of any dependents, whether either foreclosure of homestead property or repossession of necessary personal property is imminent, and any other matters which have a direct bearing on the employee's ability to provide food, clothing, and shelter for the employee and any dependents.

A request for an expedited hearing must be accompanied by a sworn affidavit of the employee providing facts necessary to satisfy the criteria for a significant financial hardship. The request may be made at the time a claim petition is filed or any time thereafter. Unless the employer objects to the request in the answer to the claim petition or within 20 calendar days of the filing of a request made subsequent to the filing of the claim petition, the affidavit is a sufficient showing of significant financial hardship.

If a request for an expedited hearing has been served and filed, the commissioner or compensation judge shall issue an order granting or denying the request, provided that where the parties agree that significant financial hardship exists or no objection to the request is timely filed, the request is automatically granted and the compensation judge or commissioner need not issue an order. If it is denied, the matter will be returned to the regular calendar of cases and the request for an expedited hearing may be renewed at a settlement conference. If no objection has been timely filed or if the request is granted, the commissioner shall immediately refer the matter to the office to commence prehearing procedures.

The calendar judge shall issue a prehearing order and notice of the date, time, and place for a prehearing conference which shall be set for no later than 45 days following the filing of the affidavit of significant financial hardship. The prehearing order shall require the parties to serve and file prehearing statements no later than five working days prior to the date set for the prehearing conference. The prehearing statements shall include those items listed in the joint rules of the division and the office which the calendar judge deems appropriate.

Following any prehearing conference and absent an agreement or stipulation from the parties, the commissioner or compensation judge shall issue an order establishing deadlines for the parties to complete their preparation for hearing and, after consultation with the calendar judge, establishing the date, time, and place for a hearing.

Sec. 80. Minnesota Statutes 1986, section 176.351, subdivision 2a, is amended to read:

Subd. 2a. [SUBPOENAS NOT PERMITTED.] A member of the rehabilitation review panel or medical services board or an employee of the department who has conducted an administrative or settlement conference or hearing under ~~section 176.102, 176.103, 176.135, 176.136, 176.242, or 176.243~~ section 27 or 60, shall not be subpoenaed to testify regarding the conference, hearing, or concerning a mediation session. A member of the rehabilitation review panel, medical services board, or an employee of the department may be required to answer written interrogatories limited to the following questions:

(a) Were all statutory and administrative procedural rules adhered to in reaching the decision?

(b) If the answer to question (a) is no, what deviations took place?

(c) Did the person making the decision consider all the information presented prior to rendering a decision?

(d) Did the person making the decision rely on information outside of the information presented at the conference or hearing in making the decision?

(e) If the answer to question (d) is yes, what other information was relied upon in making the decision?

In addition, for a hearing with a compensation judge and with the consent of the compensation judge, an employee of the department who conducted an administrative conference, hearing, or mediation session, may be requested to answer written interrogatories relating to statements made by a party at the prior proceeding. These interrogatories shall be limited to affirming or denying that specific statements were made by a party.

Sec. 81. Minnesota Statutes 1986, section 176.361, subdivision 2, is amended to read:

Subd. 2. [WRITTEN APPLICATION.] A person desiring to intervene in a workers' compensation case as a party, including but not limited to a health care provider who has rendered services to an employee or an insurer who has paid benefits under section 176.191, shall submit a timely written application to intervene to the ~~compensation or settlement judge to whom the case has been assigned. If the case has not yet been assigned, the application shall be made to the calendar judge if the case has been certified to the office, or to the division if the case has not been certified to commissioner, the office, or to the mediation or rehabilitation and medical services section if the matter is pending in that section~~ court of appeals, whichever is applicable.

(a) The application must be served on all parties either personally, by first class mail, or registered mail, return receipt requested. An application to intervene must be served and filed within 30 days after a person has received notice that a claim has been filed or a request for mediation made. An untimely application is subject to denial under subdivision 7.

(b) In any other situation, timeliness will be determined by the *commissioner, compensation judge, or awarding authority* in each case based on circumstances at the time of filing. The application must show how the applicant's legal rights, duties, or privileges may be determined or affected by the case; state the grounds and purposes for which intervention is sought;

and indicate the statutory right to intervene. The application must be accompanied by the following, if applicable, except that if the action is pending in the mediation or rehabilitation and medical services section, clause (6) is not required and the information listed in clauses (1) to (5) may be brought to the conference rather than attached to the application:

(1) an itemization of disability payments showing the period during which the payments were or are being made; the weekly or monthly rate of the payments; and the amount of reimbursement claimed;

(2) a summary of the medical or treatment payments, or rehabilitation services provided by the division of vocational rehabilitation, broken down by creditor, showing the total bill submitted, the period of treatment or rehabilitation covered by that bill, the amount of payment on that bill, and to whom the payment was made;

(3) copies of all medical or treatment bills on which some payment was made;

(4) copies of the work sheets or other information stating how the payments on medical or treatment bills were calculated;

(5) a copy of the relevant policy or contract provisions upon which the claim for reimbursement is based;

(6) a proposed order allowing intervention with sufficient copies to serve on all parties;

(7) the name and telephone number of the person representing the intervenor who has authority to reach a settlement of the issues in dispute;

(8) proof of service or copy of the registered mail receipt;

(9) at the option of the intervenor, a proposed stipulation which states that all of the payments for which reimbursement is claimed are related to the injury or condition in dispute in the case and that, if the petitioner is successful in proving the compensability of the claim, it is agreed that the sum be reimbursed to the intervenor; and

(10) if represented by an attorney, the name, address, telephone number, and Minnesota Supreme Court license number of the attorney.

Sec. 82. Minnesota Statutes 1986, section 176.361, subdivision 5, is amended to read:

Subd. 5. [ORDER.] If an objection to intervention remains following settlement or pretrial conferences, the ~~calendar~~ commissioner or compensation judge shall rule on the intervention and the order is binding on the compensation judge to whom the case is assigned for hearing.

Sec. 83. Minnesota Statutes 1986, section 176.361, subdivision 7, is amended to read:

Subd. 7. [EFFECTS OF NONCOMPLIANCE.] Failure to comply with this section shall not result in a denial of the claim for reimbursement unless the compensation judge, or commissioner, or settlement judge determines that the noncompliance has materially prejudiced the interests of the other parties.

Sec. 84. Minnesota Statutes 1986, section 176.371, is amended to read:
176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all competent, relevant evidence produced at the hearing. All questions of fact and law submitted to a compensation judge at the hearing shall be disposed of and the judge's decision shall be filed with the commissioner, *except where expedited procedures require a shorter time*, within 60 days after the submission, unless sickness or casualty prevents a timely filing, ~~or the time is extended by written consent of the parties~~, or the chief administrative law judge extends the time for good cause. The compensation judge's decision shall include a determination of all contested issues of fact and law and an award or disallowance of compensation or other order as the pleadings, evidence, this chapter and rule require. A compensation judge's decision shall include a memorandum only if necessary to delineate the reasons for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.

No part of the salary of a compensation judge shall be paid unless the chief administrative law judge determines that all decisions of that judge have been issued within the time ~~limit~~ *limits* prescribed by this ~~section~~ *chapter*.

Sec. 85. Minnesota Statutes 1986, section 176.411, subdivision 1, is amended to read:

Subdivision 1. [CONDUCT OF HEARINGS AND INVESTIGATIONS.] Except as otherwise provided by this chapter, when a compensation judge makes an investigation or conducts a hearing, the compensation judge is bound neither by the common law or statutory rules of evidence nor by technical or formal rules of pleading or procedure. *Hearsay evidence which is reliable is admissible*. The investigation or hearing shall be conducted in a manner to ascertain the substantial rights of the parties.

Findings of fact shall be based upon ~~competent~~ *relevant and material* evidence only, *as presented by competent witnesses*, and shall comport with section 176.021.

Sec. 86. Minnesota Statutes 1986, section 176.421, is amended by adding a subdivision to read:

Subd. 3a. [CROSS-APPEAL.] The respondent may cross-appeal within the 30-day period for taking an appeal, or within 15 days after service of the notice of appeal on that respondent, whichever is later.

Sec. 87. Minnesota Statutes 1986, section 176.421, subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30-day period for taking an appeal, the appellant shall:

- (1) serve a copy of the notice of appeal on each adverse party;
- (2) file the original notice, with proof of service by admission or affidavit, with the chief administrative law judge and file a copy with the commissioner;
- (3) in order to defray the cost of the preparation of the record of the proceedings appealed from, pay to the state treasurer, office of administrative hearings account the sum of \$25.

The first party to file an appeal is liable for the original cost of preparation of the transcript. Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy. *The chief administrative law judge may require payment for transcription costs to be made in advance of the transcript preparation.* The cost of a transcript prepared by a nongovernmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief administrative law judge may direct that a transcript be prepared without expense to the party requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 88. Minnesota Statutes 1986, section 176.442, is amended to read:
176.442 [APPEALS FROM DECISIONS OF COMMISSIONER.]

Except for a commissioner's decision which may be heard de novo in another proceeding including but not limited to a decision from an administrative conference under section 176.102, 176.103, ~~176.242, or 176.243, 27, 60,~~ or a summary decision under section 176.305, any decision or determination of the commissioner affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by the determination may appeal to the workers' compensation court of appeals by filing a notice of appeal with the commissioner in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 89. Minnesota Statutes 1986, section 176.511, subdivision 1, is amended to read:

Subdivision 1. [PARTIES NOT AWARDED COSTS.] Except as provided otherwise by this chapter and specifically by this section, in appeals before the ~~workers' compensation court of appeals or hearings proceedings before the division or a compensation judge, the rehabilitation review panel, or the medical services review board~~ costs shall not be awarded to ~~either any~~ party.

Sec. 90. Minnesota Statutes 1986, section 176.511, subdivision 2, is amended to read:

Subd. 2. [DISBURSEMENTS, TAXATION.] ~~The commissioner or compensation judge, the commissioner on behalf of the rehabilitation review panel or the medical services review board or on appeals to appeal the workers' compensation court of appeals, the workers' compensation court of appeals~~ may award the prevailing party reimbursement for actual and necessary disbursements. These disbursements shall be taxed upon five days written notice to adverse parties.

Sec. 91. Minnesota Statutes 1986, section 176.511, subdivision 3, is

amended to read:

Subd. 3. [ATTORNEY'S FEE, ALLOWANCE.] Where upon an appeal to the workers' compensation court of appeals, an award of compensation is affirmed, or modified and affirmed, or an order disallowing compensation is reversed, the workers' compensation court of appeals may include in its award as an incident to its review on appeal an amount to cover a reasonable attorney's fee, or it may allow the fee in a proceeding to tax disbursements.

If the employer or insurer files a notice of discontinuance of an employee's benefits and an administrative conference is held to resolve the dispute, but the employer or insurer fails to attend the administrative conference, the commissioner or compensation judge may order the employer or insurer to pay the employee's attorney fees as a cost under this section if the employee's benefits are continued.

Sec. 92. Minnesota Statutes 1986, section 176.521, is amended to read:
176.521 [SETTLEMENT OF CLAIMS.]

Subdivision 1. [VALIDITY.] An agreement between an employee or an employee's dependent and the employer or insurer to settle any claim, which is not upon appeal before the workers' compensation court of appeals, for compensation under this chapter is valid where it has been executed in writing and signed by the parties and intervenors in the matter, and, where one or more of the parties is not represented by an attorney, the ~~division commissioner~~ or a compensation judge has approved the settlement and made an award thereon. If the matter is upon appeal before the workers' compensation court of appeals or district court, the workers' compensation court of appeals or district court is the approving body.

Subd. 2. [APPROVAL.] Settlements shall be approved only if the terms conform with this chapter.

The ~~division commissioner~~, a compensation judge, the workers' compensation court of appeals, and the district court shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or the employee's dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be conclusively presumed to be reasonable, fair, and in conformity with this chapter except when the settlement purports to be a full, final, and complete settlement of an employee's right to medical compensation under this chapter or rehabilitation under section 176.102. A settlement which purports to do so must be approved by the ~~division commissioner~~, a compensation judge, or workers' compensation court of appeals.

The conclusive presumption in this subdivision applies to a settlement agreement entered into on or after January 15, 1982, whether the injury to which the settlement applies occurred prior to or on or after January 15, 1982.

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, *the commissioner*, a compensation judge, a ~~settlement judge~~, or the workers' compensation court of appeals shall immediately sign the

award and file it with the commissioner. Payment pursuant to the award shall be made within 14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.

Subd. 3. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding the provisions of subdivision 1, 2, or 2a, or any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement, the ~~workers' compensation~~ court of appeals may set aside an award made upon a settlement, pursuant to this chapter. In appropriate cases, the ~~workers' compensation~~ court of appeals may refer the matter to the chief administrative law judge for assignment to a compensation judge for hearing.

Sec. 93. Minnesota Statutes 1986, section 176.541, subdivision 2, is amended to read:

Subd. 2. [DEFENSE OF CLAIM AGAINST STATE.] When the commissioner of ~~the department of labor and industry~~ *employee relations* believes that a claim against the state for compensation should be contested, the commissioner shall defend the state claim.

Sec. 94. Minnesota Statutes 1986, section 176.541, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF ATTORNEY GENERAL.] At any stage in such a compensation proceeding, the attorney general may assume the duty of defending the state. When the commissioner of ~~the department of labor and industry~~ *employee relations* or a department of this state requests the attorney general to assume the defense, the attorney general shall do so.

Sec. 95. Minnesota Statutes 1986, section 176.541, subdivision 4, is amended to read:

Subd. 4. [MEDICAL EXAMINATION OF EMPLOYEE; WITNESSES; CONDUCT OF DEFENSE.] In conducting a defense against a claim for compensation, the commissioner of the department of ~~labor and industry~~ *employee relations* or the attorney general, as the case may be, may require that an employee submit to a medical examination, procure the attendance of expert and other witnesses at a hearing, and do any other act necessary to conduct a proper defense.

Sec. 96. Minnesota Statutes 1986, section 176.541, subdivision 6, is amended to read:

Subd. 6. [LEGAL AND CLERICAL HELP.] The commissioner of ~~the department of labor and industry~~ *employee relations* may employ such legal and clerical help as authorized by the department of administration. The salaries of these persons shall be paid from the state compensation revolving fund, but shall be apportioned among the several departments of the state in relation to the amount of compensation paid to employees of any department as against the total amount of compensation paid to employees of all departments.

Sec. 97. Minnesota Statutes 1986, section 176.571, subdivision 1, is amended to read:

Subdivision 1. [PRELIMINARY INVESTIGATION.] When the head of a department has filed a report or the commissioner of ~~the department of labor and industry~~ *employee relations* has otherwise received information of the occurrence of an injury to a state employee for which liability to

pay compensation may exist, the commissioner of the department of labor and industry *employee relations* shall make a preliminary investigation to determine the question of probable liability.

In making this investigation, the commissioner of the department of labor and industry *employee relations* may require the assistance of the head of any department or any employee of the state. The commissioner of the department of labor and industry *employee relations* may require that all facts be furnished which appear in the records of any state department bearing on the issue.

Sec. 98. Minnesota Statutes 1986, section 176.571, subdivision 2, is amended to read:

Subd. 2. [~~FINDINGS OF FACT, PROPOSED ORDER DETERMINATION BY DEPARTMENT.~~] When the commissioner of the department of labor and industry *employee relations* has completed an investigation, the commissioner shall ~~make findings of fact and shall enter an award or other order which the commissioner proposes to make relating to the liability of the state to pay compensation~~ *inform the claimant, the head of the employing department, and the commissioner of finance in writing of the action taken.*

Sec. 99. Minnesota Statutes 1986, section 176.572, is amended to read:

176.572 [~~CONTRACT WITH INSURANCE CARRIERS.~~]

The commissioner of *employee relations* may contract with group health insurance carriers or health maintenance organizations to provide health care services and reimburse health care payments for injured state employees entitled to benefits under this chapter.

Sec. 100. Minnesota Statutes 1986, section 176.581, is amended to read:

176.581 [~~FINDINGS AND FINAL ORDER PAYMENT TO STATE EMPLOYEES.~~]

Subdivision 1. [~~FILING OF CERTIFIED COPIES.~~] The commissioner of the department of labor and industry shall file a certified copy of the findings and final order with the attorney general and the commissioner of finance.

Subd. 2. [~~PAYMENT OF COMPENSATION.~~] Upon a warrant prepared by the commissioner of the department of labor and industry *employee relations* and approved by the commissioner of finance, and in accordance with the terms of the order awarding compensation, the state treasurer shall pay compensation to the employee or the employee's dependent. These payments shall be made from money appropriated for this purpose.

Subd. 3. [~~RECEIPTS FILED.~~] The person to whom compensation is paid shall file with the commissioner of the department of labor and industry all current interim and final receipts for such payment as is required of employers.

Sec. 101. Minnesota Statutes 1986, section 176.591, subdivision 3, is amended to read:

Subd. 3. [~~COMPENSATION PAYMENTS UPON WARRANTS.~~] The state treasurer shall make compensation payments from the fund only as authorized by this chapter upon warrants of the commissioner of the department of labor and industry *employee relations*.

Sec. 102. Minnesota Statutes 1986, section 176.603, is amended to read:
176.603 [COST OF ADMINISTERING CHAPTER, PAYMENT.]

The annual cost to the commissioner of the department of ~~labor and industry employee relations~~ of administering this chapter in relation to state employees and the necessary expenses which the department of ~~labor and industry employee relations~~ or the attorney general incurs in investigating, administering, and defending a claim against the state for compensation shall be paid from the state compensation revolving fund.

Sec. 103. Minnesota Statutes 1986, section 176.83, subdivision 5, is amended to read:

Subd. 5. [EXCESSIVE MEDICAL SERVICES.] In consultation with the medical services review board or the rehabilitation review panel, rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the payer that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer, and the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program unless the commissioner, ~~medical services review board, or workers' compensation court of appeals or compensation judge~~ determines at a hearing ~~or administrative conference~~ that the level, frequency, or cost was not excessive in which case the insurer, self-insurer, or group self-insurer shall make the payment deemed reasonable.

A health or rehabilitation provider who is determined by the ~~commissioner~~ ~~rehabilitation review board, after hearing,~~ to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under this chapter. A prohibition imposed on a provider under this subdivision may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.

The rules adopted under this subdivision shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause.

Sec. 104. Minnesota Statutes 1986, section 176.83, subdivision 7, is amended to read:

Subd. 7. [MISCELLANEOUS RULES.] Rules necessary for implementing and administering the provisions of sections 176.131, 176.132, 176.134, sections ~~176.242 60~~ and ~~176.243 61~~; sections 176.251, 176.66 to 176.669, and rules regarding proper allocation of compensation under section 176.111. Under the rules adopted under section 176.111 a party may petition for a hearing before a compensation judge to determine the

proper allocation. In this case the compensation judge may order a different allocation than prescribed by rule.

Sec. 105. Minnesota Statutes 1986, section 176.83, subdivision 11, is amended to read:

Subd. 11. [~~SUITABLE GAINFUL EMPLOYMENT INDEPENDENT CONTRACTORS.~~] Rules establishing criteria to be used by the division, compensation judge, and workers' compensation court of appeals to determine "~~suitable gainful employment~~" and "independent contractor."

Sec. 106. Minnesota Statutes 1986, section 176.84, is amended to read:
176.84 [SPECIFICITY OF NOTICE OR STATEMENT.]

Subdivision 1. [SPECIFICITY REQUIRED.] ~~All Notices or statements required by this chapter including, but not limited to, notices or statements pursuant to sections 176.102; 176.221; 176.241; 176.242; and 176.243 of discontinuance and denials of liability shall be sufficiently specific to convey clearly, without further inquiry, the basis upon which the party issuing the notice or statement is acting. If the commissioner or compensation judge determines that a notice or statement is not sufficiently specific to meet the standard under this section, the notice or statement may be rejected as unacceptable and the party issuing it shall be informed of this. The rejected notice or statement may be amended to meet the requirement of this section or a new one may be filed.~~

Subd. 2. [EFFECTIVE DATE.] *This section shall not be effective until the commissioner adopts rules which specify what is required to be contained in the notice of discontinuance and the denial of liability.*

Sec. 107. Minnesota Statutes 1986, section 176B.02, is amended to read:
176B.02 [PEACE OFFICERS BENEFIT FUND.]

There is hereby created in the state treasury an account to be known as peace officers benefit fund. Funds in the peace officers benefit fund shall consist of moneys appropriated to that fund. The administrator of the fund is the commissioner of ~~labor and industry~~ *employee relations*, who shall follow the procedures specified in section 176.541, subdivisions 2, 3, and 4.

Sec. 108. Minnesota Statutes 1986, section 176B.05, is amended to read:
176B.05 [ATTORNEY'S FEES FOR CLAIMING BENEFITS.]

No fee for legal services which is claimed for the work of an attorney relating to a claim made pursuant to the provisions of sections 176B.01 to 176B.05 is binding unless the amount of the fee charged is determined and approved in writing by *the commissioner, compensation judge, or the workers' compensation court of appeals.*

Sec. 109. [REPEALER.]

Minnesota Statutes 1986, sections 176.012; 176.101, subdivision 3v; 176.102, subdivision 6a; 176.103, subdivision 4; 176.136, subdivision 4; 176.195, subdivisions 4, 5, and 6; 176.241; 176.242; 176.2421; 176.243; 176.244; 176.271, subdivision 2; 176.501; 176.571, subdivisions 3, 4, 5, 6, and 7; and 176.602, are repealed."

Delete the title and insert:

"A bill for an act relating to workers compensation; providing a general administrative reform; providing for certain proceedings to be expedited; providing penalties; amending Minnesota Statutes 1986, sections 14.48; 175.007, subdivision 1; 175.101, subdivision 2; 176.011, subdivisions 2, 6, 7a, 9, 17, and by adding subdivisions; 176.021, subdivision 1a; 176.041, subdivision 1, and by adding a subdivision; 176.081, subdivision 2; 176.102, subdivisions 2, 3, 3a, 4, 6, 8, 10, and 13; 176.103, subdivisions 2 and 3; 176.111, subdivision 17; 176.133; 176.135, subdivisions 1, 1a, 2, 3, and by adding subdivisions; 176.136, subdivision 2; 176.1361; 176.139; 176.155, subdivisions 1, 2, 3, and 5; 176.179; 176.185, by adding a subdivision; 176.191, subdivisions 1 and 2; 176.195, subdivision 3, and by adding subdivisions; 176.221, subdivisions 1, 3, and 7; 176.225, subdivisions 1 and 4; 176.231, subdivisions 2, 10, and by adding a subdivision; 176.271, subdivision 1; 176.275; 176.291; 176.301, subdivision 1; 176.305, subdivisions 1, 2, and by adding subdivisions; 176.306, subdivision 1, and by adding a subdivision; 176.312; 176.321, subdivisions 2 and 3; 176.331; 176.341, subdivision 3, and by adding subdivisions; 176.351, subdivision 2a; 176.361, subdivisions 2, 5, and 7; 176.371; 176.411, subdivision 1; 176.421, subdivision 4, and by adding a subdivision; 176.442; 176.511, subdivisions 1, 2, and 3; 176.521; 176.541, subdivisions 2, 3, 4, and 6; 176.571, subdivisions 1 and 2; 176.572; 176.581; 176.591, subdivision 3; 176.603; 176.83, subdivisions 5, 7, and 11; 176.84; 176B.02; and 176B.05; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1986, sections 176.012; 176.101, subdivision 3v; 176.102, subdivision 6a; 176.103, subdivision 4; 176.136, subdivision 4; 176.195, subdivisions 4, 5, and 6; 176.241; 176.242; 176.2421; 176.243; 176.244; 176.271, subdivision 2; 176.501; 176.571, subdivisions 3, 4, 5, 6, and 7; and 176.602."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 489: A bill for an act relating to local government; authorizing annexation proceedings for certain land between the city of Nashwauk and the town of Nashwauk.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 289: A bill for an act relating to the city of St. Paul; setting the maximum amounts and other conditions for the issuance of capital improvement bonds; amending Laws 1971, chapter 773, section 1, subdivision 2, as amended; and section 2, as amended; repealing Laws 1963, chapter 881, as amended.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 357: A bill for an act relating to the city of Saint Paul; permitting the city to adopt certain regulations for smoke detection devices; amending Minnesota Statutes 1986, section 299F.362, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 345: A bill for an act relating to local government; allowing certain cities to appropriate money for advertising; amending Minnesota Statutes 1986, section 465.56, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1986, section 44.04, subdivision 4, is amended to read:

Subd. 4. [MEETINGS.] The board shall hold regular and special meetings as provided by its rules. All meetings and hearings shall be open to the public. Two members of the board shall constitute a quorum. Members shall be paid all necessary expenses. The board shall select a secretary to serve at the pleasure of the board. The secretary may be a member of the board or an employee of the municipality. The council may authorize the payment of compensation for the secretary's services, ~~not exceeding \$100 a year and may authorize the payment of compensation~~ *not exceeding \$100 per year in an amount to be determined by the council.*"

Renumber the section in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for additional compensation for employees and members of municipal civil service boards;"

Page 1, line 4, delete "section" and insert "sections 44.04, subdivision 4; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 502: A bill for an act relating to counties; allowing counties to charge fees for services; providing conditions for emergency contracts; amending Minnesota Statutes 1986, sections 375.21, subdivision 1; and 375.48, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373; repealing Minnesota Statutes 1986, section 375A.07.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 6, insert:

"Sec. 4. [BELTRAMI COUNTY; DOG AND CAT CONTROL; POWERS.]

Notwithstanding Minnesota Statutes, sections 347.09 to 347.14, the Beltrami county board may adopt an ordinance for the control of dogs and cats within the county. It may provide that:

(a) The county may declare certain activities of a dog or cat off the property of its owner or the person who has it in possession to be a nuisance.

(b) The county may establish a procedure to quarantine and control dogs or cats involved in bite cases including a procedure for the humane destruction of a dog or cat which has a history of biting. An administrative hearing allowing due process to the owner or person in possession of the dog or cat must occur before the destruction.

(c) The sheriff, department of public health, or the Beltrami county humane society may impound a dog or cat that is abandoned or creates a nuisance and provide for its humane destruction if it is not reclaimed after five days' notice to its owner or the person who had it in possession.

(d) The county may provide penalties for a person who abandons a dog or cat or permits a dog or cat to create a nuisance.

(e) The county may provide that the owner or person in possession of a dog or cat shall be responsible for all the costs of confinement, including costs for veterinary services and rabies immunization, as a result of an impoundment that occurs under the ordinance."

Renumber the section in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing the Beltrami county board to adopt an ordinance regulating dogs and cats within the county;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 781: A bill for an act relating to education; providing quality assessment activities for post-secondary institutions; establishing a task force; developing pilot projects; appropriating money; amending Minnesota Statutes 1986, section 135A.06; proposing coding for new law in Minnesota Statutes, chapter 135A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 135A.06, is amended to read:

135A.06 [SYSTEM PLANS AND MISSIONS.]

Subdivision 1. [SUBMISSION OF PLANS.] It is the intent of the legislature that the planning efforts of the public post-secondary education systems be summarized and reported to the legislature. It is the further intent that the system missions be differentiated from one another to best

serve the needs of the citizens of Minnesota. In order to accomplish these goals, the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board of vocational technical education shall each submit to the governor and the legislature on December 1 of each even-numbered year a planning report for its system. The planning report shall contain the mission of the system and short- and long-range plans for programs, staff, and facilities. The report shall specify the mission and plans for two, five, and ten years. The assumptions used in developing the plans shall be included. The report shall also include plans for and progress toward achieving mission differentiation while maintaining the state's overall post-secondary objectives. *The report shall include plans for and progress in developing quality assessment activities to improve student learning and to enhance the effectiveness of academic programs.*

Subd. 2. [MISSION.] Each system shall review its mission as it relates to instruction, research, and public service. The systems in cooperation with the higher education coordinating board shall jointly review their missions and develop strategies to achieve clearer mission differentiation and an overall intersystem plan that ensures achieving the state's overall post-secondary objectives.

Subd. 2a. [QUALITY.] *Each system shall, in cooperation with the higher education coordinating board, develop measures and prepare plans to assess the quality of its institutions and programs.*

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

Each planning report shall consider at least the following elements:

(a) A statement of program priorities for undergraduate, graduate, and professional education. Program plans shall also include data about program cost and average class size within each institution.

(b) A review of plans for adjusting the number of facilities, staff, and programs to projected level of demand. Plans for adjustments shall consider campus and program mergers, campus and program closings, new governance structures, the relationship between fixed costs and projected enrollment changes, and other methods including consolidation of institutions, services, and programs that serve the same geographic area under different governing boards.

(c) Enrollment projections for two, five, and ten years. If a system uses projections which are different from the most recent available projections produced by the higher education coordinating board, the system shall compare its projections with enrollment projections prepared by the higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections.

(d) Estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to declining enrollments and fiscal resources.

(e) Opportunities for providing services cooperatively with other public and private institutions in the same geographic area.

(f) Differentiating and coordinating missions to reduce or eliminate duplication of services and offerings.

(g) *Methods for assessing the quality of programs and institutions and using assessment results to improve student learning.*

Subd. 4. [CAPITAL REQUESTS.] A capital budget request submitted by a system must specifically relate a proposed capital project to the plans required under this section.

Subd. 5. [HECB REVIEW AND COMMENT.] The higher education coordinating board shall review and comment on the reports prepared by the systems. In order to provide sufficient time for this review, systems shall submit the reports to the coordinating board on September 1 prior to the December 1 submission to the governor and legislature. Before the higher education coordinating board forwards its review and comment to the legislature, each system shall be given the opportunity by the higher education coordinating board to respond to the higher education coordinating board review. In order to provide sufficient time for the systems to respond, the HECB shall provide copies of its review and comment to the systems by October 15 and the systems shall submit any responses to the higher education coordinating board by November 15, prior to the December 1 submission to the governor and the legislature. The system responses shall accompany the higher education coordinating board review and comment when it is submitted to the governor and the legislature. As part of its review and comment, the higher education coordinating board shall present information on the costs, enrollment, and participation in public post-secondary institutions and, on the progress the systems and the board are making toward an integrated intersystem planning effort, and on efforts to assess the quality of institutions.

Subd. 6. [PRIVATE COLLEGES AND PROPRIETARY SCHOOLS.] *The members of the private college council and the Minnesota association of private proprietary schools shall perform the duties relating to quality assessment required of public post-secondary systems by this section.*

Sec. 2. [TASK FORCE ON QUALITY ASSESSMENT.]

Subdivision 1. [PURPOSE.] *A task force on quality in post-secondary education is established. The task force shall select appropriate strategies for enhancing quality and assuring ongoing assessment of quality.*

Subd. 2. [MEMBERSHIP.] *The members of the task force shall be appointed by a committee composed of: the executive director of the higher education coordinating board, the president of the University of Minnesota, the chancellor of the state universities, the chancellor of the community colleges, and the state director of vocational technical education. The committee shall choose from a list of nominees provided by each group represented on the task force. Members of the task force shall be selected to represent all geographical regions of the state. The membership of the task force shall consist of the following:*

- (1) *one representative of the higher education coordinating board;*
- (2) *two representatives of each of the public post-secondary systems;*
- (3) *two representatives of the private college council;*

- (4) two representatives of the Minnesota association of private post-secondary schools;
- (5) one faculty member from each of the public post-secondary systems;
- (6) one faculty member from the private college council;
- (7) one faculty member from the Minnesota association of private post-secondary schools;
- (8) six post-secondary students, one from each of the student organizations enumerated in section 136A.02, subdivision 7;
- (9) one representative of the state board of education;
- (10) three secondary school teachers nominated by the commissioner of education; and
- (11) two members from the general public nominated by the governor.

The executive director of the board or a designee shall convene the task force.

Subd. 3. [DUTIES.] The task force shall conduct an inventory of assessment methods currently used by the post-secondary systems and institutions. The task force shall analyze the use of all assessment methods included in the inventory.

The task force shall specify appropriate goals of post-secondary education for students, institutions, systems, and the state. These goals should include the general learned abilities that distinguish people who have completed an undergraduate program, regardless of field of specialization. Appropriate goals shall be specified for cognitive learning, and may be specified for socialization, citizenship, and, if applicable, occupational preparation.

The task force shall assist each public post-secondary system and private institutions in determining methods to assess the quality of individual programs and ways for institutions to use assessment results.

Subd. 4. [STAFF] The board shall provide staff assistance and support services for the task force, to accomplish the following:

- (1) establishment of work plan, agendas, and meetings;
- (2) provision of appropriate research and background materials; and
- (3) exchange of information about assessment tools and mechanisms among institutions, through conferences and dissemination of documents produced.

Subd. 5. [REPORT.] The task force shall provide a report on its work to the higher education coordinating board and the higher education advisory council, and the education and higher education committees, and the education subcommittees of the finance and appropriation committees of the legislature by September 1, 1988.

Sec. 3. [APPROPRIATIONS.]

\$_____ is appropriated in fiscal year 1988 and \$_____ in fiscal year 1989 from the general fund to the higher education coordinating board for the task force established in section 2. Of these sums, \$_____ for fiscal year 1988 and \$_____ for fiscal year 1989 are for each of the following: private college council and Minnesota association of private

proprietary schools.

\$_____ for fiscal year 1988 and \$_____ for fiscal year 1989 is appropriated from the general fund for each of the following: University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education."

Amend the title as follows:

Page 1, line 4, delete everything after the first semicolon

Page 1, line 6, delete everything after "135A.06" and insert a period

Page 1, delete line 7

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1119: A bill for an act relating to education; providing for capital expenditure funding by school districts; amending Minnesota Statutes 1986, sections 124.245, by adding a subdivision; and 275.125, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ROBBINSDALE REPAIR AND BETTERMENT LEVY AND BONDING.]

Subdivision 1. [FACILITY REPAIR AND BETTERMENT.] The school board of independent school district No. 281, Robbinsdale, by resolution adopted by a majority vote after notice and hearing, may adopt a capital facility repair and betterment program for its existing district-owned facilities. The program must set forth the facilities to be improved, a schedule of work not exceeding five years from the adoption or amendment of the program, the estimated cost of the improvements to be made, and the proposed methods of financing the program. The program is subject to commissioner review under section 121.15. The program must be a part of the capital improvement program of the district according to the procedures in section 473.863. The program must be reviewed by the district annually before July 1 after notice and hearing. After the district's review the program may be amended to include the ensuing five-year period.

Subd. 2. [SPECIAL CAPITAL EXPENDITURE LEVY.] After the adoption of a program, the school board, by resolution adopted by majority vote, may annually levy an amount not more than two percent of the insured replacement value of district-owned facilities as certified to the commissioner by the board, but the aggregate amount levied must not exceed the actual or estimated cost, whichever is less, of the improvements identified in the program. The proceeds of the levies must be paid into a special account in the capital expenditure fund of the district and used solely for capital expenditures identified in the program, including principal and interest on obligations issued under subdivision 6. The levy authorized by this subdivision may be made in addition to all other authorized levies.

Subd. 3. [TERMINATION OF LEVY.] If a contract for one or more

improvements identified in the program has not been entered into within one year after the date of adoption of or amendment to the program, the authority to levy under subdivision 2 shall end. Any money in the special account must then be transferred to and irrevocably pledged to the debt service fund of the district to be used solely to reduce levies for bonded indebtedness of the district, or if there is no debt service fund, to the capital expenditure fund of the district. When the program ends, any balance in the special account must be used as provided in this subdivision.

Subd. 4. [PUBLIC HEARING.] Adoption of a program must be preceded by a public hearing. The hearing must be held after two weekly publications of a notice of the hearing in a newspaper of general circulation in the district. The second publication of the notice must be at least five days before the hearing.

Subd. 5. [REFERENDUM.] The authorization for the levy under subdivision 2 may be revoked or reduced as provided in this subdivision. A referendum on the question of revoking or reducing the authorized amount must be called on the written petition of two percent of the residents of the school district as determined by the most recent census. A petition to revoke or reduce the levy must be received by September 1 of the year in which the levy is proposed to be certified, and, if required, the referendum must be held by October 10 of that year. The ballot must state the number of mills required to raise the authorized amount. The ballot question must read substantially as follows:

"Shall the authority to make an extra capital expenditure levy in (year) granted to independent school district No. _____ in (this act) be (revoked/ reduced from \$_____ to \$_____)?"

In other respects the referendum must be conducted as other elections are conducted under sections 123.32 and 124A.03.

Subd. 6. [ISSUE BONDS.] The district, by resolution adopted by a two-thirds vote of the board, may issue and sell general obligation bonds within net debt limits to finance all or a part of the cost of the improvements identified in the program. The obligations must be issued and sold as provided in chapter 475, except that voter approval for issuance is not required.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to education; authorizing independent school district No. 281, Robbinsdale, to issue bonds and levy for repair and betterment of school buildings; providing for a reverse referendum."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1044: A bill for an act relating to education; providing for teacher seniority and severance pay in districts entering into agreements for secondary education and tuitioning agreements; amending Minnesota Statutes 1986, sections 122.535, subdivision 2; 122.541, subdivision 1; and 123.39, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 122.535, subdivision 2, is amended to read:

Subd. 2. [AGREEMENT.] The school board may enter into one or more agreements providing for instruction of its secondary pupils in one or more districts. The agreement shall be effective on July 1 and shall be for a specified or indefinite number of years. The agreement shall set forth the obligations of transportation, the tuition to be paid to the providing district, and all additional charges and fees to be paid to the providing district. The amount of tuition shall not be subject to the provisions of section 124.18, subdivision 2. ~~The agreement may provide for negotiation of a plan for the assignment or employment in a providing district as an exchange teacher according to section 125.13, or placement on unrequested leave of absence of teachers whose positions are discontinued as a result of the agreement.~~ *The school board and the exclusive representative of the teachers of all of the districts entering into an agreement may negotiate a plan for assignment or employment of teachers or for placing on unrequested leave of absence those teachers whose positions are discontinued as a result of the agreement. If a plan is not negotiated before May 1, teachers who are employed in these districts and who have acquired continuing contract rights must be placed on unrequested leave of absence as provided in section 125.12, subdivision 6b, in the fields in which they are licensed and have taught within the previous five years, in the inverse order in which they were employed by the districts according to a combined seniority list of teachers.* "Teacher" has the meaning given it in section 125.12, subdivision 1.

Sec. 2. Minnesota Statutes 1986, section 122.541, subdivision 1, is amended to read:

Subdivision 1. The boards of two or more school districts may, after consultation with the department of education, enter into an agreement providing for the discontinuance by a district of any of grades kindergarten through 12 or portions of those grades, *including any subject*, and the instruction in a cooperating district of the pupils in the discontinued grades or portions of grades, *including any subject*; provided, the board of a district discontinuing a grade pursuant to the agreement shall continue to maintain a school enrolling pupils in at least three grades. Before making final an agreement permitted by this subdivision, the boards shall provide a copy of this agreement to the commissioner of education.

Sec. 3. Minnesota Statutes 1986, section 123.39, subdivision 4, is amended to read:

Subd. 4. The board may provide for the instruction of any resident pupil in another district when inadequate room, distance to school, unfavorable road conditions, or other facts or conditions make attendance in the pupil's own district unreasonably difficult or impractical, in which case such district shall pay to the district so attended the tuition agreed upon or charged, pursuant to section 124.18, subdivision 2, and may provide transportation; provided, that such pupil shall continue to be a pupil of the district of residence for the payment of apportionment and other state aids. *The school boards and the exclusive representatives of the teachers may negotiate a plan for assignment or employment of teachers or for placing on unre-*

quested leave of absence those teachers whose positions are discontinued as a result of the instructional arrangements provided according to this subdivision. If a plan is not negotiated before May 1 and it is necessary to place continuing contract teachers on unrequested leave of absence, the teachers must be placed on unrequested leave of absence in fields in which they are licensed and have taught within the previous five years, in the inverse order in which they were employed, according to a combined seniority list of all teachers from both districts."

Delete the title and insert:

"A bill for an act relating to education; providing for combined seniority list of certain teachers in districts entering into agreements for secondary education and tuitioning agreements unless otherwise negotiated; amending Minnesota Statutes 1986, sections 122.535, subdivision 2; 122.541, subdivision 1; and 123.39, subdivision 4."

And when so amended the bill do pass. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1057: A bill for an act relating to education; establishing a center at the University of Minnesota; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [STUDY.]

The University of Minnesota shall study the feasibility of establishing a center for alternative methods to animal testing. The overall purpose of a center would be to encourage the development of alternative methods for toxicity testing and other experimentation on animals.

Sec. 2. [POTENTIAL ACTIVITIES.]

In its study, the University shall consider the following possible functions for the center:

(1) facilitating acquisition of federal funding for research in alternative methods;

(2) coordinating and facilitating development of private support for research on alternative methods at the university;

(3) serving as a liaison with the public and the press concerning animal research and alternative methods;

(4) coordinating a seminar program and otherwise fostering and enhancing interest in alternative methods at the university; and

(5) evaluating proposals for seed funds for promising research in alternative methods and allocating the funds if they become available.

Sec. 3. [REPORT.]

The university shall report its findings and recommendations to the education committee of the senate, higher education committee of the house of representatives and the appropriations and finance committees of the

legislature by January 1, 1988.”

Delete the title and insert:

“A bill for an act relating to education; requiring the University of Minnesota to study alternative methods for animal testing.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 899: A bill for an act relating to education; establishing the Fond du Lac Higher Education Center; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [FOND DU LAC HIGHER EDUCATION CENTER.]

Subdivision 1. [PILOT PROJECT TO SERVE AREA.] The Fond du Lac higher education center is established as a pilot project. The project must include day and evening classes and extension and workshop offerings in the Fond du Lac service area. The center must be in operation by fall of 1987.

Subd. 2. [GOVERNANCE AND ADMINISTRATION.] The Fond du Lac higher education center must be governed by the state board for community colleges and administered by Arrowhead Community College.

Sec. 2. Laws 1986, First Special Session chapter 1, article 10, section 1, subdivision 9, is amended to read:

Subd. 9. Governor

50,000

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The governor, after consulting with the Fond du Lac reservation and the higher education coordinating board, shall appoint a task force of 13 members to study the feasibility of establishing a coordinate campus of Arrowhead Community College on the Fond du Lac Indian reservation that would be open and available to all. The task force shall report to the legislature on the results of its study by February 1, 1987. The task force shall provide copies of its report to the state board for community colleges and the higher education coordinating board. Those boards shall respond to the legislature on the report of the task force by March 1, 1987. The task force (1) is subject to Minnesota Statutes, section 15.059, subdivision 6 shall continue to operate until June 30, 1989, to oversee the establishment of the Fond du Lac higher education center, (2) may accept money from nonstate sources to do its work, (3) shall cooperate with and invite the participation before it of the federal government, including the Bureau of Indian Affairs, and (4) shall report on, among other things, the availability of federal tribal community college funding.

Sec. 3. [APPROPRIATION.]

\$800,000 in fiscal year 1988 is appropriated from the general fund to the state board for community colleges to establish and operate the Fond du Lac higher education center. The appropriation is available until June 30, 1989."

Delete the title and insert:

"A bill for an act relating to education; establishing the Fond du Lac higher education center; continuing the Fond du Lac higher education task force; appropriating money; amending Laws 1986, First Special Session chapter 1, article 10, section 1, subdivision 9."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1269: A bill for an act relating to education; appropriating money for Worthington community college to join certain telecommunications networks.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after the comma, insert "*all money paid according to this section shall be returned by the state board for community colleges and*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 827: A bill for an act relating to public improvements; appropriating money for a Red Lake tribal archives, library, and interpretive center.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "*project*" insert "*of \$2,155,000*" and delete "*by other sources*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 363: A bill for an act relating to education; increasing the capital expenditure revenue allowance; decreasing the capital expenditure levy; amending Minnesota Statutes 1986, sections 124.245, subdivision 1; and 275.125, subdivision 11a.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [SPECIAL ASSESSMENT LEVY FOR SARTELL.]

Independent school district No. 748, Sartell, may levy for excess capital expenditures an amount equal to the special assessment levied in 1987 by the city of Sartell against the property on which the high school is located. Each year the levy shall be an amount not less than \$29,000. When the cumulative amount levied according to this section equals the amount of the special assessment plus interest, the levy shall be discontinued.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the school board of independent school district No. 748, Sartell.

Delete the title and insert:

"A bill for an act relating to education; authorizing independent school district No. 748, Sartell, to levy for excess capital expenditures."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1307: A bill for an act relating to education; adopting a common course numbering system for higher education; assigning the planning for implementation of a common course numbering system for higher education to a task force assisted by the staff of the higher education coordinating board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 2, line 17, delete "bill" and insert "section"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "assigning"

Page 1, line 7, delete "; proposing" and insert a period

Page 1, delete line 8

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1001: A bill for an act relating to school districts; creating a debt service anticipation levy; amending Minnesota Statutes 1986, sections 121.15, subdivision 3; 275.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, after "account" insert "in the building construction fund"

Page 1, line 26, delete “. *The money in the*” and insert “*that would otherwise be paid by using*”

Page 2, line 1, delete “*account must be used to reduce the amount of*” and insert “*proceeds of*” and delete “*that would*”

Page 2, line 2, delete “*otherwise be*”

Page 2, line 6, delete “*anticipated debt service*” and insert “*the construction costs approved by the referendum in this subdivision. The district shall comply with section 121.15 prior to initiation of the referendum*”

Page 2, line 13, after the comma, insert “*which shall be the maximum amount of the increased levy in dollars, must*”

Page 2, line 14, after “*and*” insert “*must*”

Page 2, line 33, delete “*necessary*” and insert “*approved by referendum according to section 2, subdivision 2,*”

Page 2, line 34, after the period, insert “*If the construction project for which the levy is made is not built or is otherwise abandoned, the levy proceeds shall be transferred to the debt redemption fund.*”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1252: A bill for an act relating to education; modifying post-secondary scholarships, grants-in-aid, part-time student grants-in-aid, and work-study grants; amending Minnesota Statutes 1986, sections 136A.101, by adding a subdivision; 136A.121, subdivisions 4, 5, and 10; 136A.132, subdivisions 3, 6, and 7; and 136A.233, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete “*under*” and insert “*in*” and delete “*and*” and insert “, *as amended, and applicable regulations, except that the age requirement shall be 22 instead of 24 years.*”

Page 1, delete line 15

Page 4, line 2, after the period, insert “*However, an institution shall not receive less than it would have received under the allocation formula used prior to fiscal year 1988 unless appropriations attributable to this section are reduced.*”

Page 4, line 23, after the period, insert “*The institution shall not receive less than it would have received under the allocation formula used prior to fiscal year 1988 unless appropriations attributable to this section are reduced. No more than one-half of any increase in appropriations, attributable to this section, above the level before fiscal year 1988 shall be allocated on the basis of identified student employment needs at eligible institutions.*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 860: A bill for an act relating to school districts; authorizing a capital expenditure levy for surplus school buildings used for community purposes; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

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

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 11e. [REFERENDUM.] The authorization for the levy in section 1 may be revoked or reduced as provided in this subdivision. A referendum on the question of revoking or reducing the authorized amount must be called on the written petition of two percent of the residents of the school district as determined by the most recent census. A petition to revoke or reduce the levy authorized by section 1 must be received by September 1 of the year in which the levy will be certified, and, if required, the referendum must be held by October 10 of that year. The ballot must state the number of mills required to raise the authorized amount. The ballot question must read substantially as follows:

"Shall the authority to make an extra capital levy in (year) granted to independent school district No. _____ in (this act) be (revoked/reduced from \$_____ to \$_____)?"

In other respects the referendum must be conducted as other elections are conducted under sections 123.32 and 124A.03."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for a reverse referendum;"

Page 1, line 5, delete "a subdivision" and insert "subdivisions"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1182: A bill for an act relating to independent school district No. 625; authorizing the issuance of bonds for the purpose of deferred capital improvements; authorizing a tax levy for debt service; authorizing an excess levy for deferred capital maintenance; providing for local approval.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 6, insert:

"Subd. 2. [ADDITIONAL BONDING AUTHORITY.] In addition to bonds authorized by other law, independent school district No. 625 may issue \$400,000 in bonds in 1987. Except for the dollar limits, the bonds are subject to subdivision 1.

The bonds must not be issued until the school district has conveyed to

the city of Saint Paul, by recordable deed, all of the interest of independent school district No. 625 in property legally described as King's Park View, Block 2. The property is otherwise known as the Edgcombe school site and is bounded by Hamline Avenue, Pinehurst Avenue, Syndicate Avenue, and Ford Parkway."

Page 2, line 7, delete "2" and insert "3"

Page 2, line 8, delete "*subdivision 1*" and insert "*subdivisions 1 and 2*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 759: A bill for an act relating to education; clarifying the authority of contracting school districts to select an individual to provide services as a superintendent; amending Minnesota Statutes 1986, section 123.34, subdivision 9.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete "*absolute*"

Page 1, line 22, delete "*right*" and insert "*authority*" and delete "*the individual to perform the services*" and insert "*one of the individuals employed to serve as superintendent in one of the contracting districts*"

Page 1, line 25, delete ", *or based on a present*"

Page 2, line 1, delete everything before the period

Page 2, line 4, delete "*at any time during the*"

Page 2, line 5, delete "*year to facilitate this cooperation*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 749: A bill for an act relating to independent school district No. 271, Bloomington; authorizing excess capital outlay levies in 1987 and 1988 to replace deteriorating roofs.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Pehler from the Committee on Education, to which was re-referred

S.F. No. 476: A bill for an act relating to agriculture; providing funds to be added by private contributions to establish an endowed chair at the University of Minnesota for a sustainable agriculture program; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after the period, insert "*Sustainable agriculture represents the best aspects of traditional and modern agriculture by utilizing*

a fundamental understanding of nature, as well as the latest scientific advances to create integrated, self-reliant, resource conserving practices that enhance the enrichment of the environment and provide short- and long-term productive agriculture."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 870: A bill for an act relating to education; increasing the special operating debt levy in independent school district No. 712, Mountain Iron-Buhl; amending Laws 1984, chapter 463, article 6, section 15, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1984, chapter 463, article 6, section 15, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] In 1985 and each year thereafter, the newly created district formed by the consolidation of Independent School District No. 694, Buhl, and Independent School District No. 703, Mountain Iron, may make an additional levy to eliminate a deficit in the net unappropriated ~~operating funds~~ *balance in the general fund* of the newly created district, determined as of June 30, 1985, and certified and adjusted by the commissioner. This levy each year may be an amount not to exceed ~~1.5~~ *4.0* mills times the adjusted assessed valuation of the newly created district for the preceding year as determined by the equalization aid review committee. When the cumulative amount of the levies made pursuant to this subdivision equals the total amount of the certified deficit of the newly created district, the levy shall be discontinued.

Sec. 2. Laws 1984, chapter 463, article 6, section 15, is amended by adding a subdivision to read:

Subd. 1a. [BOARD RESOLUTION.] Each year before the district levies according to this section, the board shall adopt a resolution, by a majority vote of the entire board, approving the amount to be levied."

Amend the title as follows:

Page 1, line 5, before the period, insert ", and by adding a subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 187: A bill for an act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 11 and 15, delete "7" and insert "10"

Page 2, line 6, delete "a person who is" and insert "one or more persons, jointly or severally, who are"

Page 2, line 7, after "facility" insert a comma

Page 2, line 8, after "facility" insert a comma and delete "receives" and insert "receive"

Page 2, line 17, delete "self-storage" and insert "self-service storage"

Page 2, after line 21, insert:

"Subd. 7. [DEFAULT.] "Default" means failure of the occupant to pay the rent and other charges becoming due under the rental agreement within 15 days of the rents and other charges becoming due under the terms of the rental agreement."

Page 2, line 29, delete "or" and insert "and"

Page 2, line 32, delete "reasonable" and insert "reasonably"

Page 2, lines 35 and 36, delete "provided for in this section"

Page 3, lines 2 and 3, delete "personal property is brought to" and insert "occupant is in default unless the occupant obtains a court order to recover possession of personal property in"

Page 3, line 3, after "self-service" insert "storage"

Page 3, line 4, after "from" insert "the"

Page 3, after line 6, insert:

"Subd. 3. [SECURITY DEPOSITS.] No lien is created under subdivision 1 if the owner has possession of a security deposit sufficient to cover rents and other charges at the time of an alleged default.

Subd. 4. [DENIAL OF ACCESS.] Upon default the owner shall mail notice of default to the occupant at the last known address of the occupant. The notice of default must state that the occupant will be denied access to the occupant's property until the owner's claim has been satisfied. The notice of default must state that any dispute regarding denial of access can be raised by the occupant in court. Notice of default must further state the rights of the occupant contained in subdivision 5.

Subd. 5. [ACCESS TO CERTAIN ITEMS.] The occupant may remove from the self-service storage facility personal papers, health aids, personal clothing of the occupant and the occupant's dependents, and personal property that is necessary for the livelihood of the occupant and that has a market value of less than \$50 if demand is made to any of the persons listed in section 7, subdivision 1. The occupant shall present a list of the items, and may remove them during the facility's ordinary business hours prior to the sale authorized by section 4. If the owner unjustifiably denies the occupant access for the purpose of removing the items specified in this subdivision, the occupant is entitled to an order allowing access to the storage unit for removal of the specified items. The self-service storage facility is liable to the occupant for the costs, disbursements and attorney fees expended by the occupant to obtain this order."

Page 3, line 8, delete "7" and insert "10"

Page 3, line 9, delete "may" and insert "must"

Page 3, line 18, after "include" insert "a disclosure of"

Page 3, line 20, delete "and"

Page 3, line 21, after the period, insert "A rental agreement may not exempt an owner from liability for damages to an occupant's personal property caused by the owner's negligence. The rental agreement must request the occupant to insert an alternate mailing address."

Page 3, after line 21, insert:

"Sec. 7. [514.976] [DISCLOSURE AND ACTIONS.]

Subdivision 1. [DISCLOSURE.] There shall be disclosed to the occupant either in the rental agreement or otherwise in writing prior to commencement of the occupancy the name and address of:

(1) the person authorized to manage the premises; and

(2) an owner of the premises or an agent authorized by the owner to accept service of process and receive and give receipt for notices and demands.

Subd. 2. [POSTING OF NOTICE.] A printed or typewritten notice containing the information that must be disclosed under subdivision 1 must be placed in a conspicuous place on the premises.

Subd. 3. [ALTERNATE SERVICE.] If subdivisions 1 and 2 have not been complied with and an occupant desiring to make service of process upon or give a notice or demand to the owner does not know the name and address of the owner or the owner's agent, as that term is used in subdivision 1, then a caretaker or manager of the premises or an individual to whom rental payments for the premises are made is deemed to be an agent authorized to accept service of process and receive and give receipt for notices and demands on behalf of the owner.

Subd. 4. [ACTION.] Except as otherwise provided in this subdivision, an owner may not maintain an action to recover rent or possession of the premises unless the information required by this section has been disclosed to the occupant, or unless the information is known by or has been disclosed to the occupant at least 30 days prior to the initiation of the action. Failure by the owner to post a notice required by subdivision 2 does not prevent any action to recover rent or possession of the premises.

Subd. 5. [APPLICATION.] This section applies to any successor owner, caretaker, manager, or individual to whom rental payments for the storage space are made.

Sec. 8. [514.977] [DEFAULT.]

If an occupant defaults in the payment of rent or otherwise breaches the rental agreement, the owner may commence an unlawful detainer action under section 566.01.

Sec. 9. [514.978] [WAIVER OR MODIFICATION PROHIBITED.]

The owner and occupant may not waive or modify the provisions of sections 1 to 10."

Page 3, line 22, delete "[514.976]" and insert "[514.979]"

Page 3, line 25, delete "which" and insert "that"

Page 3, line 31, delete "7" and insert "10"

Page 3, line 32, delete "*existing as of that date or*" and after "*into*" insert "*on or*"

Renumber the sections in sequence

And when so amended the bill do pass. Mr. Novak questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1381: A bill for an act relating to courts; authorizing the court to require parties in a contested civil action to enter mediation; proposing coding for new law in Minnesota Statutes, chapter 484.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, delete "*sections 518B.01,*" and insert "*chapter 518, except as provided in section 518.619, or chapter 518A, 518B, or 518C, or sections 144.651, 144.652, 626.556, or*" and delete "*, or*"

Page 1, line 18, delete "*144.651 and 144.652*"

Page 2, line 5, before "*The*" insert "*Subject to the provisions of chapter 563,*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1345: A bill for an act relating to the judiciary; public defenders; requiring the state board of public defense to adopt standards governing district public defender offices; authorizing the state board of public defense to fix the salary of the state public defenders; requiring the state public defender to provide training for state and district public defenders; providing that compensation of district public defenders may not exceed compensation of county attorneys; allowing representation of indigents by public defender before formal appointment; providing for state funding of district public defenders by weighted caseload; appropriating money; amending Minnesota Statutes 1986, sections 611.215, subdivisions 1 and 2; 611.216, subdivisions 1, 2, and 3; 611.23; 611.24; 611.25; 611.26, subdivisions 1, 2, 3, 4, and 6; and 611.27, subdivisions 1, 2, and 3; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1986, sections 611.22; and 611.26, subdivisions 5 and 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, delete "*611.215, 611.216, 611.22, 611.23, 611.24, 611.25,*"

Page 1, line 26, delete the comma

Page 2, line 3, delete "*, appeals court, or supreme court*"

Page 2, line 21, strike "*shall*"

Page 2, line 22, delete "*appoint*" and insert "*appoints*"

Page 2, line 23, delete "*shall serve*" and insert "*serves*"

Page 2, lines 24, 27, and 32, delete "shall" and insert "must"

Page 3, line 5, after "the" insert "eligibility for appointment,"

Page 3, line 6, delete the second "of" and insert "for"

Page 3, line 9, delete "or" and insert "and"

Page 3, lines 32 and 33, strike "Within its geographic area of responsibility each" and insert "A"

Page 3, line 33, strike "shall" and insert "may"

Page 3, lines 35 and 36, delete the new language

Page 4, line 6, after "money" insert "or in-kind contribution"

Page 4, line 7, delete "or in-kind contribution,"

Page 5, line 8, delete "control"

Page 5, line 9, delete "and"

Page 5, line 27, after "defender" insert ", subject to the supervision of the state board of public defense,"

Page 5, line 29, delete "as authorized by the"

Page 5, line 30, delete "state board of public defense"

Page 6, line 20, delete the first comma

Page 8, line 9, after "district" insert "public"

Page 8, line 26, after "Assistant" insert "district"

Page 8, line 28, after "assistant" insert "district"

Page 8, line 35, delete ", or a person appealing from a"

Page 8, delete line 36

Page 9, line 1, delete "the time for appeal has expired,"

Page 9, line 2, delete ", the court of appeals, the supreme court, or the"

Page 9, line 3, delete everything before the period

Page 9, line 7, delete "individuals" and insert "a person"

Page 9, line 12, after "total" insert "compensation and" and after "expenses" insert ", including office equipment and supplies,"

Page 9, line 30, strike "which" and insert "that"

Page 11, line 16, delete "shall" and insert "must"

Page 11, delete section 18

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 18, delete "1, 2, and 3" and insert "1 and 2"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 269 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
269	102				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 269 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 269 and insert the language after the enacting clause of S.F. No. 102; further, delete the title of H.F. No. 269 and insert the title of S.F. No. 102.

And when so amended H.F. No. 269 will be identical to S.F. No. 102, and further recommends that H.F. No. 269 be given its second reading and substituted for S.F. No. 102, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 755 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
755	904				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 755 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 755 and insert the language after the enacting clause of S.F. No. 904, the first engrossment; further, delete the title of H.F. No. 755 and insert the title of S.F. No. 904, the first engrossment.

And when so amended H.F. No. 755 will be identical to S.F. No. 904, and further recommends that H.F. No. 755 be given its second reading and substituted for S.F. No. 904, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1049 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1049	1074				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1049 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1049 and insert the language after the enacting clause of S.F. No. 1074; further, delete the title of H.F. No. 1049 and insert the title of S.F. No. 1074.

And when so amended H.F. No. 1049 will be identical to S.F. No. 1074, and further recommends that H.F. No. 1049 be given its second reading and substituted for S.F. No. 1074, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 988: A bill for an act relating to motor carriers; exempting drivers of intrastate charter carriers from having in possession a medical examiner certificate if the driver has a school bus endorsement; amending Minnesota Statutes 1986, section 221.031, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

H.F. No. 567: A resolution memorializing the President and Congress to give states more authority to regulate interstate pipelines and to improve federal regulation of pipelines.

Reports the same back with the recommendation that the resolution do pass and be placed on the Consent Calendar. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1174: A bill for an act relating to the office of the attorney general; removing the numerical limit on the number of assistant attorneys general; authorizing the attorney general to delegate contract review duties; amending Minnesota Statutes 1986, section 8.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete the new language and insert "25"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 587: A bill for an act relating to state government; adding certain emergency personnel to the list of people eligible for benefits from the peace officers benefit fund; amending Minnesota Statutes 1986, section 176B.01, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1358: A bill for an act relating to employment and training; establishing a committee; authorizing pilot projects in service delivery; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 267.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1197: A bill for an act relating to state government; creating the council on Martin Luther King, Jr. holidays and providing for the council's powers and duties; proposing coding for new law as Minnesota Statutes, chapter 44B.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1016: A bill for an act relating to agriculture; transferring authority of the commissioner of energy and economic development relating to governor's council on rural development to the commissioner of agriculture; authorizing loan and grant programs; providing for new members; appropriating money; amending Minnesota Statutes 1986, sections 116J.951; 116J.955; and 116J.961, subdivisions 1, 2, 3, 5, 8, and 9; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1986, section 116J.961, subdivision 10.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1165: A bill for an act relating to state government; prohibiting certain mandated leaves of absence for state employees; amending Minnesota Statutes 1986, section 43A.32, subdivision 2, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, strike "officer or" and insert "state"

Page 1, line 12, strike "in the" and delete "executive branch"

Page 1, delete lines 13 to 15 and insert:

"(a) Take leave of absence upon assuming an elected federal ~~or state public office, including elected state legislative office or an elected state office other than state legislative office or, if elected to state legislative office, during times that the legislature is in session;~~"

Page 1, lines 16 and 17, reinstate the stricken language

Page 1, line 20, reinstate the stricken "(c)" and delete "(b)"

Page 2, lines 4 and 7, delete "(a)" and insert "(b)"

Page 2, line 11, delete "officer or" and insert "state"

Page 2, line 12, delete "in the executive branch,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 98: A bill for an act relating to retirement; providing lump sum payments to certain retired or disabled public employees or their surviving spouses; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [POSTRETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS.]

Subdivision 1. [COVERED RETIREMENT FUNDS.] The following retirement funds shall pay the postretirement adjustment provided for in this section:

- (1) *public employees retirement fund;*
- (2) *public employees police and fire fund;*
- (3) *teachers retirement fund;*
- (4) *state patrol retirement fund;*
- (5) *state employees retirement fund of the Minnesota state retirement system; and*
- (6) *Minneapolis employees retirement fund.*

Subd. 2. [ENTITLEMENT.] A person receiving a retirement annuity, disability benefit, or surviving spouse's annuity or benefit from a retirement fund named in subdivision 1 is entitled to receive the postretirement adjustment provided for in this section if the annuity or benefit the person is receiving is:

- (1) *an annuity or benefit from the fund named in subdivision 1, clause (4), computed under the laws in effect before June 1, 1973;*
- (2) *an annuity or benefit from the funds named in subdivision 1, clause*

(1), (2), (3), or (5), computed under the laws in effect before July 1, 1973;

(3) an annuity from the fund named in subdivision 1, clause (6), computed under the laws in effect before March 5, 1974;

(4) a "\$2 bill and annuity" annuity from the fund named in subdivision 1, clause (6); or

(5) an annuity or benefit from the fund named in subdivision 1, clause (5), computed under the metropolitan transit commission-transit operating division employees retirement fund document in effect before January 1, 1978.

Subd. 3. [AMOUNT OF ADJUSTMENT.] Each retirement fund named in subdivision 1 shall pay the postretirement adjustments provided for in this section to each person eligible for an annuity or benefit on November 30, 1987, or November 30, 1988, and entitled to an adjustment under subdivision 2. An adjustment for an individual recipient must be a lump sum payment in an amount equal to \$25 in 1987 and \$25 in 1988 for each full year of allowable service credited to the recipient by the fund. Adjustments are payable on December 1, 1987, to recipients eligible for an annuity or benefit on November 30, 1987, and on December 1, 1988, to recipients eligible for an annuity or benefit on November 30, 1988. Nothing in this section authorizes a fund to pay an adjustment to an estate. Notwithstanding Minnesota Statutes, section 356.18, a fund shall pay the adjustments provided for in this section without being requested to do so unless an intended recipient files a written notice with the fund requesting that the adjustment not be paid.

Subd. 4. [TERMINAL AUDIT.] Each retirement fund named in subdivision 1, as soon as practical after payment of the December 1, 1988, postretirement adjustment, shall calculate the amount of any appropriation apportioned to it in excess of the amount required to pay the adjustments, report its calculation in writing to the commissioner of finance, and return any excess amount to the general fund. The commissioner of finance shall verify the calculation reported by each fund.

Sec. 2. [APPROPRIATION.]

\$13,620,682 is appropriated from the general fund to the retirement funds named in section 1, subdivision 1, to pay the postretirement adjustments provided for in section 1. The appropriation is apportioned as follows:

	Fiscal Year 1988	Fiscal Year 1989
<i>Public employees retirement fund</i>	\$2,277,600	\$2,140,950
<i>Public employees police and fire fund</i>	96,600	91,775
<i>Teachers retirement fund</i>	1,915,275	1,803,225
<i>State patrol retirement fund</i>	82,500	77,500
<i>State employees retirement fund</i>	1,600,000	1,537,500
<i>Minneapolis employees retirement fund</i>	1,024,650	973,107

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1987."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 834: A bill for an act relating to human services; establishing the office of assistant commissioner of mental health; establishing a state advisory council on mental health; creating a mental health division in the department of human services; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 11 to 22 and insert:

"Subdivision 1. [MENTAL HEALTH DIVISION.] The mental health division of the department of human services is under the supervision of an assistant commissioner of mental health appointed by the commissioner. At the direction of the commissioner, the division shall coordinate the administration and enforcement of laws relating to mental health that are administered and enforced by the commissioner. The commissioner, working with the assistant commissioner of mental health, shall oversee and coordinate services to persons with mental illness in both community programs and regional treatment centers throughout the state."

Page 2, line 10, delete everything after "as"

Page 2, line 11, delete everything before the semicolon and insert "directed by the legislature"

Page 3, delete lines 15 to 36 and insert:

"Subdivision 1. [MEMBERS.] (a) The state advisory council on mental health consists of the assistant commissioner of mental health, a representative of the department of human services responsible for the medical assistance program, designated by the commissioner, and 23 members appointed by the governor in accordance with paragraph (b) and with federal requirements. Terms, compensation, and removal of members and filling of membership vacancies are governed by section 15.059, except that members may not receive a per diem. The council does not expire as provided in section 15.059.

(b) The members appointed by the governor must include:

(1) one member from each of the four core mental health professional disciplines, namely psychiatry, psychology, social work, and nursing;

(2) providers of mental health services;

(3) consumers of mental health services;

(4) family members of persons with mental illnesses;

(5) social service agency directors;

(6) county commissioners; and

(7) other members reflecting a broad range of community interests."

Page 4, delete lines 1 to 13

Page 4, line 23, after the semicolon, insert "and"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1206: A bill for an act relating to insurance; correcting certain errors; removing ambiguities; expanding certain insurers' investment authority; authorizing the commissioner to adopt investment rules; providing for miscellaneous changes and clarification; amending Minnesota Statutes 1986, sections 60A.11, subdivisions 10, 11, 13, 14, 15, 17, 18, 19, 21, 23, 24, 26, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 60A.11, subdivision 10, is amended to read:

Subd. 10. [DEFINITIONS.] The following terms have the meaning assigned in this subdivision for purposes of this section and section 60A.111:

(a) "Admitted assets," for purposes of computing percentage limitations on particular types of investments, means the assets as shown by the company's annual statement, required by section 60A.13, as of the December 31 immediately preceding the date the company acquires the investment;

(b) "Clearing corporation" means The Depository Trust Company or any other clearing agency registered with the federal securities and exchange commission pursuant to the Federal Securities Exchange Act of 1934, section 17A, Euro-clear Clearance System Limited and CEDEL S.A., and, with the approval of the commissioner, any other clearing corporation as defined in section 336.8-102;

(c) "Control" has the meaning assigned to that term in, and must be determined in accordance with, section 60D.01, subdivision 4;

(d) "Custodian bank" means a bank or trust company or a branch of a bank or trust company that is acting as custodian and is supervised and examined by state or federal authority having supervision over the bank or trust company or with respect to a company's foreign investments only by the regulatory authority having supervision over banks or trust companies in the jurisdiction in which the bank, trust company, or branch is located, and specifically includes Euro-clear Clearance System Limited and CEDEL S.A., acting as custodians;

(e) "Issuer" means the corporation, business trust, governmental unit, partnership, association, individual or other entity which issues or on behalf of which is issued any form of obligation;

(f) "Member bank" means a national bank, state bank or trust company which is a member of the Federal Reserve System;

(g) "National securities exchange" means an exchange registered under section 6 of the Securities Exchange Act of 1934 or an exchange regulated under the laws of the Dominion of Canada;

(h) "Obligations" include bonds, notes, debentures, transportation equipment certificates, repurchase agreements, bank certificates of deposit, time deposits, bankers' acceptances, and other obligations for the payment of money not in default as to payments of principal and interest on the date of investment, whether constituting general obligations of the issuer or payable only out of certain revenues or certain funds pledged or otherwise

dedicated for payment. Leases are considered obligations if the lease is assigned for the benefit of the company and is nonterminable by the lessee or lessees thereunder upon foreclosure of any lien upon the leased property, and rental payments are sufficient to amortize the investment over the primary lease term;

(i) "Qualified assets" means the sum of (1) all investments qualified in accordance with this section other than investments in affiliates and subsidiaries, (2) investments in obligations of affiliates as defined in section 60D.01, subdivision 2 secured by real or personal property sufficient to qualify the investment under subdivision 19 or 23, (3) qualified investments in subsidiaries, as defined in section 60D.01, subdivision 9, on a consolidated basis with the insurance company without allowance for goodwill or other intangible value, and (4) cash on hand and on deposit, agent's balances or uncollected premiums not due more than 90 days, assets held pursuant to section 60A.12, subdivision 2, investment income due and accrued, funds due or on deposit or recoverable on loss payments under contracts of reinsurance entered into pursuant to section 60A.09, premium bills and notes receivable, federal income taxes recoverable, and equities and deposits in pools and associations;

(j) "Qualified net earnings" means that the net earnings of the issuer after elimination of extraordinary nonrecurring items of income and expense and before income taxes and fixed charges over the five immediately preceding completed fiscal years, or its period of existence if less than five years, has averaged not less than 1-1/4 times its average annual fixed charges applicable to the period;

(k) "Required liabilities" means the sum of (1) total liabilities as required to be reported in the company's most recent annual report to the commissioner of commerce of this state, (2) for companies operating under the stock plan, the minimum paid-up capital and surplus required to be maintained pursuant to section 60A.07, subdivision 5a, (3) for companies operating under the mutual or reciprocal plan, the minimum amount of surplus required to be maintained pursuant to section 60A.07, subdivision 5b, and (4) the amount, if any, by which the company's loss and loss adjustment expense reserves exceed 350 percent of its surplus as it pertains to policyholders as of the same date. *The commissioner may waive the requirement in clause (4) unless the company's written premiums exceed 300 percent of its surplus as it pertains to policyholders as of the same date.* In addition to the required amounts pursuant to clauses (1) to (4), the commissioner may require that the amount of any apparent reserve deficiency that may be revealed by one to five year loss and loss adjustment expense development analysis for the five years reported in the company's most recent annual statement to the commissioner be added to required liabilities; and

(l) "Unrestricted surplus" means the amount by which qualified assets exceed 110 percent of required liabilities.

Sec. 2. Minnesota Statutes 1986, section 60A.11, subdivision 26, is amended to read:

Subd. 26. [RULES.] (a) The commissioner may ~~promulgate~~ *adopt* appropriate rules to carry out the purpose and provisions of this section.

(b) *A company may make qualified investments in any additional securities or property of any kind with the written order of the commissioner.*

This approval is at the discretion of the commissioner.

(c) Nothing authorized in this subdivision negates or reduces the investment authority granted in subdivisions 1 to 25.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to insurance; regulating investments of domestic companies; defining terms; providing additional investment authority; amending Minnesota Statutes 1986, section 60A.11, subdivisions 10 and 26."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1428: A bill for an act relating to the attorney general; creating a consumer protection account; providing for its administration; amending Minnesota Statutes 1986, section 8.31, subdivisions 2b, 3, and by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 4 to 13 and insert:

"Subd. 2c. [CONSUMER EDUCATION ACCOUNT.] If a court of competent jurisdiction finds that a sum recovered under this section for the benefit of injured persons cannot reasonably be distributed to the victims, because the victims cannot readily be located or identified, or because the cost of distributing the money would outweigh the benefit to the victims, then the court may order that the money be paid into a consumer education account. All sums recovered must be deposited into the state treasury and credited to the consumer education account. All money in the consumer education account is appropriated to the attorney general for the following purposes:

(1) to prepare and distribute educational materials to inform the public regarding consumer protection laws and consumer rights;

(2) to underwrite educational seminars and other forms of educational projects for the benefit of consumers and businesses; and

(3) to contract for or conduct educational or research projects in the field of consumer protection, to further the purposes of the laws referred to in subdivision 1."

Page 2, line 21, strike "and" and insert a comma

Page 2, line 23, before the period, insert "as provided in section 4"

Page 2, line 34, delete "except money may be" and insert ", but sums recovered and deposited pursuant to section 2 must be credited to a consumer education account as provided in section 2"

Page 2, delete line 35

Page 2, line 36, delete the new language

Page 3, line 9, delete "large classes of" and delete ", and to order administrator's fees to" and insert ". Upon the order of a court having jurisdiction over the matter, reasonable fees and expenses may be paid to the administrator out of any sums recovered under this section or administered by the administrator."

Page 3, delete lines 10 and 11.

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1372: A bill for an act relating to commerce; clarifying unregulated sales of eyeglasses; amending Minnesota Statutes 1986, section 148.56, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, strike "or fishing"

Page 1, line 20, strike "without" and insert "provided that there is no"

Page 1, line 21, strike "if" and insert "and the seller makes" and strike "is"

Page 1, line 22, strike "made"

Page 1, line 23, after the period, insert "The seller shall prominently display a sign on the counter or rack or other display device where the spectacles are offered for sale that reads as follows: "If you have experienced a vision loss, the selection of these glasses should not take the place of an eye exam.""

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1280: A bill for an act relating to public safety; increasing taxable gross weight of vehicles at which proof of payment of use tax is required; providing for permits for new vehicles used in events for promotion purposes; changing trip permit conditions; increasing fine for unlawful use of registration plates or certificates; allowing police to give age of parties in traffic accident to media; providing for service of notice of driver's license revocation by court; providing for chemical tests to determine presence of alcohol or controlled substance; prescribing contents of petition for judicial review of driver's license revocation; subjecting alcohol problem assessment rules to administrative procedure act; prescribing actions by drivers on one-way road when emergency vehicle approaching; requiring school buses on one-way, separated roads with shoulders to load and unload without flashing lights; allowing peace officers to weigh pickup towing trailer or semitrailer; providing for \$10 fee for class A classified provisional driver's license; allowing inspection of school buses for approved wheelchair devices; amending Minnesota Statutes 1986, sections 168.013, subdivision 20; 168.187, subdivision 17; 168.36, subdivision 2; 169.09, subdivision 13; 169.121, subdivision 7; 169.123, subdivision 5c; 169.124, subdivision 2; 169.20, subdivision 5; 169.44, subdivision 2; 169.85; 171.06, subdivision 2; and 299A.11; proposing coding for new law in Minnesota Statutes,

chapter 168.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2

Page 2, after line 24, insert:

"Sec. 3. Minnesota Statutes 1986, section 168.27, subdivision 16, is amended to read:

Subd. 16. [PLATES, DISTINGUISHING NUMBERS.] (a) The registrar shall issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivisions 2 or 3, one or more plates displaying a general distinguishing number upon the payment of \$10 to the registrar. In addition the dealer shall pay a motor vehicle excise tax of \$15 annually for each dealer plate purchased as required by section 297B.035. The registrar shall deposit the tax in the state treasury and it shall be credited as provided in section 297B.09. Motor vehicles, new or used, owned by the motor vehicle dealer and bearing the number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or customarily used by the dealer as a tow truck, service truck, or parts pickup truck, may be driven upon the streets and highways of this state *as follows*:

(1) by the motor vehicle dealer, or any employee of the motor vehicle dealer or by any member of the immediate family of the dealer or employee for either private or business purposes; ~~or may be driven upon the streets and highways~~

(2) for demonstration purposes by any prospective buyer thereof for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of seven days; *or*

(3) *in a promotional event, such as a parade or golf tournament, in which at least three motor vehicles are involved.*

(b) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) Removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under the provisions of clause (2) of the preceding sentence before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles."

Page 4, line 14, delete ", ages," and strike "and" and insert a comma and after "addresses" insert ", and dates of birth"

Page 4, after line 30, insert:

"Notwithstanding other provisions of this subdivision to the contrary, the commissioner of public safety shall give to the commissioner of transportation the name and address of a carrier subject to section 221.031 that is named in an accident report filed under subdivision 7 or 8. The commissioner of transportation may not release the name and address to any person. The commissioner shall use this information to enforce accident report requirements under chapter 221. In addition the commis-

sioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety."

Page 5, lines 1 to 4, delete the new language and insert "*unless the commissioner has already revoked the person's driving privileges or served the person with a notice of revocation for a violation of section 169.123 arising out of the same circumstances that gave rise to the violation of this section*"

Pages 9 and 10, delete section 11 and insert:

"Sec. 11. Minnesota Statutes 1986, section 169.44, subdivision 16, is amended to read:

Subd. 16. [OVERHEAD BOOK RACKS.] Types I and II school buses may be equipped with padded, permanent overhead book racks which do not hang over the center aisle of the bus. ~~The commissioner of education shall implement this subdivision by rule promulgated before July 1, 1985.~~

Sec. 12. Minnesota Statutes 1986, section 169.44, subdivision 17, is amended to read:

Subd. 17. ["MN" DESIGNATION IN BUS BODY SERIAL NUMBER.] School bus bodies manufactured after January 1, 1986 and used on streets and highways in this state must bear the designation "MN" in the bus body identification number. The manufacturer of the school bus body certifies by the "MN" designation that the bus body has been manufactured to meet the minimum standards required of school bus bodies by law. A school bus body manufactured before January 2, 1986, that does not bear a current inspection sticker on ~~June July 1, 1985~~ 1987, may not be used on streets and highways in the state after July 1, ~~1985~~ 1987, unless its manufacturer recertifies that the school bus body meets minimum standards required of school bus bodies by law. ~~The commissioner of education shall implement this subdivision by rule promulgated before July 1, 1985.~~

Page 11, line 15, after "vehicle" insert ", other than a school bus manufactured before January 1, 1988,"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "providing for the disclosure of certain information from accident reports;"

Page 1, line 19, delete everything after the semicolon and insert "removing obsolete deadlines;"

Page 1, line 20, delete everything before "providing"

Page 1, line 28, after the first semicolon, insert "168.27, subdivision 16;" and delete "subdivision 2" and insert "subdivisions 2, 16, and 17" and delete "169.85;"

Page 1, line 29, delete "; proposing coding" and insert a period

Page 1, delete line 30

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 855: A bill for an act relating to retirement; various employee pension plans; specifying that exemptions from legal process do not include marital property divisions; requiring the provision of certain pension plan information in marriage dissolution actions; providing for court appointed actuaries in marriage dissolution actions; amending Minnesota Statutes 1986, sections 69.51; 352.15, subdivision 1; 352.96, by adding a subdivision; 352B.071; 353.15; 354.10; 354A.11; 422A.24; 423.39; 423.61; 423.813; 424.27; 518.54, subdivision 5, and by adding subdivisions; and 518.58; proposing coding for new law in Minnesota Statutes, chapters 356 and 518.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 4, after "Upon" insert "written" and before the comma, insert "by a person with access to the data under subdivision 3"

Page 10, line 19, after the period, insert "If liquid or readily liquidated marital property other than property representing vested pension benefits or rights is available, the court, so far as possible, shall divide the property representing vested pension benefits or rights by the disposition of an equivalent amount of the liquid or readily liquidated property."

Page 11, line 30, before "benefit" insert "annuity or"

Page 11, line 31, before the period, insert ", determined under the plan documents of the pension plan then in effect and the actuarial assumptions then in effect for calculating optional annuity forms by the pension plan or for calculating the funding requirements of the pension plan if no optional annuity forms are provided by the pension plan"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1034: A bill for an act relating to retirement; teacher retirement funds; providing for an increase in employer contributions; separating certain employer contributions into employer matching and employer additional contributions; amending Minnesota Statutes 1986, sections 354.42, subdivision 5; and 354A.12, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 3, insert:

"Duluth teachers retirement
fund association

2.02 percent"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 536: A bill for an act relating to environment; establishing a petroleum tank release cleanup program; authorizing state action to prevent or correct health and environmental damage resulting from releases from petroleum storage tanks; establishing a petroleum tank release cleanup fund; establishing a petroleum tank release compensation board; authorizing reimbursement from the fund; requiring rulemaking; providing for administration by the pollution control agency and the department of commerce; requiring certification of tank installers; appropriating money; amending Minnesota Statutes 1986, sections 116.46, by adding subdivisions; 116.47; and 116.48, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 116; proposing coding for new law as Minnesota Statutes, chapter 115C.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 17, delete "must" and insert "shall"

Page 6, line 31, delete everything after the first "board"

Page 6, line 32, delete "shall consist" and insert "consists"

Page 7, line 3, delete "is" and insert "are"

Page 7, line 17, delete "established as"

Page 7, line 19, delete "shall" and insert "must"

Page 8, line 8, delete "shall" and insert "must"

Page 11, line 35, delete "shall" and insert "must"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1150: A bill for an act relating to state government; civil service; providing opportunities for persons with disabilities; amending Minnesota Statutes 1986, sections 43A.10, subdivision 8; 43A.13, subdivision 7; 43A.191, by adding a subdivision; 43A.42; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [43A.071] [SERVICE WORKER.]

The disability levels and types covered under the service worker category in the state civil service may include persons with physical disabilities, mental health disabilities, and mental retardation.

Sec. 2. Minnesota Statutes 1986, section 43A.10, subdivision 8, is amended to read:

Subd. 8. [ELIGIBILITY FOR QUALIFIED HANDICAPPED EXAMINATIONS.] The commissioner shall establish examination procedures for

candidates whose handicaps are of such a severe nature that the candidates are unable to demonstrate their abilities in competitive examination processes. The examination procedures shall consist of up to 700 hours on-the-job trial work experience which will be in lieu of a competitive examination and for which the disabled person has the option of being paid or unpaid. *Up to three persons with severe disabilities and their job coach shall be allowed to demonstrate their job competence as a unit through the on-the-job trial work experience examination procedure.* This work experience shall be limited to candidates for appointment, promotion, or transfer who have a physical or mental impairment for which there is no reasonable accommodation in the examination process. Implementation of provisions of this subdivision shall not be deemed a violation of other provisions of Laws 1981, chapter 210 or 363.

Sec. 3. [43A.421] [SUPPORTED WORK PROGRAM.]

A total of 50 additional full-time positions within agencies of state government may be selected for inclusion for a supported work program for persons with severe disabilities. A full-time position may be shared by up to three persons with severe disabilities and their job coach."

Amend the title as follows:

Page 1, line 4, delete "sections" and insert "section"

Page 1, line 5, delete everything after the first semicolon

Page 1, line 6, delete everything before "proposing"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 980: A bill for an act relating to retirement; public pension plans; establishing, codifying, clarifying, and revising the obligations, responsibilities, and liabilities of public pension plan fiduciaries; amending Minnesota Statutes 1986, sections 11A.01; 11A.04; 11A.07, subdivision 4; 11A.08, subdivisions 5 and 6; 11A.09; 11A.13, subdivision 1; 69.30; 69.77, subdivision 2g; 69.775; 136.80, subdivision 1; 136.84; 352.03, subdivisions 1, 4, 6, 7, and 11; 352.05; 352.92, by adding a subdivision; 352.96, subdivision 3; 352B.03; 352B.05; 352B.07; 352C.091, subdivision 1; 352D.09, subdivision 1; 353.03, subdivisions 1 and 3a; 353.05; 353.06; 353.08; 353.68, subdivision 1; 354.06, subdivisions 1, 2a, and 3; 354.07, subdivisions 3 and 4; 354A.021, subdivision 6; 354A.08; 422A.05, subdivisions 2a, 2c, and 2d; 423.374; 423.45; 423.805; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.04, subdivision 2; 490.122; and 490.123, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 3A and 490; proposing coding for new law as Minnesota Statutes, chapter 356A; repealing Minnesota Statutes 1986, sections 69.051, subdivision 2; 69.30, subdivision 3; 356.71; 423.374, subdivision 3; 423.45, subdivision 3; 423.812; and 424.06, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 30, delete everything after "over"

Page 5, line 31, delete "takes part in" and delete "such" and after the

second "a" insert "covered pension"

Page 5, line 32, delete everything after "plan"

Page 5, line 33, delete "plan"

Page 6, line 4, before "position" insert "fiduciary"

Page 6, line 36, after "the" insert "governing" and delete everything after the first "board"

Page 7, line 4, delete "providing" and insert "who provides"

Page 7, line 20, delete "no" and insert "a"

Page 7, line 21, after "may" insert "not"

Page 7, line 26, delete "no" and insert "a" and delete "may" and insert "that"

Page 7, delete line 27

Page 7, line 28, delete everything before "is"

Page 7, line 29, after "and" insert "for which"

Page 7, line 31, before the period, insert "may not provide consulting, management, or advisory services to a covered pension plan"

Page 8, after line 15, insert:

"Subd. 5. [DOCUMENTATION.] In determining the applicability of this section, the state board of investment or a public pension plan may rely on any applicable disclosure form meeting the requirements of the federal Investment Adviser Act of 1940, as amended through the effective date of this section, and filed with the state board of investment or the pension plan."

Page 8, delete lines 25 to 30

Page 8, line 31, delete everything before "(a)" and insert:

"Subd. 2. [PRUDENT PERSON STANDARD.]"

Page 9, delete lines 8 to 14

Page 9, line 31, delete "but" and insert "than"

Page 10, line 6, after "plan" insert "or of the state board of investment"

Page 10, line 32, after the period, insert "A disclosure form meeting the requirements of the federal Investment Adviser Act of 1940, as amended, and filed with the state board of investment or the pension plan meets the requirements of this subdivision."

Page 11, line 11, after the period, insert "For the state board of investment, the disclosure document may be included as a part of any regular annual report of the board and will be considered to have been filed on a timely basis."

Page 11, line 15, delete "do any of the following"

Page 12, line 16, delete "has issued" and insert "issues"

Page 13, line 3, delete "mutual fund" and insert "investment company"

Page 13, line 8, delete "covered" and insert "described" and delete "may" and insert ", paragraph (a), shall only"

Page 13, line 9, delete "only"

Page 13, line 12, delete "covered" and insert "described" and after "6" insert ", paragraph (a)."

Page 14, line 21, after "shall" insert "prepare and"

Page 14, line 26, after the period, insert "The chief administrative officer may utilize the services of the covered governmental entity in providing the summary."

Page 14, line 29, delete "APPEALS" and insert "REVIEW"

Page 14, line 30, delete "prepare" and insert "propose"

Page 14, line 32, delete "hearing and deciding the appeal of" and insert "reviewing"

Page 14, line 35, after the period, insert "The review procedure may afford the plan participant or benefit recipient an opportunity to present views at any review proceeding conducted, but is not a contested case under chapter 14."

Page 15, line 10, delete "way" and insert "method used in funding" and delete "is funded"

Page 15, line 21, delete "evaluation" and insert "valuation"

Page 15, line 28, delete "a place accessible to the"

Page 15, delete lines 29 to 33 and insert "compliance with section 471.705."

Page 15, line 35, after "plan" insert "or a direct relative of a fiduciary"

Page 16, lines 6 and 10, delete "applicable"

Page 16, line 13, delete "an applicable" and insert "the"

Page 16, line 18, delete everything after the first comma

Page 16, delete lines 19 and 20 and insert "deliberate, or the product of gross negligence."

Page 16, line 26, after the second comma, insert "or"

Page 16, line 27, delete ", or criminal sanctions"

Page 16, line 30, delete "or"

Page 16, line 31, delete "unintentional"

Page 17, line 3, delete the comma and insert ". Compensatory damages are"

Page 17, lines 4 and 9, delete "7" and insert "6"

Page 17, line 5, delete "Punitive damages are the"

Page 17, delete line 6

Page 17, line 7, delete "fiduciary breach." and insert "A fiduciary may also be personally liable for punitive damages for an intentional fiduciary breach if the breach is particularly egregious."

Page 17, line 19, before the semicolon, insert ", unless the person is an elected official"

Page 17, line 23, delete "fiduciary act or" and insert "ministerial"

Page 17, delete lines 24 to 32

Page 18, line 9, before "other" insert "fiduciary activities of the"

Page 18, line 16, after "or" insert "to appropriate"

Page 18, line 28, after the second "activities" insert "specifically"

Page 18, line 31, after "not" insert "specifically"

Page 21, line 14, before "bonding" insert "fidelity"

Page 21, line 15, after "fiduciary" insert "who is an employee of the pension plan and" and delete everything after "for"

Page 21, line 18, before the period, insert ", unless the person is exempt by law from being bonded as a state official or as a state employee"

Page 21, line 19, after "For" insert "a" and delete "plans" and insert "plan"

Page 21, line 24, after "For" insert "a" and delete "plans" and insert "plan other than a first-class city teachers retirement fund association"

Page 21, after line 25, insert:

"(d) For a first-class city teachers retirement fund association, the board of the association shall set the amount of the bond."

Page 21, line 26, delete "(d)" and insert "(e)"

Pages 21 to 23, delete sections 17 and 18

Page 23, delete lines 17 to 21

Page 24, delete lines 10 to 20

Page 24, line 21, delete "(7)" and insert "(1)"

Page 24, line 22, delete "(8)" and insert "(2)"

Page 24, line 23, delete "(9)" and insert "(3)"

Page 24, line 27, delete "(10)" and insert "(4)"

Page 24, line 28, delete "(11)" and insert "(5)"

Renumber the subdivisions in sequence

Page 26, delete section 21

Page 26, delete line 14

Page 26, line 15, delete "18 to 21" and insert:

"Sections 1 to 18"

Renumber the sections of article 1 in sequence

Page 29, line 27, delete "356A.10" and insert "356A.15"

Page 30, line 13, before "shall" insert ", for the investment of funds other than pension fund assets," and after "in" reinstate the stricken language

Page 30, lines 14 to 18, reinstate the stricken language

Page 30, line 19, reinstate the stricken language and before "accordance" insert "and, for the investment of pension fund assets, shall act in"

Page 38, line 13, delete "3" and insert "2"

Page 41, line 12, delete "3" and insert "2"

Page 47, line 22, delete "3" and insert "2"

Page 51, line 22, delete "3" and insert "2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 281: A bill for an act relating to motor vehicles; abolishing authority to appoint corporations as deputy registrars; providing for transfer of appointments of corporations as deputy registrars to individuals under certain conditions; amending Minnesota Statutes 1986, section 168.33, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.012, subdivision 1c, is amended to read:

Subd. 1c. (a) The annual administrative fee for a tax-exempt vehicle under this section is \$5. The license plate fee for a tax-exempt vehicle, except a trailer, is \$10 for two plates per vehicle, payable only on the first tax-exempt registration of the vehicle. The registration period for a tax-exempt vehicle is biennial. The administrative fee is due on March 1 biennially and payable the preceding January 1, with validating stickers issued at time of payment.

~~(b) The owner of a tax-exempt vehicle shall apply for tax-exempt license plates, and pay the administrative and plate fees, and the filing fee under section 168.33, subdivision 7, only to a deputy registrar in the county in which the vehicle is domiciled.~~

Sec. 2. Minnesota Statutes 1986, section 168.33, subdivision 2, is amended to read:

Subd. 2. [POWERS.] (a) The registrar shall have the power to appoint, hire and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable the registrar to properly carry out the duties imposed by the provisions of this chapter. ~~As of April 14, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.~~

~~Effective August 1, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the~~

county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau which issues motor vehicle license as provided in section 373.32. Any person appointed by the registrar as a deputy registrar for any city shall be a resident of the county in which the city is situated.

(b) The registrar may shall appoint, and may for cause discontinue, the county auditor of each county that has not established a county license bureau under section 373.32 or the director of the county license bureau of each county that has established such a bureau as a deputy registrar. Before appointing a county auditor as a deputy registrar in a county that has not established a county license bureau under section 373.32, the registrar shall notify the county board of its option to establish a county license bureau. If the county board notifies the registrar that it chooses not to establish a county license bureau, or if it takes no action within 90 days of its notification by the registrar, the registrar may appoint the auditor as a deputy registrar. Each auditor or director shall maintain and operate at least one registration and motor vehicle tax collection bureau in the county seat.

(c) Upon approval of the county board, the auditor or director, with the approval of the ~~director of motor vehicles registrar~~, may appoint, and for cause discontinue, the clerk or equivalent officer of each city or ~~any other person an officer, director, or other person representing and accepting the appointment on behalf of a nonprofit corporation~~ as a deputy registrar as public interest and convenience may require, regardless of the appointee's county of residence. ~~Notwithstanding any other provision, a person other than a~~ The county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any city, may continue contract with any other person, in accordance with this subdivision and with rules adopted by the registrar, to serve as provide services that ordinarily would be provided by a deputy registrar and may be discontinued for cause only by the registrar. A county auditor or director may contract for services as a deputy registrar only if:

(1) the auditor or director has established that interests of public need and convenience would be served by the establishment of a deputy registrar's office at a location at which one does not exist;

(2) the proposed office would not be within 15 miles or 25 minutes driving time of an existing office;

(3) no city clerk or equivalent officer is available for appointment as deputy registrar to serve that location, or the city has declined to have a city officer serve as deputy registrar; and

(4) the projected estimated number of applications that would be processed at the proposed office is not great enough to support the establishment of a county or city office to serve that location, and in any event would not exceed 25,000 a year.

A contract must be awarded to the lowest qualified bidder, but in no event may the compensation paid to a contractor for each application processed by the contractor exceed the filing fee set by subdivision 7. The county auditor or director who appointed or contracted with the deputy registrars ~~shall be~~ or contractors is responsible for the acts of deputy registrars appointed or awarded contracts by the auditor or director. Each such deputy, before entering upon the discharge of duties, shall take and

subscribe an oath to faithfully discharge the duties and to uphold the laws of the state. If ~~A contractor or a deputy registrar appointed hereunder who~~ is not an officer or employee of a county or city, ~~such deputy~~ shall in addition give bond to the state in the sum of \$10,000, or such larger sum as may be required by the registrar, conditioned upon the faithful discharge of duties as deputy registrar. ~~A corporation governed by chapter 302A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as provided in subdivision 2, personally assured by the individual or another individual approved by the commissioner of public safety, a corporation named in an application shall become the duly appointed and qualified successor to the deputy registrar.~~ Each deputy registrar ~~appointed hereunder and contractor~~ shall keep and maintain, in a convenient public place within the place for which appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of motor vehicle taxes ~~thereon~~.

(d) The registrar shall adopt rules requiring the operation of registration and motor vehicle tax collection bureaus outside normal business hours at locations where public interest and convenience may require such operation and where such operation would not impose undue hardship or expense on a county or city.

(e) A courier or other person transmitting applications, payments, certificates, licenses, or other documents and materials connected with the registration of motor vehicles and the payment of motor vehicle taxes between the office of a deputy registrar or contractor and a motor vehicle dealer, bank or other financial institution, or insurance office or agency must be an employee of that deputy registrar or contractor. If a deputy registrar or contractor wishes to provide courier service to a place and another deputy or contractor maintains an office closer to that place, the deputy or contractor wishing to provide the service may do so only if the distance from that deputy's or contractor's office to the place to be served is no more than 150 percent of the distance from that place to the closest office of a deputy or contractor.

(f) The deputy registrar shall keep such records and make such reports to the registrar as ~~that officer, from time to time,~~ the registrar may require. Such records ~~shall~~ must be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar ~~shall~~ must at all times be open to the inspection of the registrar or the registrar's agents. The deputy registrar shall report to the registrar by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar. The filing fee imposed ~~pursuant to~~ by subdivision 7 ~~shall~~ must be deposited in the treasury of the place for which the deputy registrar is appointed or the county to which the contractor is under contract, ~~or if not a public official, such deputy shall retain the filing fee,~~ but the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the state treasurer.

(g) The state auditor shall audit the books and accounts of each deputy registrar who is not a public official and each contractor providing services of a deputy registrar once each year or as often as funds and personnel of the state auditor permit. The deputy registrar or contractor shall pay to the state the total cost and expenses of the examination, including the

salaries paid to the auditors while actually engaged in making the examination. The revolving fund of the state auditor must be credited with all collections made for any examination.

(h) The place for which the deputy registrar is appointed through its governing body shall provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if such deputy is a public official. In all other cases, the deputy or contractor shall maintain a suitable facility for serving the public.

Sec. 3. [TRANSFER OF APPOINTMENT.]

Notwithstanding section 168.33, subdivision 2, an appointing authority shall transfer the appointment of a corporation as a deputy registrar to the person who, in an individual capacity, held the appointment for that office before the appointment of the corporation or, if a corporation has been sold or transferred since its appointment as a deputy registrar but before February 19, 1987, to the purchaser or transferee or, if more than one, one of the purchasers or transferees. To qualify for a transfer of an appointment under this section, a person shall apply in writing to the registrar by August 1, 1987.

Sec. 4. [TERMINATION OF APPOINTMENTS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "private deputy registrar" means a deputy registrar of motor vehicles who is neither a public official nor a person representing and accepting appointment as deputy registrar on behalf of a nonprofit corporation.

Subd. 2. [EXISTING PRIVATE DEPUTY REGISTRARS.] Notwithstanding section 168.33, subdivision 2, a deputy registrar holding an appointment on the effective date of this act, or a person to whom an appointment is transferred under section 3, may continue to serve as a deputy registrar until the deputy registrar retires, dies, or voluntarily terminates operations. Nothing in section 168.33, subdivision 2, or section 3 prevents a private deputy registrar or a contractor providing the services of a deputy registrar from operating an office as a business corporation so long as the appointment as deputy registrar is held by an individual.

Subd. 3. [OPERATIONS IN COUNTY SEATS; EXCEPTIONS.] Notwithstanding section 168.33, subdivision 2, a county auditor or director of a county license bureau in a county where a private deputy registrar covered by subdivision 2 operates a registration and motor vehicle tax collection bureau in the county seat need not maintain and operate a bureau in the county seat until the private deputy registrar ceases operations there.

Subd. 4. [COMPENSATION.] By January 1, 1988, the registrar of motor vehicles shall submit to the legislature a plan for compensating persons who, before February 19, 1987, purchased a corporation appointed as a deputy registrar for the loss of the resale value of that purchase. The plan must include a method by which the registrar will determine the loss for each purchaser."

Delete the title and insert:

"A bill for an act relating to motor vehicles; abolishing authority to appoint corporations or private individuals other than persons acting on behalf of nonprofit corporations as deputy registrars; providing for transfer of appointments of corporations as deputy registrars to individuals under

certain conditions; requiring county auditors or directors of county license bureaus to operate and maintain registration and motor vehicle tax collection bureaus in county seats; providing certain exceptions; permitting counties to contract with private individuals for deputy registrar services in certain instances; requiring the registrar of motor vehicles to adopt rules governing the hours of operation of deputy registrar offices; requiring the registrar to notify counties of their option to establish county license bureaus before appointing county auditors as deputy registrars; regulating courier services; requiring the audit of private deputy registrars and contractors; permitting private individuals holding appointments as deputy registrars or qualifying for transfers of appointments held by corporations to continue to operate as deputy registrars; requiring the registrar of motor vehicles to develop a plan for compensating persons who by a certain date purchased corporations holding appointments as deputy registrars; amending Minnesota Statutes 1986, sections 168.012, subdivision 1c; and 168.33, subdivision 2."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F No. 674: A bill for an act relating to public employees; setting salaries and salary ranges for certain employees; amending Minnesota Statutes 1986, sections 15A.081, subdivisions 1, 6, 7, 7b, and by adding a subdivision; 15A.083, subdivisions 1 and 4; and 298.22, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, strike line 21 and insert:

"Commissioner of finance; \$60,000-\$78,500"

Page 1, line 22, strike "finance" and insert "*education*"

Page 2, line 1, strike "\$50,000-\$60,000" and insert "*\$55,000-\$67,500*"

Page 2, line 31, strike "\$40,000-\$52,500" and insert "*\$47,500-\$60,000*"

Page 4, lines 17 and 35, after the period, insert "*In June of the year in which a salary increase is to be adopted, and*"

Page 5, line 4, delete "*95 percent of*"

Page 5, delete line 5 and insert "*maximum salary set for the commissioner of administration under subdivision 1.*"

Page 5, line 17, delete "\$79,719" and insert "\$80,000"

Page 5, line 20, delete "73,981" and insert "75,000"

Page 5, line 23, delete "71,169" and insert "72,500"

Page 5, line 26, delete "68,249" and insert "70,000"

Page 6, line 24, strike "32,000-44,000" and insert "*\$34,000-\$48,000*"

Page 6, after line 25, insert:

"Sec. 8. Minnesota Statutes 1986, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive secretary of each health-related and non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive secretaries and other employees of the following boards shall be hired by the board, and the executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;
- (4) pharmacy;
- (5) accountancy;
- (6) architecture, engineering, land surveying and landscape architecture;
- (7) barber examiners;
- (8) cosmetology;
- (9) electricity;
- (10) teaching; and
- (11) peace officer standards and training.

The board of medical examiners shall set the salary of its executive director, which may not exceed 95 percent of the top of the salary range set for the commissioner of health in section 15A.081, subdivision 1. *In June of the year in which a salary increase is to be adopted, and at least 30 days before the board of medical examiners adopts a salary increase for its executive director, the board shall submit the proposed salary increase to the legislative commission on employee relations for its review approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2.*

The executive secretaries serving the remaining boards shall be hired by those boards, and shall be in the unclassified civil service except for part-time executive secretaries, who are not required to be in the unclassified service. Boards not requiring a full-time executive secretary may employ such services on a part-time basis. To the extent practicable the sharing of part-time executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive secretaries of the boards and employees of the attorney general, shall be classified civil service employees of the department servicing the board. To the extent practicable the commissioner shall insure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations."

Page 6, line 26, delete "8" and insert "9"

Page 7, line 3, after "commission" insert "and may not exceed the maximum salary set for the commissioner of administration under section 15A.081, subdivision 1"

Page 7, after line 15, insert:

“Sec. 10. [RATIFICATION.]

The salaries for certain agency heads recommended for approval by the legislative commission on employee relations on March 31, 1987, are ratified, retroactive to January 16, 1987.”

Amend the title as follows:

Page 1, line 6, after the semicolon, insert “214.04, subdivision 3;”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 776: A bill for an act relating to natural resources; creating the state board of water and soil resources and providing for its administration and powers and duties; abolishing the state soil and water conservation board and the water resources board; amending the duties of the environmental quality board; amending Minnesota Statutes 1986, sections 40.01, subdivision 4; 40.03, subdivision 4; 40.035, subdivision 2; 40.21, subdivisions 1 and 3; 40.43, subdivision 1; 105.73; 110B.02, subdivision 2; 112.35, subdivision 4; 116C.03, subdivision 2; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; and 473.878, subdivisions 7 and 8; proposing coding for new law in Minnesota Statutes, chapter 110B; repealing Minnesota Statutes 1986, sections 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; and 116C.41, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 27, delete “15” and insert “11”

Page 5, line 32, delete “seven” and insert “three”

Page 5, line 33, delete “managers”

Page 6, line 4, delete everything after “least”

Page 6, delete lines 5 to 13

Page 6, line 14, delete the paragraph coding and delete “(6)” and delete “six” and insert “five”

Page 6, line 17, delete the paragraph coding and delete “(7) seven members,”

Page 6, delete lines 19 to 27

Page 7, line 6, delete everything after “employees”

Page 7, line 7, delete “duties. Compensation of employees shall be determined”

Renumber the subdivisions in sequence

Page 12, line 32, delete “TRANSFER OF EMPLOYEES” and insert “MEMBERSHIP; COMPLEMENT OF BOARD”

Page 12, after line 32, insert:

"Subdivision 1. [TRANSITION MEMBERSHIP.] In addition to the members specified in section 9, the initial board shall have for a period of three years four temporary members who shall be soil and water conservation district supervisors."

Page 12, line 33, before "All" insert:

"Subd. 2. [TRANSFER OF EMPLOYEES.]"

Page 12, line 33, after "state" insert "positions and"

Page 12, line 35, delete "may be" and insert "are"

Page 12, line 36, after "resources" insert "in accordance with section 15.039, subdivision 7"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

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

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, delete "real or"

Page 1, line 21, delete "or both"

Pages 1 and 2, delete section 2 and insert:

"Sec. 2. [240A.02] [MINNESOTA AMATEUR SPORTS COMMISSION.]

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] The Minnesota amateur sports commission consists of nine members, four of whom must be experienced in promoting amateur sports, appointed by the governor to six-year terms. Compensation and removal of members and the filling of membership vacancies are as provided in section 15.0575. A member may be reappointed. The governor shall appoint the chair of the commission after consideration of the commission's recommendation.

Subd. 2. [MEETINGS.] The commission shall meet at least quarterly and at other times determined by the commission and shall adopt rules governing its proceedings.

Subd. 3. [STAFF] The commission shall appoint an executive director, who may hire other employees authorized by the commission. The executive director and any other employees are in the unclassified service under section 43A.08."

Page 2, lines 28 and 32, delete "real or"

Page 2, line 31, delete "construct,"

Page 2, lines 32 and 33, delete "or both"

Page 2, line 34, delete "Real or"

Page 3, line 4, delete "*shall be*" and insert "*are*"

Page 3, line 8, delete everything after the period

Page 3, delete lines 9 to 18

Page 3, line 20, delete "*real or*"

Page 3, line 26, delete "*, and may employ*" and insert "*with*"

Page 4, delete lines 12 to 19

Page 4, line 20, delete "*11*" and insert "*10*"

Page 4, line 29, delete "*12*" and insert "*11*"

Page 4, lines 31 and 32, delete "*The rules and procedures are exempt from the rulemaking requirements of chapter 14.*"

Page 5, delete lines 1 to 36 and insert:

- "(1) promote the development of olympic training centers;*
- (2) promote physical fitness by promoting participation in sports;*
- (3) develop, foster, and coordinate physical fitness services and programs;*
- (4) sponsor amateur sport workshops, clinics, and conferences;*
- (5) provide recognition for outstanding developments, achievements, and contributions to amateur sports;*
- (6) stimulate and promote amateur sport research;*
- (7) collect, disseminate, and communicate amateur sport information;*
- (8) promote amateur sport and physical fitness programs in schools and local communities;*
- (9) develop programs to promote personal health and physical fitness by participation in amateur sports in cooperation with medical, dental, sports medicine, and similar professional societies;*
- (10) promote the development of recreational amateur sport opportunities and activities in the state, including the means of facilitating acquisition, financing, construction, and rehabilitation of sports facilities for the holding of amateur sporting events;*
- (11) promote national and international amateur sport competitions and events;*
- (12) sanction or sponsor amateur sport competition; and*
- (13) take membership in regional or national amateur sports associations or organizations."*

Page 6, lines 11, 15, and 22, delete "*shall*" and insert "*must*"

Page 6, after line 27, insert:

"Sec. 8. [INITIAL APPOINTMENTS.]

Notwithstanding section 2, the governor shall appoint the initial members of the commission as follows:

- (1) three members to two-year terms;*
- (2) three members to four-year terms; and*

(3) *three members to six-year terms.*"

Page 6, line 28, delete "8" and insert "9"

Page 6, line 29, delete "7" and insert "8"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1173: A bill for an act relating to education; changing the name of the school of the arts; increasing the powers of its board; permitting its staff and certain students to be in the unclassified service; appropriating money; amending Minnesota Statutes 1986, sections 43A.08, subdivisions 1 and 1a; 43A.18, subdivision 4; 129C.10, subdivisions 1, 3, 4, 5, 6, and by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, delete section 3

Pages 5 to 7, delete section 5 and insert:

"Sec. 4. Minnesota Statutes 1986, section 129C.10, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the Minnesota school ~~of and resource center for the arts and resource center~~ *and all its real and personal property.* The powers shall include, but are not limited to, ~~the following; those listed in this subdivision.~~

(1) ~~to~~ (b) *The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the school and resource center;*

(2) ~~to~~ (c) *The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance;*

(3) ~~to~~ (d) *The board may establish or coordinate evening, continuing education, extension, and summer programs through the resource center for teachers and pupils;*

(4) ~~to~~ (e) *The board may develop and pilot test an interdisciplinary education program. An academic curriculum must be offered with special programs in dance, literary arts, media arts, music, theater, and visual arts in both the popular and fine arts traditions;*

(5) ~~to~~ (f) *The board may determine the location for the Minnesota school of and resource center for the arts and resource center and any additional facilities related to the school, including the authority to lease a temporary facility;*

(6) ~~to~~ (g) *The board may plan for the enrollment of pupils to ensure statewide access and participation;*

~~(7)~~ *to (h) The board may establish advisory committees as needed to advise the board on policies and issues; and.*

~~(8)~~ *to (i) The board may request the commissioner of education for assistance and services.*

(j) The board may enter into contracts with other public and private agencies and institutions to provide residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

(k) The board may provide or contract for services and programs by and for the school for the arts, including a school store, operating in connection with the school; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the school for the arts.

(l) The board may provide for the transportation of pupils to and from the school for the arts for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for the transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase gasoline and furnish it to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the school for the arts. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and other related matters are within the sole discretion, control, and management of the board.

(m) The board may provide room and board for its pupils.

(n) The board may establish and set fees for services and programs without regard to chapter 14. In the event that the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1."

Pages 7 and 8, delete section 8 and insert:

"Sec. 7. Minnesota Statutes 1986, section 129C.10, is amended by adding a subdivision to read:

Subd. 4a. [ADMISSION AND CURRICULUM REQUIREMENTS GENERALLY.] (a) The board may adopt rules for admission to and discharge from the school and rules regarding the operation of the school and resource center, including the transportation of its pupils. Rules covering admission and discharge are governed by chapter 14. Rules regarding the operation of the school are not governed by chapter 14.

(b) Proceedings concerning admission to or discharge from the school, a pupil's program at the school, and a pupil's progress at the school are governed by the rules adopted by the board and are not contested cases

governed by chapter 14.

(c) *Notwithstanding section 120.10, subdivision 1, the board may require pupils to attend school more than 200 days a school year.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "43A.18, subdivision 4;"

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 514: A bill for an act relating to human services; creating the office of ombudsman for mental health and mental retardation; providing for the powers and duties of the ombudsman; creating a medical review board; requiring reporting of abuse and neglect to the ombudsman for mental health and mental retardation; amending Minnesota Statutes 1986, sections 13.66; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1986, section 13.46, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "Individual" means an individual pursuant to section 13.02, subdivision 8, but does not include a vendor of services.

(b) "Program" includes all programs for which authority is vested in a component of the welfare system pursuant to statute or federal law.

(c) "Welfare system" includes the department of human services, county welfare boards, county welfare agencies, human services boards, community mental health center boards, state hospitals, state nursing homes, *the ombudsman for mental health and mental retardation*, and persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

(d) "Mental health data" means data on individual clients and patients of community mental health centers, established under section 245.62, ~~or~~ mental health divisions of counties and other providers under contract to deliver mental health services, *or the ombudsman for mental health and mental retardation.*"

Page 3, line 3, delete "office of"

Page 3, line 4, delete "is created. The ombudsman"

Page 3, line 22, delete "shall be" and insert "are"

Page 5, lines 19 and 20, delete "shall" and insert "may"

Page 6, line 27, delete "ESTABLISHMENT;" and delete "An" and insert "The"

Page 6, line 28, delete "*consisting*" and insert "*consists*" and delete "*shall be*"

Page 6, line 29, before the period, insert "*to three-year terms*"

Page 7, line 8, delete "TERMS OF SERVICE" and insert "COMPENSATION" and delete "*Members shall be*"

Page 7, delete lines 9 to 12

Page 7, line 13, delete everything before "*Members*"

Page 7, line 29, delete "*shall*" and insert "*must*"

Page 7, lines 33 and 34, delete "*has the power to*" and insert "*may*"

Page 8, line 16, after "*committee*" insert "*and the filling of membership vacancies*"

Page 8, lines 16 and 17, delete ", *except as provided in this section*"

Page 12, after line 34, insert:

"Sec. 12. [INITIAL APPOINTMENTS.]

Notwithstanding section 8, the governor shall appoint the initial members of the ombudsman committee as follows:

- (1) *five members to one-year terms;*
- (2) *five members to two-year terms; and*
- (3) *three members to three-year terms."*

Amend the title as follows:

Page 1, line 8, delete "13.66" and insert "13.46, subdivision 1"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1033: A bill for an act relating to retirement; clarifying the responsibilities of the actuary retained by the legislative commission on pensions and retirement; clarifying and revising various actuarial determinations and procedures; authorizing the retention of actuarial advisors by various retirement funds; specifying the contents and methods for supplemental and alternative actuarial valuations; establishing a separate fund for the correctional employees retirement fund; amending Minnesota Statutes 1986, sections 3.85, subdivision 12; 3A.11, subdivision 1; 11A.18, subdivisions 6, 9, and 11; 69.77, subdivisions 2b and 2h; 69.772, subdivision 3; 69.773, subdivisions 2 and 4; 136.82, subdivision 2; 352.01, subdivision 12; 352.03, subdivision 6; 352.116, subdivisions 1, 3, and by adding a subdivision; 352.119, subdivision 2; 352.85, subdivision 6; 352.86, subdivision 4; 352B.01, by adding a subdivision; 352B.02, subdivision 1; 352B.08, subdivision 2; 352B.26, subdivision 3; 353.01, subdivision 14; 353.03, subdivision 3a; 353.271; 353.29, subdivision 6; 353.30, subdivision 3; 354.05, subdivision 7; 354.06, subdivision 2a; 354.07, subdivision 1; 354.35; 354.42, subdivision 5; 354.44, subdivision 2; 354.45; 354.48, subdivision 3; 354.532, subdivisions 1 and 2; 354.55, subdivisions 11, 12, and 13; 354.58; 354.62, subdivision 5; 354.63, subdivision 2;

354A.011, subdivision 17, and by adding a subdivision; 354A.021, by adding a subdivision; 354A.32; 354A.41, subdivision 2; 356.20, subdivisions 2, 3, and 4; 356.215; 356.216; 356.22, subdivision 2; 356.23; 356.41; 356.451, subdivision 1; 422A.01, subdivisions 6, 7, and 10; 422A.04, subdivisions 2 and 3; 422A.06, subdivisions 2, 5, 7, and 8; 422A.101; 422A.15, subdivisions 2 and 3; 422A.16, subdivisions 2, 3a, and 10; 422A.17; 422A.23, subdivisions 6 and 7; 490.121, subdivision 20; and 490.124, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 352; repealing Minnesota Statutes 1986, section 352B.26, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 35, strike "preceding"

Page 3, line 1, strike "For funds"

Page 3, strike lines 2 and 3

Page 3, line 4, before "year" insert "plan"

Page 3, line 5, strike "1988" and insert "1987"

Page 3, line 34, strike "date" and delete "on" and insert "*last business day of the month in*"

Page 4, line 12, after "PLANS" insert " : *TRANSFER OR REQUIRED RESERVES*"

Page 4, line 13, before "Any" insert "(a)"

Page 4, line 15, strike "commencement of a" and insert "*last business day of the month in which the*"

Page 4, line 16, after "fund" insert "begins"

Page 4, line 23, after the period, insert:

"(b) If the exact amount of the actuarially determined required reserves is not readily calculable as of the date of the commencement of a benefit payment, the initial transfer must be based on the best estimate by the executive director of the retirement fund involved and shall be made on a timely basis. Any necessary adjustments based on specific calculations of actuarially determined required reserves must be made in later transfers. If a best estimate initial transfer is insufficient, the later transfer from the retirement fund must include interest on the amount of the required reserve insufficiency at the greater of the following rates:

(1) the average short-term investment return rate earned by the state board over the 30-day period ending with the last business day of the month before the month in which the later adjustment transfer is made; or

(2) the preretirement interest assumption for the retirement fund as specified in section 356.215, subdivision 4d, stated as a monthly rate.

Interest on the amount of a required reserve insufficiency payable by a retirement fund shall be compounded on a monthly basis. No interest shall be payable from the postretirement investment fund in the event of a required reserve oversufficiency.

(c)"

Page 5, line 10, delete "or under a procedure specified by"

Page 5, line 21, delete "*or the participating*"

Page 5, line 22, delete the new language

Page 6, line 9, delete "*or the participating public pension plan or fund,*"

Page 6, line 10, delete "*whichever is applicable*"

Page 6, line 11, delete "*or under a procedure specified by*"

Page 6, line 17, strike "100"

Page 6, line 18, strike "percent of"

Page 7, after line 11, insert:

"(e) A retirement annuity payable in the event of retirement before becoming eligible for social security benefits as provided in sections 352.116, subdivision 3; 353.29, subdivision 6; or 354.35 must be treated as the sum of a period certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity shall be the annuity amount payable until age 62 or 65, whichever applies. A postretirement adjustment granted on the period certain retirement annuity must terminate when the period certain retirement annuity terminates."

Page 17, line 10, strike ", and"

Page 17, line 11, strike "may deposit" and insert "*by depositing*"

Page 17, line 18, after "to" insert "*the*"

Page 18, line 17, delete "*trustees*" and insert "*directors*"

Page 21, line 18, before the period, insert "*or establish an optional annuity which takes the form of a joint and survivor annuity providing that, if after the joint and survivor annuity becomes payable, the person with the designated remainder interest in the annuity dies before the former member, the annuity amount must be reinstated to a normal single life annuity amount as of the first day of the month after the day the person dies. In addition, the board may also establish an optional annuity that takes the form of an annuity calculated on the basis of the age of the retired employee at retirement and payable for the period before the retired employee becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivision 2 on the basis of the age of the retired employee at retirement but equal so far as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the retired employee becomes eligible for social security old age retirement benefits and payable for the period after the retired employee becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under subdivisions 2 and 3. The social security leveling option may be calculated based on broad average social security old age retirement benefits*"

Page 22, line 13, strike "date" and delete "*of retirement*" and insert "*last business day of the month in which the retirement annuity or disability benefit begins*"

Page 27, line 5, before "in" insert "*as of the last business day of the month in which the retirement annuity begins*"

Page 30, line 24, strike "date of retirement" and insert "*last business*"

day of the month in which the retirement annuity begins"

Page 31, line 18, after the period, insert "*The social security leveling option may be calculated based on broad average social security old age retirement benefits.*"

Page 35, line 28, delete everything after "*member*" and insert "*attains the age of 65 years*"

Page 35, line 29, delete "*retirement benefits*"

Page 36, line 1, after the period, insert "*The social security leveling option may be calculated based on broad average social security old age retirement benefits.*"

Page 36, line 18, after "*liability*" insert "*computed under the entry age actuarial cost method and*"

Page 38, line 27, after "*deductions*" insert "*and interest accrued to the date of retirement*"

Page 42, line 29, after "*teaching*" insert "*service*"

Page 42, line 35, delete "*retired*" and insert "*retires*"

Page 44, line 9, delete "*in effect on July 1, 1969*"

Page 44, line 25, reinstate the stricken language

Page 44, line 26, reinstate the stricken language and delete the new language

Page 44, lines 27 and 28, delete the new language

Page 45, line 13, strike "*an*"

Page 45, line 14, before "*interest*" insert "*the applicable postretirement*" and strike "*of five percent*" and insert "*specified in section 356.215*"

Page 46, line 24, before "*354.44*" insert "*354.35,*"

Page 47, line 11, strike "*date of retirement*" and insert "*last business day of the month in which the retirement annuity begins*"

Page 49, after line 21, insert:

"Sec. 50. Minnesota Statutes 1986, section 354A.33, is amended to read:

354A.33 [SOCIAL SECURITY LEVELING ADJUSTMENT OPTION.]

Any coordinated member who retires prior to the time the member becomes eligible for social security old age retirement benefits shall be entitled to elect to receive a social security leveling adjustment optional annuity from the teachers retirement fund association. The social security leveling adjustment optional annuity shall be established by the board of the teachers retirement fund association. It shall take the form of an annuity payable for the period prior to the member's becoming eligible for social security old age retirement benefits in an amount greater than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amounts payable immediately subsequent to becoming eligible for social security old age retirement benefits in an amount less than the amount of the member's annuity calculated pursuant to section 354A.31 on the

basis of the age of the member at retirement. The optional form shall be the actuarial equivalent to the normal forms provided in section 354A.31. In establishing the optional form, the board shall obtain the written recommendation of ~~an approved~~ *the commission-retained* actuary and the recommendation shall be a part of the permanent records of the board."

Page 52, line 18, strike "and" and insert "*cash*" and after "equivalents" insert "*and short-term securities*"

Page 52, after line 21, insert:

"Equity in the Minnesota postretirement investment fund"

Page 53, line 11, before "Annuity" insert "*Retirement*"

Page 53, after line 11, insert:

"Disability benefit payments"

Page 53, line 26, strike "annuities" and insert "*benefits*"

Page 53, line 27, strike "spouses' annuities" and insert "*spouse and child benefits*"

Page 53, strike line 28

Page 53, line 33, strike "benefits" and insert "*annuities*"

Page 54, line 17, strike "benefit payments," and insert "*the payment of*"

Page 54, line 18, strike the first "benefits" and insert "*annuities*"

Page 55, line 19, strike ", and" and delete "*to determine*" and strike the second "the"

Page 55, line 20, strike "payment necessary to prevent any increase in any"

Page 55, line 21, strike the old language and delete the new language

Page 55, line 22, delete the new language

Page 57, line 22, strike "sixth" and insert "*eleventh*"

Page 60, lines 6 and 7, after "unfunded" insert "*actuarial*"

Page 60, line 9, strike "be" and insert "*include*"

Page 60, line 10, strike "organized in" and strike "manner"

Page 60, line 12, strike "and" and insert "*cash*" and after "equivalents" insert "*and short-term securities*"

Page 60, after line 15, insert:

"Equity in the Minnesota postretirement investment fund"

Page 60, line 25, after "Actuarial" insert "*present*" and after "of" insert "*credited projected*"

Page 60, line 29, strike "annuities" and insert "*benefits*"

Page 60, line 30, strike "spouses' annuities" and insert "*spouse and child benefits*"

Page 60, strike line 31

Page 61, lines 13 and 16, before "liability" insert "*actuarial*"

Page 65, line 19, strike "be submitted in" and insert "contain"

Page 65, line 20, strike "form" and insert "information"

Page 65, strike line 22

Page 65, line 23, strike "Payroll"

Page 65, line 36, strike "Annual"

Page 66, line 1, strike "Annuity" and delete "or"

Page 66, line 2, strike "Benefit"

Page 66, line 14, strike "Disabled annuitants" and insert "*Disability benefit recipients*"

Page 66, line 15, strike "annuitants" and insert "*benefit recipients*"

Page 66, line 16, strike "children annuitants" and insert "*child benefit recipients*"

Page 66, line 27, strike "which substantiates" and insert "*of the experience of the fund or association and a comparison of the experience with*"

Page 66, line 30, strike the colon

Page 66, strike lines 31 to 34

Page 66, line 35, strike "(b) Separately" and delete "*concerning*" and strike "new entrants for each"

Page 66, line 36, delete the new language

Page 67, line 1, delete the new language and strike the period

Page 67, line 2, strike "(2)"

Page 67, line 3, strike the semicolon

Page 67, strike line 4

Page 67, line 5, strike "date of the experience study"

Page 67, line 6, strike "(b) Separately" and delete "*concerning*" and strike "new retirements for each"

Page 67, line 7, delete the new language

Page 67, line 8, delete the new language and strike the period

Page 67, line 18, before the period, insert "*and the standards for actuarial work adopted by the legislative commission on pensions and retirement*"

Page 67, after line 18, insert:

"*Subd. 7. [ESTABLISHMENT OF ACTUARIAL ASSUMPTIONS.] Actuarial assumptions used for actuarial valuations under this section that are other than those set forth in this section may be changed only with the approval of the legislative commission on pensions and retirement. A change in the applicable actuarial assumptions may be proposed by the governing board of the applicable pension fund or relief association, by the actuary retained by the legislative commission on pensions and retirement, by the actuarial advisor retained by a pension fund governed by chapter 352, 353, 354, or 354A, or by the actuary retained by a local police or fire fighters relief association governed by sections 69.77 or 69.771 to 69.776.*"

Page 77, line 30, before the period, insert "*as of the last business day of the month in which the retirement allowance begins*"

Page 77, line 33, after the period, insert "*A required reserve calculation for the retirement benefit fund must be made by the actuary retained by the legislative commission on pensions and retirement and must be certified to the retirement board by the commission-retained actuary.*"

Page 91, line 4, delete "1986" and insert "1987"

Page 91, after line 5, insert:

"Sec. 82. [TEMPORARY PROVISION.]

The provisions of sections 11, 12, 14 to 16, 23, 25, 28 to 30, 33, 35 to 38, 40, 44, 46, 47, 49, 61, 62, 65, 69, 71 to 74, and 78 to 80 may not be construed to require any immediate change in current actuarial assumptions, optional annuity forms, optional annuity factors, and early retirement reduction factors and shall only apply to any changes in these items after the effective date of this section and may not be construed to require any change without a significant deviation from actual experience."

Page 91, line 10, delete "*This act is*" and insert "*Sections 1 to 19 and 21 to 83 are*" and after the period, insert "*Section 20 is effective as soon as is practicable following final enactment.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 31, after "354A.32;" insert "354A.33;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

H.F. No. 1073: A bill for an act relating to occupations and professions; providing advertising restrictions for plumbers; imposing penalties; amending Minnesota Statutes, section 326F75.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

H.F. No. 946: A bill for an act relating to employment; prohibiting residency requirements for employees; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 176: A bill for an act relating to labor; prohibiting the charging of a fee in connection with a job application; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [181.93] [FEE FOR JOB APPLICATIONS PROHIBITED.]

A fee may not be charged any individual to make an application for employment. A person who is found to have violated this section is subject to the penalties and remedies, including a private right of action to recover damages, as provided in section 8.31.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 340: A bill for an act relating to natural resources; allowing elk to be bred on game and fur farms; amending Minnesota Statutes 1986, section 97A.105, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 653: A bill for an act relating to wild animals; use of lights in taking or in tending traps; length of otter season; setting traps near water; amending Minnesota Statutes 1986, sections 97B.081; 97B.921; 97B.931; and 97B.945.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 505: A bill for an act relating to state lands; authorizing conveyance of certain state easement.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 102: A bill for an act relating to game and fish; use of mechanical release bows during archery seasons; amending Minnesota Statutes 1986, section 97B.035, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 97B.035, subdivision 1, is amended to read:

Subdivision 1. [HUNTING WITH BOWS RELEASED BY MECHAN-

ICAL DEVICES.] (a) A person may not hunt with a bow drawn, held, or released by a mechanical device, except with a disabled hunter permit issued under section 97B.315 or as provided in paragraph (b).

(b) A person may use a mechanical device attached to the bowstring if the person's own strength draws, holds, and releases the bowstring."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 879: A bill for an act relating to natural resources; providing for the deposit of receipts from private forest management services into the forest management fund; appropriating money; amending Minnesota Statutes 1986, sections 88.79, subdivision 2; and 89.04.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 88.79, subdivision 2, is amended to read:

Subd. 2. [CHARGE FOR SERVICE; RECEIPTS TO ~~GENERAL FOREST MANAGEMENT FUND.~~] The commissioner of natural resources may charge the owner receiving such services such sums as the commissioner shall determine to be fair and reasonable. The receipts from such services shall be ~~deposited in~~ credited to the ~~general forest management fund.~~

Sec. 2. Minnesota Statutes 1986, section 89.04, is amended to read:

89.04 [FOREST MANAGEMENT FUND.]

Subdivision 1. [FUND ESTABLISHED; SOURCES.] The forest management fund is created as an account in the state treasury and may be spent only for the purposes provided in subdivision 2. The following revenue shall be deposited in the forest management fund:

(a) (1) money transferred from the state forest fund as provided in section 89.036;

(b) (2) money transferred from the state forest suspense account as provided in section 16A.125, subdivision 5, which may be appropriated to implement the state forest resource management policy and plan only on state forest trust fund lands as defined in section 16A.125, subdivision 5;

(c) (3) money from the sale of tree planting stock as provided in section 89.37, subdivision 4; and

(4) money from forest management services provided under section 88.79; and

(d) (5) interest accruing from investment of the fund.

Subd. 2. [PURPOSES OF FUND.] Subject to appropriation by the legislature, money in the forest management fund may be spent by the department of natural resources in accordance with the forest resource management policy and plan for any of the following purposes:

(a) (1) reforestation consistent with the state reforestation policy and

forest resource management plan;

(b) (2) forest road improvements consistent with the state forest road policy and forest resource management plan;

(c) (3) equipment and training needed for the prevention and suppression of forest fires;

(d) (4) forest pest prevention and treatment; and

(5) forest management services authorized by section 88.79.

Sec. 3. [APPROPRIATION.]

§ _____ is appropriated from money deposited in the forest management fund pursuant to section 89.04, subdivision 1, clause (4), to the commissioner of natural resources for private forest management services authorized under section 88.79.

Sec. 4. [EFFECTIVE DATE.]

This act is effective July 1, 1987."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

Senate Concurrent Resolution No. 7: A Senate concurrent resolution proclaiming 1987 as Minnesota Veterans Home Centennial Year.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 7 be laid on the table. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 898: A bill for an act relating to economic development; creating the rural initiatives program; providing for a mineral development program; creating the greater Minnesota corporation and providing for its powers and duties; creating the rural initiatives revolving funds program; providing for grants to displaced workers; extending the interest rate buy-down programs; providing mediation services for rural small businesses; providing for rural telecommunications grants; appropriating money; amending Minnesota Statutes 1986, sections 256D.051, subdivision 4; 583.22, subdivision 2, and by adding a subdivision; 583.24, subdivision 2; Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapters 84; 129B; and 268; proposing coding for new law as Minnesota Statutes, chapter 116N.

Reports the same back with the recommendation that the report from the Committee on Economic Development and Housing, shown in the Journal for April 9, 1987, be amended to read:

"the bill be amended and when so amended the bill do pass and be referred to the Committee on Agriculture". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1203: A bill for an act relating to state government; reorganizing the department of agriculture, the department of energy and economic development, and the department of public service, and providing for the powers and duties of the three departments; changing the name of the department of energy and economic development to the department of trade and economic development; designating the department of jobs and training as the administrative agency for certain juvenile justice and delinquency prevention purposes; providing grants for youth intervention programs; transforming the Minnesota world trade center board into a public corporation; changing the membership of its governing board; establishing the world trade center institute as a joint venture of the corporation and the Minnesota trade office; authorizing the corporation and the world trade center office to contract for certain services and programs; transferring assets and liabilities of the world trade center board to the corporation; appropriating money; amending Minnesota Statutes 1986, sections 15.057; 17.03, subdivision 1; 18.023, subdivision 11; 18.024, subdivision 1; 43A.08, subdivision 1; 44A.01; 44A.02; 44A.031; 44A.08; 104.35, subdivisions 2 and 3; 115A.12, subdivision 2; 116C.03, subdivision 2; 116J.01; 116J.03; 116J.58, subdivision 2; 116J.60; and 116J.63, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 17; 44A; 116J; and 268; proposing coding for new law as Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1986, sections 4.09; 17.03, subdivision 5; 44A.03; 44A.04; 44A.05; 44A.06; 44A.07; 116J.404; and 116J.405.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for April 13, 1987, be amended to read:

"the bill be amended and when so amended the bill do pass and be referred to the Committee on Agriculture". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 11: A bill for an act relating to local government; permitting the establishment of a fire protection district for the city of Moose Lake and surrounding territory.

Reports the same back with the recommendation that the report from the Committee on Local and Urban Government, shown in the Journal for April 8, 1987, be amended to read:

"the bill be amended and when so amended the bill do pass and be referred to the Committee on Taxes and Tax Laws". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 929: A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils;

authorizing certain state board of vocational technical education powers; changing certain state director duties; clarifying school days; amending Minnesota Statutes 1986, sections 121.901, subdivision 1; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 136C.04, subdivision 12, and by adding a subdivision; 136C.13, by adding a subdivision; 136C.15; 136C.29, subdivision 5; and 136C.35; repealing Minnesota Statutes 1986, section 136C.32.

Reports the same back with the recommendation that the report from the Committee on Education, shown in the Journal for April 8, 1987, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1382: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; making related changes in the ethics in government act; imposing penalties; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 7, 10, 10b, 15, and by adding subdivisions; 10A.25, subdivision 10, and by adding subdivisions; 10A.255; 10A.27, by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 10A.33; 10A.335; and 290.06, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1986, sections 10A.02, subdivision 11a; 10A.25, subdivision 7; 10A.27, subdivision 5; and 10A.32.

Reports the same back with the recommendation that the report from the Committee on Elections and Ethics, shown in the Journal for April 13, 1987, be amended to read:

"the bill do pass and be re-referred to the Committee on Taxes and Tax Laws". Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 317: A bill for an act relating to retirement; police and salaried firefighters relief associations; authorizing the voluntary consolidation of local relief associations with the public employees police and fire fund; authorizing the individual election of applicable benefit coverage upon consolidation; amending Minnesota Statutes 1986, sections 353.01, subdivisions 2b, 10, and 16; 353.271; 353.64, subdivision 1; and 353.65, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 353; proposing coding for new law as Minnesota Statutes, chapters 353A and 353B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of "public employee":

(a) Persons employed for professional services where such service is incidental to regular professional duties.

(b) Election officers.

(c) Independent contractors and their employees.

(d) Patient and inmate help in governmental subdivision charitable, penal and correctional institutions.

(e) Members of boards, commissions, bands and others who serve the governmental subdivision intermittently.

(f) Employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of \$325 in any one calendar month, the department heads must then report all such employees for membership and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service.

(g) Part-time employees who receive monthly compensation not exceeding \$325, and part-time employees and elected officials whose annual compensation is stipulated in advance to be not more than \$3,900 per year, except that members shall continue their membership until termination of public service.

(h) Persons who first occupy an elected office after March 1, 1978, the compensation for which does not exceed \$325 per month.

(i) Emergency employees who are employed by reason of work caused by fire, flood, storm or similar disaster.

(j) Employees who by virtue of their employment as an officer or employee of a governmental subdivision are required by law to be a member of and to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, except the state employees retirement fund, the teachers retirement fund, the state patrol retirement fund, the Duluth teachers retirement fund association, the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, the Minnesota state retirement system correctional officers retirement plan or any police or firefighters relief association governed by section 69.77 which has not consolidated with the public employees police and fire fund and for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 8 to 17, other than as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that. This clause shall not prevent a person from being a member of and contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time.

(k) Police matrons employed in a police department of any city who are

transferred to the jurisdiction of a joint city and county detention and corrections authority.

(l) Chaplains and nuns who have taken a vow of poverty as members of a religious order.

(m) Full-time students who are enrolled and are regularly attending classes at an accredited school, college or university; provided, no person employed full time by a governmental subdivision shall be exempt under this paragraph.

(n) Resident physicians, medical interns and pharmacist interns who are serving in public hospitals.

(o) Appointed or elected officers, paid entirely on a fee basis, and who were not members on June 30, 1971.

(p) Nothing in Laws 1973, chapter 753 shall be interpreted to impair or revoke any option exercised under Laws 1963, chapter 793.

(q) Persons employed in subsidized on-the-job training, work experience or public service employment as enrollees under the federal Comprehensive Employment and Training Act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Training and Employment Act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contributions in addition to the required employee contribution.

(r) Town, city or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$325 per month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.

(s) ~~A person~~ Persons holding a part time adult supplementary vocational technical school license who ~~renders~~ render part time teaching service in a vocational technical school if (1) the service is incidental to the person's regular nonteaching occupation; and (2) the applicable vocational technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year.

(t) ~~A person~~ Persons exempt from licensure pursuant to section 125.031.

Sec. 2. Minnesota Statutes 1986, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] "Salary" means the periodical compensation of any public employee, before deductions for deferred compensation or supplemental retirement plans, and also means "wages" and includes net income from fees. Fees paid to district court reporters shall not be considered

a salary. Lump sum annual leave payments and severance payments shall not be deemed to be salary. Prior to the time that all sick leave has been used, amounts paid to an employee pursuant to a disability insurance policy or program where the employer paid the premiums shall be considered salary, and after all sick leave has been used, the payment shall not be considered salary. Workers' compensation payments shall not be considered salary. *For any public employee who has prior service covered by a local police or firefighters relief association which has consolidated with the public employees police and fire fund and who has elected coverage by the public employees police and fire fund benefit plan as provided in section 15 following the consolidation, the term means the rate of salary upon which member contributions to the special fund of the relief association were made prior to the effective date of the consolidation as specified in the applicable general law, special law, and bylaw provisions governing the relief association as of the date of the initiation of the consolidation procedure and the actual periodical compensation of the public employee after the effective date of the consolidation.*

Sec. 3. Minnesota Statutes 1986, section 353.01, subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE.] "Allowable service" means:

(1) Service during years of actual membership in the course of which employee contributions were currently made; periods covered by payments in lieu of salary deductions made as provided in section 353.35, and service in years during which the public employee was not a member but for which the member later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.

(2) Any period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.

(3) Any period of authorized leave of absence without pay which does not exceed one year, and during or for which a member obtained credit by payments to the fund made in lieu of salary deductions, provided that such payments are made in an amount or amounts based on the member's average salary on which deductions were paid (a) for the last six months of public service, or (b) that portion of the last six months while the member was in public service, to apply to the period in either case immediately preceding commencement of such leave of absence; provided, however, that if the employee elects to pay employee contributions for the period of any leave of absence without pay, or for any portion thereof, the employee shall also, as a condition to the exercise of such election, pay to the fund an amount equivalent to both the required employer and additional employer contributions therefor, such payment to be made currently or within one year from the date the leave of absence terminates, unless the employer by appropriate action of its governing body and made a part of its official records, prior to the date of the first payment of such employee contribution, certifies to the association in writing that it will cause to be paid such employer and additional employer contributions from the proceeds of a tax levy made pursuant to section 353.28. Payments under this clause shall include interest at the rate of six percent per annum from the date of the termination of the leave of absence to the date payment is made.

(4) Any period during which a member is on an authorized sick leave of absence, without pay limited to one year, or an authorized temporary

layoff.

(5) Any period during which a member is on an authorized leave of absence to enter military service, provided that the member returns to public service upon discharge from military service pursuant to section 192.262, and pays into the fund employee contributions based upon the employee's salary at the date of return from military service. After June 30, 1983 payment must be made within five years of the date of discharge from the military service. The amount of these contributions shall be in accord with the contribution rates and salary limitations, if any, in effect during such leave, plus interest thereon at six percent per annum compounded annually from the date of return to public service to the date payment is made. In such cases the matching employer contribution and additional employer contribution provided in section 353.27, subdivisions 3 and 3a, shall be paid by the department employing such member upon return to public service and the governmental subdivision involved is hereby authorized to appropriate money therefor. Such member shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty.

(6) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for state officers and employees displaced by the community corrections act, Minnesota Statutes 1984, chapter 401, and transferred into county service under Minnesota Statutes 1984, section 401.04, allowable service means combined years of allowable service as defined in Minnesota Statutes 1984, section 352.01, subdivision 11, and Minnesota Statutes 1984, section 353.01, subdivision 16, paragraphs (1) to (5).

(7) For any public employee who has prior service covered by a local police or firefighters relief association which has consolidated with the public employees police and fire fund, and who has elected coverage by the public employees police and fire fund benefit plan as provided in section 15 following the consolidation, any period of service credited by the local police or firefighters relief association as of the effective date of the consolidation based on the applicable general law, special law, and bylaw provisions governing the relief association as of the date of the initiation of the consolidation procedure.

Sec. 4. Minnesota Statutes 1986, section 353.271, is amended to read:

353.271 [PARTICIPATION IN MINNESOTA POSTRETIREMENT INVESTMENT FUND.]

Subdivision 1. [AUTHORIZATION.] The public employees retirement association, including the *public employees police and fire fund but excluding the various local relief association consolidation accounts*, is hereby authorized to participate in the Minnesota postretirement investment fund. There shall be one general participation in the Minnesota postretirement investment fund for all purposes by the public employees retirement association fund and one general participation in the Minnesota postretirement investment fund for all purposes by the public employees police and fire fund.

Subd. 2. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.]

(1) ~~For members retiring,~~ The required reserves for retirement annuities payable as provided in this chapter other than those payable from the various local relief association consolidation accounts, as determined in accordance with the appropriate mortality table adopted by the board of

trustees based on the experience of the fund as recommended by the actuary retained by the legislative commission on pensions and retirement, and using the postretirement interest assumption specified in section 356.215, subdivision 4d, shall be transferred to the Minnesota postretirement investment fund as of the date of retirement.

(2) Annuity payments *other than those payable from the various local relief association consolidation accounts* shall be adjusted in accordance with the provisions of section 11A.18.

(3) Notwithstanding section 356.18, increases in payments pursuant to this section *or from the various local relief association consolidation accounts, if applicable,* will be made automatically unless the intended recipient files written notice with the public employees retirement association requesting that the increase shall not be made.

Sec. 5. Minnesota Statutes 1986, section 353.64, subdivision 1, is amended to read:

Subdivision 1. [POLICE AND FIRE FUND MEMBERSHIP.] Any person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall as long as the person remains in either position, be deemed to continue membership in the fund. Any person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978 by virtue of being a police officer as defined by this section on that date shall be entitled, if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, to continue membership in the fund whether or not that person has the power of arrest by warrant after that date. *Any person who was employed by a governmental subdivision as a police officer or a firefighter, whichever applies, was an active member of the local police or salaried firefighters relief association located in that governmental subdivision by virtue of that employment as of the effective date of the consolidation as authorized by sections 8 to 17, and has elected coverage by the public employees police and fire fund benefit plan, shall be considered to be a member of the police and fire fund after that date if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date.* Any other employee serving on a full-time basis as a police officer or firefighter on or after July 1, 1961, shall become a member of the public employees police and fire fund. Any employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer. Any employee serving on less than a full-time basis as a firefighter, other than a volunteer firefighter, shall become a member of the public employees police and fire fund only after a resolution is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter. Any police officer or firefighter, *other than a volunteer firefighter, employed by a governmental subdivision who by virtue of that employment is required by law to be a member of and to contribute to any other pension, police or firefighter relief, or retirement fund established for the benefit of officers or employees of a governmental subdivision association governed by section 69.77 which has not consolidated with the public employees police and fire fund and for which the employee has*

not elected coverage by the public employees police and fire fund benefit plan as provided in sections 8 to 17 other than a volunteer firefighters relief association to which sections 69.771 to 69.776 apply shall not be a member of this fund.

Sec. 6. Minnesota Statutes 1986, section 353.65, subdivision 1, is amended to read:

Subdivision 1. There is a special fund known as the "public employees police and fire fund." In that fund there shall be deposited employee contributions, employer contributions and other amounts authorized by law including all employee and employer contributions of members transferred. *Within the public employees police and fire fund are accounts for each municipality known as the "local relief association consolidation accounts," which are governed by section 16.*

Sec. 7. [353.659] [LOCAL RELIEF ASSOCIATION CONSOLIDATION ACCOUNT BENEFITS.]

For any person who has prior service covered by a local police or firefighters relief association which has consolidated with the public employee police and fire fund and who has elected coverage by the public employees police and fire fund benefit plan as provided in section 15 following the consolidation, any retirement benefits payable shall be governed by the applicable provisions of this chapter. For any person who has prior service covered by a local police or firefighters relief association which has consolidated with the public employees police and fire fund and who has not elected coverage by the public employees police and fire fund benefit plan as provided in section 15 following the consolidation, any retirement benefits payable shall be governed by the provisions of sections 18 to 30 which apply to the relief association.

Sec. 8. [353A.01] [LEGISLATIVE INTENT AND POLICY.]

It is the intent and policy of the legislature in sections 8 to 17 to authorize, on a voluntary elective basis, any local police or salaried firefighters relief association and the respective municipality to effect the consolidation of the local relief association into the public employees police and fire fund established by chapter 353.

Sec. 9. [353A.02] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] *When used in sections 8 to 17, each of the following words and phrases shall have the meaning ascribed to it in this section unless the context clearly indicates otherwise.*

Subd. 2. [ACTIONS PRELIMINARY.] *"Actions preliminary to consolidation finalization" means those actions undertaken by the commission, the state board, the public employee retirement association, the local police or firefighters relief association, and the municipality following initiation of the consolidation procedure as provided in section 11.*

Subd. 3. [ASSETS.] *"Assets" means the investment securities and other items of value held by the special fund of the relief association.*

Subd. 4. [BENEFICIARY.] *"Beneficiary" means the natural person designated by any active, deferred, or retired member of the fund or of the local relief association consolidation account of the fund, whichever applies, as the recipient of any remainder interest to the credit of the designating person under law upon the death of the designating person, in-*

cluding the natural person receiving or entitled to receive the remainder portion of any elected optional retirement annuity form or automatic survivor benefit portion of a service pension or disability benefit.

Subd. 5. [BENEFIT PLAN.] "*Benefit plan*" means that portion of a pension plan which deals specifically with the service pension or retirement annuity and retirement benefit coverage provided by the relief association or the fund, whichever applies, including, but not limited to, the types of coverage, the initial and continuing eligibility for and entitlement to service pensions or retirement annuities and retirement benefits, the amount of service pensions or retirement annuities and retirement benefits and the adjustment of service pensions or retirement annuities and retirement benefits.

Subd. 6. [BOARD OF TRUSTEES.] "*Board of trustees*" means the managing board of the local police or firefighters relief association.

Subd. 7. [CHIEF ADMINISTRATIVE OFFICER.] "*Chief administrative officer*" means the person who has primary responsibility for the execution of the administrative affairs of the municipality, in the case of a municipality, or of the relief association in the case of a local police or firefighters relief association, or the designee of that person.

Subd. 8. [COMMISSION.] "*Commission*" means the legislative commission on pensions and retirement established by section 3.85.

Subd. 9. [DEFERRED MEMBER.] "*Deferred member*" means a person who has credit for sufficient service in the relief association to gain entitlement to an eventual service pension but who has not yet applied for or started receipt of that service pension.

Subd. 10. [EFFECTIVE DATE OF THE CONSOLIDATION.] "*Effective date of the consolidation*" means the date on which the consolidation shall occur as determined under section 13.

Subd. 11. [EXISTING RELIEF ASSOCIATION BENEFIT PLAN.] "*Existing relief association benefit plan*" means the benefit plan of the relief association in effect on the day before the initiation of the consolidation procedure as provided in section 11.

Subd. 12. [FUND.] "*Fund*" means the public employees police and fire fund established by sections 353.63 to 353.68.

Subd. 13. [INAPPROPRIATE INVESTMENTS.] "*Inappropriate investments*" means any investment security or other asset held by the relief association at or after the initiation of the consolidation procedure which does not comply with any applicable investment guidelines or objectives which are established and published by the state board.

Subd. 14. [INELIGIBLE INVESTMENTS.] "*Ineligible investments*" means any investment security or other asset held by the relief association at or after the initiation of the consolidation procedure which does not comply with the applicable requirements or limitations of sections 11A.09, 11A.18, 11A.19, 11A.23, and 11A.24.

Subd. 15. [LOCAL POLICE OR FIREFIGHTERS RELIEF ASSOCIATION.] "*Local police or firefighters relief association*" means the Duluth firefighters relief association, the Duluth police relief association, the St. Paul fire department relief association, and the St. Paul police relief association, but does not mean the Bloomington fire department relief association or a relief association that is a member of the Minnesota police

pension council or the Minnesota professional firefighters pension council.

Subd. 16. [LOCAL RELIEF ASSOCIATION CONSOLIDATION ACCOUNTS.] *“Local relief association consolidation accounts” means the special accounts created within the fund by sections 6, and 16, subdivision 1.*

Subd. 17. [MAJORITY VOTE.] *“Majority vote” means:*

(1) for a local police or firefighters relief association, a number of votes of the membership of the relief association that equals or exceeds the percentage required by the bylaws of the relief association to approve the initiation of the consolidation of the relief association with the fund, or, if no minimum percentage is specified in the bylaws, a number of votes of the membership of the relief association that equals or exceeds 50 percent of the number of members voting; or

(2) for a relief association that is not a local police or firefighters relief association, a number of votes that equals or exceeds 50 percent of the membership of the relief association.

Subd. 18. [MEMBERSHIP OF THE RELIEF ASSOCIATION.] *“Membership of the relief association” means:*

(1) for purposes of section 11, subdivision 2, the active members of a local police or firefighters relief association or the active, deferred, and retired members and the survivors of active, deferred, and retired members of a relief association that is not a local police or firefighters relief association; or

(2) for purposes of section 11, subdivision 4, the active, deferred, and retired members and the survivors of active, deferred, and retired members of a local police or firefighters relief association or a relief association that is not a local police or firefighters relief association. For purposes of section 11, subdivision 4, an active, deferred, or retired member is entitled to one vote. The survivor or survivors of an active, deferred, or retired member is entitled to one vote. If there is more than one survivor, the vote must be cast by the eldest survivor if that person is of the age of majority or, if not, by the guardian of the eldest survivor. Volunteer firefighters or their survivors may not be included in determining the membership of a relief association.

Subd. 19. [MINIMUM REQUIRED PROPORTION OF RELIEF ASSOCIATION MEMBERSHIP.] *“Minimum required proportion of relief association membership” means the percentage of the membership of the relief association, less than a majority, that equals or exceeds the percentage required by the bylaws of the relief association to initiate the consolidation of the relief association with the fund or, if no minimum percentage is specified in the bylaws, ten percent of the active membership of a local police or firefighters relief association or 30 percent of the total membership of a relief association that is not a local police or firefighters relief association.*

Subd. 20. [MINNESOTA POSTRETIREMENT INVESTMENT FUND.] *“Minnesota postretirement investment fund” means the postretirement adjustment mechanism and investment fund established by section 11A.18.*

Subd. 21. [OTHER ITEMS OF VALUE.] *“Other items of value” means any real property, personal property, or interest in real or personal property not evidenced by or appropriately characterized as a security as that*

term is defined by section 524.1-201, clause (37).

Subd. 22. [PENSION PLAN.] "Pension plan" means the various aspects of the relationship between a municipality and its police officers or salaried firefighters, whichever applies, who are members of the local police or firefighters relief association regarding the retirement benefit coverage provided by the relief association.

Subd. 23. [POSTRETIREMENT ADJUSTMENT.] "Postretirement adjustment" means any periodic or regular procedure for modifying the amount of a retirement annuity, service pension, disability benefit, or survivor benefit after the start of that annuity, pension, or benefit, including but not limited to modifications of amounts from the Minnesota postretirement investment fund under section 11A.18, subdivision 9, or any benefit escalation or benefit amount modification based on changes in the salaries payable to active police officers or salaried firefighters or changes in a cost-of-living index as provided for in the existing relief association benefit plan.

Subd. 24. [PUBLIC EMPLOYEES POLICE AND FIRE FUND BENEFIT PLAN.] "Public employees police and fire fund benefit plan" means the provisions of sections 353.63 to 353.68, any general provisions of chapter 353 which may be applicable, any applicable provisions of chapter 11A or 356, any applicable provisions of any rules issued by the board of the public employees retirement association and any applicable amendments in those statutes or rules.

Subd. 25. [PUBLIC HEARING.] "Public hearing" means a meeting held by the board of trustees of the relief association or the governing body of the municipality in which the relief association is located, whichever applies, in a place and at a time accessible to members of the general public, which is reasonably calculated to allow for participation by all affected interests, for which proper notice has been given and at which the views of the general public may be heard.

Subd. 26. [REFERENDUM.] "Referendum" means a vote of the total membership of a relief association on the question of the consolidation of the relief association with the fund as provided in section 11 which shall occur upon the initiation of the consolidation and shall be conducted through the use of a secret, written ballot and in accordance with procedures established by the board of trustees of the relief association for the issuance and collection of absentee ballots and for contacting deferred members who reside outside the geographical boundaries of the municipality in which the relief association is located.

Subd. 27. [RELIEF ASSOCIATION.] "Relief association" means the local police or firefighters relief association for which consolidation procedures have been initiated.

Subd. 28. [SPECIAL BENEFIT COVERAGE.] "Special benefit coverage" means any benefit provided for in the articles of incorporation or bylaws of the local relief association which, in the judgment of the executive director of the public employees retirement association, is not of the type regularly provided by the public employees police and fire fund because it involves one or a combination of the following factors:

(a) the benefit is other than a service pension, a disability or superannuation benefit, or a survivor benefit;

(b) the payment of the benefit does not occur monthly and does not continue beyond one or a small number of payments; or

(c) the payment of amounts from the pension fund is not made to individual benefit recipients or former members.

Subd. 29. [STATE BOARD.] "State board" means the state board of investment operating under chapter 11A.

Subd. 30. [SURVIVOR.] "Survivor" means the person who has or the persons who have, as of the death of the active, deferred, or retired member of the relief association, the relationship to the member of the legally married spouse or the dependent minor child as defined or specified by the benefit plan of the relief association.

Sec. 10. [353A.03] [VOLUNTARY CONSOLIDATION OPTION.]

(a) Except as provided in paragraph (b), notwithstanding any provision of law to the contrary, any local police or firefighters relief association, as defined in section 9, subdivision 15, may consolidate with the public employees police and fire fund as provided in sections 8 to 17.

(b) A relief association with current assets as defined in section 356.215 in an amount that is less than the actuarially determined present value of future benefits for current benefit recipients, for deferred members and for active members who qualify for or who are within two years of qualifying for a service pension, under the benefit plan providing the largest present value, based on either age or service, may not consolidate with the public employees police and fire fund as provided in sections 8 to 17.

Sec. 11. [353A.04] [CONSOLIDATION PROCEDURE.]

Subdivision 1. [SOURCE OF CONSOLIDATION INITIATION.] The consolidation of a relief association may be initiated by the board of trustees of the relief association or by the minimum required proportion of the relief association membership.

Subd. 2. [INITIATION PROCEDURE.] To initiate the consolidation procedure, one of the following events shall occur:

(a) the board of trustees, following a public hearing on the issue, adopts by majority vote a resolution of the board recommending to the membership of the relief association and to the municipality that the relief association be consolidated into the fund and setting forth the procedure for a membership referendum as provided in subdivision 4; or

(b) the minimum required proportion of the relief association membership submits a signed petition to the board of trustees recommending to the board, the balance of the membership of the relief association and to the municipality that the relief association be consolidated into the fund. Upon receipt of the petition and authentication of the signatures contained in it, the board of trustees shall hold a public hearing on the issue and shall adopt a resolution setting forth its recommendation to the membership and to the municipality on the issue and setting forth the procedure for a membership referendum as provided in subdivision 4.

Subd. 3. [BOARD OF TRUSTEES RESPONSE.] In responding to a petition of the minimum required proportion of the relief association membership, the board of trustees shall hold a special meeting within one month of the receipt and authentication of the petition at which the public hearing shall be conducted. The resolution of the board of trustees setting

forth its recommendation and the membership referendum procedure shall be adopted either at that special meeting or at the regular scheduled meeting of the board of trustees next following the special meeting.

Subd. 4. [MEMBERSHIP REFERENDUM PROCEDURE.] The resolution of the board of trustees setting forth the membership referendum procedure shall provide for a referendum by the membership of the relief association. The referendum must be conducted by a secret ballot in a manner agreeable to the chief administrative officer of the relief association and the representative of the municipality on the relief association board who is most senior in rank. The resolution must specify the language of the referendum question, the time and place for the referendum, the procedure for absentee referendum balloting, and the form and content of any informational or explanatory materials that may be distributed with the referendum ballot. Approval or disapproval of consolidation shall be determined by majority vote.

Subd. 5. [APPROVAL TIME LIMITS.] If the consolidation process is initiated by the board of trustees of the relief association or by the minimum required proportion of the relief association membership, the governing body of the municipality shall approve or disapprove the consolidation action by a resolution of the governing body of the municipality within four months of the receipt of the initiating action by the relief association.

Subd. 6. [IMPACT OF DISAPPROVAL.] If a consolidation action is disapproved by action of the governing body of the municipality or by majority referendum vote of the membership of the relief association, no consolidation action may be initiated until after January 1 of the year next following the date of disapproval.

Subd. 7. [CERTIFICATION OF APPROVAL.] If a consolidation action is approved, the chief administrative officer of the municipality shall notify the executive director of the public employees retirement association, the executive director of the state board, the executive director of the commission, the commissioner of finance, the secretary of state, and the state auditor of the approval. The notification to the state auditor shall also contain a certification by the chief administrative officer of the municipality and by the secretary of the relief association that there was compliance with the procedures set forth in this section in approving that consolidation action and shall include a copy of any relevant documentation.

Subd. 8. [FINAL MUNICIPAL APPROVAL.] If a consolidation action is approved, the remaining actions preliminary to the finalization of the consolidation provided for in section 12 shall take place and consolidation shall occur pending final approval of the consolidation by the governing body of the municipality. Final action on the question of the approval of the consolidation by the governing body of the municipality shall occur at a public hearing held for that purpose and shall occur within one month of the conclusion of the remaining actions preliminary to the finalization of the consolidation. If the governing body of the municipality upon its final action on the consolidation disapproves the consolidation, or the deadline for the municipality to take final action upon the question of consolidation expires, the approvals by the relief association and the municipality to initiate the consolidation shall no longer be effective.

Subd. 9. [DIVISION OF SALARIED AND VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION.] If the relief association includes in its membership both volunteer firefighters and salaried firefighters, the board of

trustees of the relief association shall, before the effective date of the consolidation, undertake the necessary steps to separate the volunteer firefighters portion of the relief association from the salaried firefighters portion of the relief association and to establish the volunteer firefighters portion of the relief association as a distinct relief association governed by chapter 424A. Any special fund assets of the original relief association shall be valued at their fair market value and divided between the new volunteer firefighters relief association and the existing relief association on the basis of their relative actuarial accrued liabilities as determined by an approved actuary as provided in section 356.215. The municipality shall adopt a resolution specifying how any fire state aid received by the municipality under sections 69.011 to 69.051 shall be allocated between the newly established volunteer firefighters relief association and the existing relief association or the fund, whichever applies, as of the date of allocation.

Sec. 12. [353A.05] [ACTIONS PRELIMINARY TO CONSOLIDATION FINALIZATION.]

Subdivision 1. [COMMISSION ACTIONS.] Upon initiation of consolidation as provided in section 11, the executive director of the commission shall direct the actuary retained by the commission to undertake the preparation of the actuarial calculations necessary to complete the consolidation.

These actuarial calculations shall include for each active member, each deferred former member, each retired member, and each current beneficiary the computation of the present value of future benefits, the future normal costs, if any, and the actuarial accrued liability on the basis of the existing relief association benefit plan and on the basis of the public employees police and fire fund benefit plan. These actuarial calculations shall also include for the total active, deferred, retired, and benefit recipient membership the sum of the present value of future benefits, the future normal costs, if any, and the actuarial accrued liability on the basis of the existing relief association benefit plan, on the basis of the public employees police and fire fund benefit plan and on the basis of the benefit plan which produced the largest present value of future benefits for each person. The actuarial calculations shall be prepared using the entry age actuarial cost method for all components of the benefit plan and using the actuarial assumptions applicable to the fund for the most recent actuarial valuation prepared under section 356.215, except that the actuarial calculations on the basis of the existing relief association benefit plan shall be prepared using an interest rate actuarial assumption during the postretirement period which is in the same amount as the interest rate actuarial assumption applicable to the preretirement period. The actuarial calculations shall include the computation of the present value of the initial postretirement adjustment anticipated by the executive director of the state board as payable after the effective date of the consolidation from the Minnesota postretirement investment fund under section 11A.18.

The chief administrative officer of the relief association shall, upon request, provide in a timely manner to the executive director of the commission and to the actuary retained by the commission the most current available information or documents, whichever applies, regarding the demographics of the active, deferred, retired, and benefit recipient membership of the relief association, the financial condition of the relief association and the existing benefit plan of the relief association.

Upon completion of the actuarial calculations required by this subdivision, the actuary retained by the commission shall issue a report in the form of an appropriate summary of the actuarial calculations and shall provide a copy of that report to the executive director of the commission, the executive director of the public employees retirement association, the chief administrative officer of the relief association, the chief administrative officer of the municipality in which the relief association is located, the state auditor, and the legislative auditor. For purposes of determining whether or not the relief association has authority to consolidate, the report shall include the total present value of future benefits for current benefit recipients, for deferred members and for active members who qualify for or who are within two years of qualifying for a service pension, under the benefit plan providing the largest present value, based on either age or service.

Subd. 2. [STATE BOARD ACTIONS.] Upon approval of consolidation by the membership as provided in section 11, the executive director of the state board shall review the existing investment portfolio of the relief association for compliance with the requirements and limitations set forth in sections 11A.14, 11A.18, 11A.23, and 11A.24 and for appropriateness for retention in the light of the established investment objectives of the state board. The executive director of the state board, using any reporting service retained by the state board, shall determine the approximate market value of the existing assets of the relief association upon the effective date of consolidation and the transfer of assets from the relief association to the individual relief association consolidation accounts at market value.

The state board may require that the relief association liquidate any investment security or other item of value which is determined to be ineligible or inappropriate for retention by the state board. The liquidation shall occur before the effective date of consolidation and transfer of assets.

If requested to do so by the chief administrative officer of the relief association or of the municipality, the state board shall provide advice on the means and procedures available to liquidate investment securities and other assets determined to be ineligible or inappropriate.

Subd. 3. [FUND ACTIONS.] Upon approval of consolidation by the membership as provided in section 11, the executive director of the public employees retirement association shall request from the relief association and the municipality the information necessary to allow the fund to complete the consolidation, which at a minimum shall include the information required to be provided to the executive director of the commission and to the actuary retained by the commission by subdivision 1. The chief administrative officer of the relief association and the chief administrative officer of the municipality shall provide the requested information in a timely manner. The data shall be reported on forms or in a manner prescribed by the executive director of the public employees retirement association. The data shall be current as of the date of the approval of the consolidation by the membership and shall thereafter include updated data on a monthly basis following the initial collection of data, also in the manner or on forms prescribed by the executive director of the public employees retirement association. The chief administrative officer of the municipality and the chief administrative officer of the relief association shall certify as to the accuracy of the data reported to the public employees retirement association, and the public employees retirement association may rely on that data without undertaking any affirmative duty to verify

the data.

Sec. 13. [353A.06] [FINALIZATION OF CONSOLIDATION.]

Upon the completion of the applicable actions preliminary to consolidation finalization under section 12, each entity shall report the result of those actions to the relief association and to the municipality. Upon final approval by the municipality as provided in section 11, subdivision 8, the consolidation of the relief association with the public employee police and fire fund shall be scheduled to occur. The consolidation shall be effective as of the date established for consolidation by the board of the public employees retirement association. The effect of the consolidation shall be as provided in sections 14 to 16.

Sec. 14. [353A.07] [EFFECT ON ADMINISTRATION.]

Subdivision 1. [TRANSFER OF ADMINISTRATION.] On the effective date of consolidation, the administration of the special fund and the benefit plan of the relief association is transferred to the executive director and the board of trustees of the public employees retirement association.

Subd. 2. [TRANSFER OF RECORDS.] On the effective date of consolidation, the chief administrative officer of the relief association shall transfer all records and documents relating to the special fund of the relief association to the fund. To the extent possible, original copies of all records and documents shall be transferred. For any records and documents which apply to both the general fund and the special fund of the relief association, the chief administrative officer may transfer a photostatic copy of the applicable original record or document if the copy is accompanied by a certification by the chief administrative officer that the copy is a true and exact copy of the original. Any photostatic copy of any document so certified may be treated by the fund for all purposes as an original copy.

Subd. 3. [TRANSFER OF ASSETS.] On the effective date of consolidation, the chief administrative officer of the relief association shall effect the transfer of the entire assets of the special fund of the relief association to the fund. The transfer may include any investment securities of the special fund which are not determined to be ineligible or inappropriate by the executive director of the state board under section 12, subdivision 2, at the market value of the investment security as of the effective date of the consolidation. The transfer shall include any accounts receivable determined by the executive director of the state board as capable of being collected. The transfer shall also include an amount, in cash, representing any remaining investment security or other asset of the special fund which was liquidated, after defraying any accounts payable.

As of the effective date of consolidation, subject to the authority of the state board, the board of trustees of the public employee retirement association shall have legal title to and management responsibility for any transferred assets as trustees for any person having a beneficial interest arising out of benefit coverage provided by the relief association. The fund shall be the successor in interest for all claims for and against the special fund of the relief association or the municipality with respect to the special fund of the relief association, except any claim against the relief association or the municipality or any person connected with the relief association or the municipality in a fiduciary capacity, based on any act or acts by that person which were not done in good faith and which constituted a breach of the obligation of the person as a fiduciary. As a successor in interest,

the fund may assert any applicable defense in any judicial proceeding which the board of the relief association or the municipality would have otherwise been entitled to assert.

Subd. 4. [TERMINATION OF SPECIAL FUND.] As of the effective date of consolidation and the transfer of administration, records, assets, and liabilities from the relief association to the separate consolidation fund, the special fund of the relief association shall cease to exist as a legal entity. If the relief association has a general fund as of the effective date of consolidation, the general fund may continue to exist as a legal entity at the discretion of the board of the relief association. If the relief association does not have a general fund as of the effective date of consolidation, the board of the relief association may establish a general fund, which may conduct business on behalf of the relief association as the board of the relief association may direct. Following consolidation, the general fund may retain the name of the relief association, shall be the only fund of the relief association and shall continue to be governed by any applicable general or special law provision other than any provisions governing the benefits previously payable from the special fund of the relief association. Any relief association continuing in the form of the general fund shall function as a fraternal organization.

The municipality shall maintain the service previously provided to assist the relief association through making the appropriate payroll deduction of relief association membership dues from relief association members.

Subd. 5. [COSTS OF CONSOLIDATION.] The reasonable and necessary costs arising from the actions of the commission, the state board, and the fund preliminary to consolidation as provided in section 12 shall be paid by the relief association from the special fund as those costs are incurred before the effective date of the consolidation and shall be considered to be authorized administrative expenses of the relief association for section 69.80. If the governing body of the municipality fails to grant final approval of the consolidation as provided in section 11, subdivision 8, the municipality shall reimburse the special fund of the relief association for any costs arising from the actions preliminary to consolidation which it has incurred. The reimbursement shall occur within 30 days of the date on which the municipality declined to grant final approval of the consolidation or the date on which the deadline for final approval by the municipality of the consolidation expired.

Subd. 6. [POSTCONSOLIDATION BYLAW AMENDMENTS.] Following the effective date of consolidation, if the relief association continues in the form of the general fund, the board of the relief association shall adopt the appropriate amendments to its bylaws and articles of incorporation to reflect its change in status and operation. The amendments shall be effective upon filing the applicable amendments with the executive director of the commission and with the state auditor and shall not require municipal ratification as provided in section 69.77, subdivision 2a.

Sec. 15. [353A.08] [EFFECT ON BENEFIT COVERAGE.]

Subdivision 1. [ELECTION OF COVERAGE BY CURRENT RETI-REES.] Any person who is receiving a service pension, disability benefit, or survivorship benefit shall have the option to elect to have benefit coverage provided under the relevant provisions of the public employees police and fire fund benefit plan or to retain benefit coverage provided under the relief association benefit plan in effect on the effective date of the con-

solidation. The relevant provisions of the public employees police and fire fund benefit plan for the person electing that benefit coverage shall be limited to participation in the Minnesota postretirement investment fund for any future postretirement adjustments in the amount of the benefit or pension payable as of the effective date of the consolidation, the date as of which pension or benefit payments are to be paid and the termination of a survivor or disability benefit or suspension of a retirement annuity before the death of the person. The survivorship benefit payable on behalf of any service pension or disability benefit recipient who elects benefit coverage provided under the relevant provisions of the public employees police and fire fund benefit plan shall be calculated under the relief association benefit plan in effect on the effective date of the consolidation and shall be subject to participation in the Minnesota postretirement investment fund for any future postretirement adjustments in the amount of the survivorship benefit payable.

By electing the public employees police and fire fund benefit plan, any current service pension or disability benefit recipient who, as of the first January 1 occurring after the effective date of consolidation, has been receiving the pension or benefit for at least 18 months or any survivor benefit recipient who, as of the first January 1 occurring after the effective date of consolidation, has been receiving the benefit on the person's own behalf or in combination with a prior applicable service pension or disability benefit for at least 18 months shall be entitled to receive any adjustment payable from the Minnesota postretirement investment fund under section 11A.18 as of the first January 1 occurring after the effective date of consolidation.

The election by any pension or benefit recipient shall be made on or before the deadline established by the board of the public employees retirement association, which shall be established in a manner which recognizes the number of persons eligible to make the election and the anticipated time required to conduct any required benefit counseling.

Subd. 2. [ELECTION OF COVERAGE BY CURRENT DEFERRED RETIREES.] Any person who has terminated active employment as a police officer or firefighter, whichever applies, with the municipality, has sufficient credit for service to entitle the person to an eventual service pension and has not taken a refund of accumulated member contributions, if applicable, shall have the option to elect to have benefit coverage provided under the relevant provisions of the public employees police and fire fund benefit plan or to retain benefit coverage provided by the relief association benefit plan in effect on the effective date of consolidation. The relevant provisions of the public employees police and fire fund benefit plan for the person electing that benefit coverage shall be the provisions specified in subdivision 1.

The election shall be made when the person files an application for receipt of the deferred service pension and shall accompany that application.

Subd. 3. [ELECTION OF COVERAGE BY ACTIVE MEMBERS.] Any person who is employed as a police officer or as a firefighter other than a volunteer firefighter, whichever applies, by the municipality and is an active member of the relief association shall have the option to elect to have benefit coverage provided under the relevant provisions of the public employees police and fire fund benefit plan or to retain benefit coverage provided by the relief association benefit plan in effect on the effective

date of consolidation. The relevant provisions of the public employee police and fire fund benefit plan for the person electing that benefit coverage shall be the relevant provisions of the public employee police and fire fund benefit plan applicable to retirement annuities, disability benefits, and survivor benefits, including participation in the Minnesota postretirement investment fund, but excluding any provisions governing the purchase of credit for prior service or making payments in lieu of member contribution deductions applicable to any period which occurred before the effective date of consolidation.

An active member shall be eligible to make an election at one of the following times:

(a) on or before the date occurring 180 days after the effective date of consolidation;

(b) after the date on which the active member attains the age of 49 years and six months and before the date on which the active member attains the age of 50 years; or

(c) on the date on which the active member terminates active employment as a police officer or firefighter, whichever applies, with the municipality in which the local relief association subject to consolidation was located.

Subd. 4. [IRREVOCABLE ELECTION.] Any election made under this section shall be irrevocable once it has been filed. Each election shall be made on a form prescribed by the executive director of the public employees retirement association and shall be filed with the executive director. If the current retiree, current benefit recipient, current deferred retiree, or current active member has, as of the effective date of consolidation or the election of benefit coverage, whichever applies, a spouse or other person who has reached the age of majority who under the benefit plan of the relief association would be entitled to receive a survivor benefit upon the death of the person making the election, the election made as provided in this section shall not be considered valid without a statement signed by the potential survivor and accompanying the election form which indicates that the potential survivor has been informed of the election and understands the consequences of the election.

The election form, if validly executed and accompanied by any required statement or statements, shall be effective on the first day of the month next following its filing with the executive director of the public employees retirement association or the date of retirement, whichever is earlier. If the person making the election becomes disabled or dies before the effective date of the election, any disability or survivor benefits which are payable shall be governed by the existing benefit plan of the relief association.

If the person entitled to make the election elects to retain coverage by the benefit plan of the relief association or fails to make the election in a timely fashion, the person shall have future pension or benefit payments governed by the provisions of the existing benefit plan of the relief association in effect on the effective date of consolidation.

Subd. 5. [RETURNING DISABILITANTS; REEMPLOYED ANNUITANTS.] Any person who is receiving a disability benefit from a consolidating local relief association as of the effective date of the consolidation and who recovers sufficiently from that disability following the effective date of the consolidation to allow for a return to active employment as a

police officer or firefighter, whichever applies, with the municipality in which the consolidating relief association was located shall retain eligibility to the local relief association benefit plan only and shall not be entitled to elect the public employees police and fire fund benefit plan as an active member, even if the public employees police and fire fund benefit plan was elected as a benefit recipient.

Any person who becomes disabled following the effective date of the consolidation shall be entitled to make a benefit plan coverage election as an active member upon the termination of active employment and commencement of the disability benefit and, upon any return to active service, shall retain benefit plan coverage by the previously selected benefit plan coverage election.

Any person who retired from a consolidating local relief association before the effective date of the consolidation or retires after the effective date of the consolidation, who has elected coverage by the public employees police and fire fund benefit plan and who returns to active employment with an employing unit covered by the public employees retirement association following the effective date of consolidation shall be subject to the provisions of section 353.37, subdivision 1.

Subd. 6. [SPECIAL BENEFIT PROVISIONS.] *If the benefit plan of the relief association as of the date on which consolidation is initiated provides for special benefit coverage as specified in section 9, subdivision 28, any person who would have otherwise been entitled to that special benefit coverage shall retain entitlement upon consolidation to that special benefit coverage notwithstanding the election which the person makes regarding other aspects of the benefit coverage as provided in subdivision 1, 2, or 3. The special benefit coverage shall continue to be provided by the municipality and, if not provided through a contract with an insurance carrier which is authorized to do business in this state, shall be funded on an actuarial basis using the relevant provisions of section 69.77, with the establishment by the municipality of a special account within the general fund of the municipality for this special benefit coverage, to be managed by the chief administrative officer of the municipality, with disbursements limited to payments of the special benefit or benefits based on the relevant portion of the benefit plan of the relief association which existed as of the date on which consolidation is initiated.*

No special account in the general fund of a municipality established to provide special preexisting benefit plan coverage as provided in this subdivision shall be deemed to be a supplemental pension plan under section 356.24 or a local governmental pension plan or fund under section 356.25.

Subd. 7. [COUNSELING.] *The executive director of the public employees retirement association shall undertake all reasonable efforts to provide any necessary benefit counseling to persons who are entitled to make or who are affected by an election, if benefit counseling is requested by the person.*

Sec. 16. [353A.09] [EFFECT ON CONTRIBUTIONS AND FUNDING.]

Subdivision 1. [ESTABLISHMENT OF SPECIAL LOCAL RELIEF ASSOCIATION ACCOUNTS.] *The board of the public employees retirement association shall establish special accounts to be known as the local relief association consolidation accounts of the municipalities that consolidate with the fund. In that account shall be credited the assets of a consolidating*

local relief association upon transfer, member contributions received after consolidation under subdivision 5, municipal contributions received after consolidation under subdivision 6, and a proportionate share of any investment income earned after consolidation by the public employees police and fire fund. From that account the transfer of any required reserves to the Minnesota postretirement investment fund on account of persons electing coverage by the public employees police and fire benefit plan under subdivision 2 and section 353.271, subdivision 2 shall be made, the pension and benefit amounts on account of persons electing coverage by the relief association benefit plan under section 15 shall be paid, the benefit amounts not payable from the Minnesota postretirement investment fund on account of persons electing coverage by the public employees police and fire benefit plan under section 15 shall be paid and any direct administrative expenses related to the special account and the proportional share of the general administrative expenses of the fund shall be paid.

Except as otherwise provided for in this section the liabilities and the assets of the local relief association consolidation accounts must be considered for all purposes to be separate from the balance of the public employees police and fire fund and shall be subject to separate accounting and separate actuarial valuation, reported as a separate exhibit in any annual financial report or actuarial valuation report of the fund, whichever applies. The executive director of the public employees retirement association shall maintain separate accounting records for each consolidating local relief association and its balance in the special local relief association account.

Subd. 2. [INITIAL ALLOCATION OF ASSETS UPON CONSOLIDATION.] As soon as is practicable following the effective date of consolidation, the executive director of the public employees retirement association shall transfer from the individual local relief association consolidation accounts to the Minnesota postretirement investment fund assets of that account equal to the required reserves for service pensions payable to persons electing coverage by the public employees police and fire fund benefit plan under section 15 and any potential survivor benefit payable on account of those persons as determined in accordance with the appropriate mortality table adopted by the board of the public employees retirement association based on the experience of the consolidating relief association or consolidating relief associations as recommended by the actuary retained by the legislative commission on pensions and retirement and using the applicable interest assumption specified in section 356.215, subdivision 4d. A transfer may be made only from the individual account for an electing person's municipality. The executive director may not transfer assets between individual municipal accounts, nor may the executive director transfer assets from the public employees retirement association to the Minnesota postretirement fund to cover liabilities of an individual municipal account.

Subd. 3. [SUBSEQUENT POSTRETIREMENT FUND TRANSFERS.] Upon the retirement of any person who was entitled to a deferred service pension as of the effective date of consolidation or who was a current active member of the relief association as of the effective date of consolidation and who elects coverage by the public employees police and fire fund benefit plan under section 15, the executive director of the public employees retirement association shall transfer from that local relief association consolidation account to the Minnesota postretirement invest-

ment fund assets equal to the required reserves for that retirement annuity and any potential survivor benefit payable under section 353.271. The transfer for any person who was a current active member of the relief association as of the effective date of consolidation and elected coverage by the public employees police and fire fund benefit plan and who also has service credit as an employee of another governmental subdivision in the public employees police and fire fund shall be that amount of the total required reserves which bears the same relationship that the service as an active member of the consolidating relief association bears to the total public employees police and fire fund membership. A transfer may be made only from the individual account for an electing person's municipality. The executive director may not transfer assets between individual municipal accounts, nor may the executive director transfer assets from the public employees retirement association to the Minnesota postretirement fund to cover liabilities of an individual municipal account.

Subd. 4. [MEMBER CONTRIBUTIONS.] Following the effective date of consolidation, the applicable member contribution rate and applicable salary rate to which the member contribution rate applies for persons who were formerly members of the relief association shall be determined as follows:

(1) if the person has elected coverage by the public employees police and fire fund benefit plan under section 15, the applicable member contribution rate shall be that rate specified in section 353.65, subdivision 2, and the applicable salary rate to which the member contribution rate applies shall be the actual salary of the person, as defined in section 353.01, subdivision 10; and

(2) if the person has not elected coverage by the public employees police and fire fund benefit plan under section 15, the applicable member contribution rate shall be the rate specified in section 69.77, subdivision 2a, or the rate specified in the applicable general law, special law or bylaw provision governing the relief association as of the date of the initiation of consolidation, whichever is greater, and the applicable salary rate to which the member contribution rate applies shall be the salary rate specified in the applicable general law, special law or bylaw provision governing the relief association as of the date of the initiation of consolidation or the actual salary of the person, including overtime pay and any regularly occurring special payments but excluding lump sum annual leave payments, worker's compensation payments and severance payments, whichever salary rate is greater.

The member contribution rate and applicable salary rate to which the member contribution rate applies shall be effective as of the first day of the first pay period occurring after the effective date of consolidation.

The chief administrative officer of the municipal police department or municipal fire department, whichever applies, shall cause the member contributions required under this subdivision to be deducted in the manner and subject to the terms provided in section 353.27, subdivision 4.

Subd. 5. [REGULAR AND ADDITIONAL MUNICIPAL CONTRIBUTIONS.] (a) Following the effective date of consolidation, the applicable regular municipal contribution rate and applicable salary rate to which the regular municipal contribution rate applies on behalf of persons who were formerly members of the relief association shall be as follows:

(1) on behalf of persons who have elected coverage by the public employees police and fire fund benefit plan under section 15, the applicable regular municipal contribution rate shall be that specified in section 353.65, subdivision 3, and the applicable salary rate to which the regular municipal contribution rate applies shall be that specified in subdivision 5, clause (1); and

(2) on behalf of persons who have not elected coverage by the public employees police and fire fund benefit plan under section 15, the applicable regular municipal contribution rate shall be 12 percent and the applicable salary rate to which the regular municipal contribution rate applies shall be that specified in subdivision 5, clause (2).

(b) Following the effective date of consolidation, the applicable additional municipal contribution amount shall be the sum of the following:

(1) the annual level dollar contribution as calculated by the actuary retained by the commission as of the effective date of consolidation which is required to amortize by December 31, 2010 that portion of the present value of future benefits computed on the basis of the benefit plan producing the largest present value of future benefits for each individual which remains after subtracting the present value of future member contributions as provided in subdivision 5, the present value of future regular municipal contributions as provided in clause (a) and the assets of the relief association transferred to the fund; and

(2) the proportional amount, based on the relationship which the total active, deferred, and retired membership attributable to the municipality in the account bears to the total active, deferred, and retired membership attributable to all municipalities in the account, of the annual contribution as calculated by the actuary retained by the commission as of the most recent actuarial valuation date which is required to amortize on a level annual dollar basis the amount of any net actuarial experience loss incurred during the year which ended as of the day immediately before the most recent actuarial valuation date by December 31 of the year occurring 15 years later.

(c) Regular municipal contributions shall be made in the manner provided in section 353.28. Additional municipal contributions shall be paid during the calendar following the annual certification of the amount of the annual additional municipal contribution by the executive director of the public employees retirement association and, if made during the month of January, shall be payable without any interest, or if made after January 31, but before the next following December 31, shall be payable with interest for the period since January 1 at a rate which is equal to the preretirement interest rate assumption specified in section 356.215, subdivision 4d, applicable to the fund expressed as a monthly rate and compounded on a monthly basis or if made after December 31 of the year in which the additional municipal contribution is due shall be payable with interest at a rate which is four percent greater than the highest interest rate assumption specified in section 356.215, subdivision 4d, expressed as a monthly rate and compounded monthly from January 1 of the year in which the additional municipal contribution is due until the date on which payment is made.

Subd. 6. [CERTIFICATION OF MUNICIPAL CONTRIBUTIONS.] The governing body of the municipality shall include the amount of any regular municipal contribution and additional municipal contribution in the budget

approved for the municipality and to the extent not paid from other revenue sources of the municipality, in the tax levy certified by the municipality to the county auditor.

Subd. 7. [ACTUARIAL REPORTING.] *In any actuarial valuation of the fund prepared by the actuary retained by the commission or any supplemental actuarial valuation of the fund prepared by an approved actuary retained by the executive director of the public employees retirement association, there shall be included an exhibit setting forth the actuarial accrued liability, current assets, unfunded actuarial accrued liability, normal cost, amortization requirement, and net actuarial experience gain or loss for the local relief association consolidation account and any other relevant items prepared in accordance with the applicable provisions of section 356.215.*

Sec. 17. [353A.10] [MISCELLANEOUS PROVISIONS.]

Subdivision 1. [PROHIBITION ON SERVICE CREDIT PURCHASES AND REPAYMENT OF REFUNDS.] *No member of the public employees retirement association or of the fund who has credit for service rendered before the consolidation as a member of a local police or firefighters relief association which has consolidated with the fund shall be entitled to purchase credit for that prior local relief association service, make payments in lieu of member contribution deductions for that prior local relief association service, or repay any refund of member contributions previously taken.*

A person who has credit for service in more than one local police or firefighters relief association which have consolidated with the fund for service before the consolidation shall not be entitled to purchase credit for any of that local relief association service, but shall be entitled to receive allowable service credit for service previously credited by the most recent local relief association under section 353.01, subdivisions 11, 16, and 18 if the person elects coverage by the public employee police and fire fund benefit plan.

No person who was a member of a local police or firefighters relief association which has consolidated with the fund shall be entitled to purchase credit in the fund for any prior service which at the time it was rendered was covered by the public employees retirement association, although a refund under section 353.34 may be repaid in accordance with section 353.35, 353.71, or 356.30.

No person who was a member of a local police or firefighters relief association which has consolidated with the fund shall be entitled to make any payments in lieu of salary deductions, voluntary assessments or purchases of credit for prior service to the fund in connection with any service for which the person has already received credit by the local relief association or by any other Minnesota public pension plan or for establishing a higher average salary rate than otherwise to the credit of the person.

Subd. 2. [COLLECTION OF LATE CONTRIBUTIONS.] *In the event of a refusal by a municipality in which was located a local police or firefighters relief association which has consolidated with the fund to pay to the fund any amount or amounts due under section 16, subdivision 6, the executive director of the public employees retirement association may notify the department of revenue, the department of finance, and the state auditor of the refusal and commence the necessary procedure to collect*

the amount or amounts due from the amount of any state aid under sections 69.011 to 69.051, amortization state aid under section 423A.02, or supplemental amortization state aid under Laws 1984, chapter 564, section 48, as amended by Laws 1986, chapter 359, section 20, which is payable to the municipality or to certify the amount or amounts due to the county auditor for inclusion in the next tax levy of the municipality or for collection from other revenue available to the municipality, or both.

Subd. 3. [LEVY AND BONDING AUTHORITY.] *A municipality in which was located a local police or firefighters relief association which has consolidated with the fund may issue special obligation bonds of the municipality to defray all or a portion of the principal amounts specified in section 16, subdivision 4 or 6, paragraph (b), clause (1) or certify to the county auditor an additional special levy in the amount necessary to defray all or a portion of the principal amount specified in section 16, subdivision 4 or the annual amount specified in section 16, subdivision 6, paragraph (b), clause (1), or both. Notwithstanding any law to the contrary, any additional special levy shall not be included in any limitation concerning rate or amount established by charter or law and shall be a special levy for the purposes of section 275.50, subdivision 5, clause (o) and any municipal bond issued shall not be included in the net debt of the municipality for purposes of any charter or statutory debt limitation nor shall any tax levy for the payment of bond principal or interest be subject to any limitation concerning rate or amount established by charter or law.*

Subd. 4. [REFUND OF CERTAIN MEMBER CONTRIBUTION AMOUNTS.] *(a) The following persons shall be entitled to receive a refund of certain member contribution amounts under paragraph (b):*

(1) Any person who was an active member of a local police or firefighters relief association upon its consolidation with the fund, who does not elect coverage by the public employees police and fire benefit plan and who commences receipt of a service pension or a disability benefit from the local relief association consolidation account; or

(2) Any person who is the surviving spouse, or if none, the surviving minor child, or if none, the designated beneficiary of a person who was an active member of a local police or firefighters relief association upon its consolidation with the fund, who did not elect coverage by the public employees police and fire benefit plan and who dies prior to receiving a service pension or a disability benefit from the local relief association consolidation account.

(b) The refund of certain member contribution amounts shall be the amount by which any member contributions made to the local relief association consolidation account under section 16, subdivision 5, exceeds the amount of employee or member contributions which would have been payable to the local relief association as provided in the benefit plan in effect on the effective date of consolidation, plus interest at the rate of six percent, compounded quarterly, from the date on which the contribution was made until the date on which the refund is paid.

(c) Any refund of certain contribution amounts shall occur as soon as practicable following receipt of a valid application from the appropriate person and the commencement of receipt of the service pension or disability benefit or official notification of death, whichever applies.

Subd. 5. [SAVINGS CLAUSE.] *Notwithstanding any law to the contrary,*

any person who has commenced receipt of a service pension, disability benefit, or survivor benefit, or who has become entitled to a deferred service pension from a local police or firefighters relief association before the effective date of consolidation with the fund, and who is or becomes a state employee as defined in section 352.01, subdivisions 2 and 2a or a public employee as defined in section 353.01, subdivisions 2 and 2a, on or after the effective date of the consolidation shall be entitled to retain any amounts previously received and to receive that pension or benefit provided by the applicable local relief association benefit plan as of the effective date of the consolidation despite that status as an active state or public employee.

Subd. 6. [ALLOCATION OF STATE AID.] Any municipality in which was located a local police or firefighters relief association which has consolidated with the fund shall allocate to meet the municipal contribution and additional municipal contribution requirements as provided in section 16, subdivision 6, an appropriate portion of any fire or police state aid under sections 69.011 to 69.051, any fire insurance premium tax surcharge, any amortization state aid under section 423A.02 or any supplemental amortization state aid under Laws 1984, chapter 564, section 48, as amended by Laws 1986, chapter 359, section 20. State aids for pension purposes referred to in this subdivision that were exclusively for payment to pension funds must continue to be dedicated to that purpose.

Subd. 7. [APPLICABILITY OF CHAPTER 353.] The provisions of chapter 353 shall govern in all instances where not inconsistent with the provisions of sections 8 to 17 for the administration of the local relief association consolidation account.

Sec. 18. [353B.01] [LOCAL RELIEF ASSOCIATION BENEFIT PLANS; APPLICATION.]

The provisions of this chapter shall govern the benefit coverage and payment of benefits of any person who was a member of a local relief association consolidating with the public employees police and fire fund as provided in sections 8 to 17 and who elects to retain benefit coverage in the local relief association benefit plan as provided in section 15.

Sec. 19. [353B.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] Unless the language or content clearly indicates otherwise, each of the following terms shall have the meaning ascribed to it in this section.

Subd. 2. [ACCUMULATED CONTRIBUTIONS.] "Accumulated contributions" means the amount of member contributions to the credit of a covered employee made before the effective date of the consolidation as indicated in the records of the consolidating local relief association transferred to the public employees police and fire fund and the amount of member contributions made by the covered employee after the effective date of the consolidation.

Subd. 3. [ALLOWABLE SERVICE.] "Allowable service" means any service rendered by a covered employee before the effective date of the consolidation as indicated in the records of the consolidating local relief association transferred to the public employees police and fire fund and any service rendered by a covered employee as a police officer or a firefighter, whichever applies, in the municipality in which the local relief association is located.

Subd. 4. [COVERED EMPLOYEE.] "Covered employee" means a person who elects to retain benefit coverage in the local relief association benefit plan under section 15 and who remains employed in the position of a police officer or firefighter, whichever applies, after the effective date of the consolidation.

Subd. 5. [DISABILITY.] "Disability" means the inability by virtue of any medically determinable injury or illness to perform the employment duties of a police officer or firefighter, whichever applies, in the municipality in which the consolidating relief association was located.

Subd. 6. [FUND.] "Fund" means the public employees police and fire fund established by and operating under chapter 353.

Subd. 7. [PRIOR SERVICE.] "Prior service" means any period of military service rendered in between periods of service as a police officer or firefighter, whichever applies, in the municipality in which the consolidating relief association was located.

Subd. 8. [RETIRED MEMBER.] "Retired member" means any person who is receiving a service pension or disability benefit following termination of active employment as a police officer or firefighter, whichever applies, in the municipality in which the consolidating relief association was located.

Subd. 9. [RETIREMENT.] "Retirement" means the period following the termination of active employment as a police officer or firefighter, whichever applies, in the municipality in which the consolidating relief association was located and commencement of the payment of a service pension or disability benefit to the person.

Subd. 10. [SALARY.] (a) "Salary" for benefit computation and contribution purposes means the salary of a first class or first grade firefighter or patrol officer, whichever applies, for the former members of the following consolidating relief associations:

- (1) Anoka police relief association;*
- (2) Austin firefighters relief association;*
- (3) Austin police relief association;*
- (4) Columbia Heights fire department relief association, paid division;*
- (5) Columbia Heights police relief association;*
- (6) Fairmont police benefit association;*
- (7) Faribault fire department relief association;*
- (8) Mankato fire department relief association;*
- (9) Minneapolis fire department relief association;*
- (10) Minneapolis police relief association;*
- (11) Richfield fire department relief association;*
- (12) Rochester fire department relief association;*
- (13) Rochester police relief association;*
- (14) St. Cloud fire department relief association;*
- (15) St. Cloud police relief association;*

- (16) *St. Paul fire department relief association;*
- (17) *South St. Paul firefighters relief association;*
- (18) *West St. Paul firefighters relief association;*
- (19) *West St. Paul police relief association; and*
- (20) *Winona fire department relief association.*

(b) "Salary" for benefit computation purposes means the salary of a first grade patrol officer for the second month of the previous fiscal year and for contribution purposes means the current salary of a first grade patrol officer, for the former members of the following consolidating relief associations:

- (1) *Bloomington police relief association;*
- (2) *Crystal police relief association;*
- (3) *Fridley police pension association;*
- (4) *Richfield police relief association;*
- (5) *St. Louis Park police relief association; and*
- (6) *Winona police relief association.*

(c) "Salary" for benefit computation purposes means the final salary and for contribution purposes means the current salary for the former members of the following consolidating relief associations:

- (1) *Albert Lea firefighters relief association;*
- (2) *Albert Lea police relief association;*
- (3) *Buhl police relief association;*
- (4) *Chisholm firefighters relief association;*
- (5) *Crookston fire department relief association;*
- (6) *Crookston police relief association;*
- (7) *Faribault police benefit association;*
- (8) *Red Wing police relief association; and*
- (9) *Virginia fire department relief association.*

(d) "Salary" for benefit computation purposes means the average earnings or salary for the final six months of employment before retirement and for contribution purposes means the current salary for the former members of the following consolidating relief associations:

- (1) *Chisholm police relief association;*
- (2) *Hibbing firefighters relief association; and*
- (3) *Hibbing police relief association.*

(e) "Salary" for benefit computation purposes means the greater of the final salary at retirement or the highest salary of a patrol officer and for contribution purposes means the greater of the current salary or the current highest salary of a patrol officer for the former members of the following consolidating relief associations:

- (1) *Brainerd police benefit association; and*

(2) *New Ulm police relief association.*

(f) *"Salary" for benefit computation and contribution purposes means the following for the former members of the consolidating relief associations as indicated:*

(1) *maximum pay of a firefighter, Duluth firefighters relief association;*

(2) *salary of a first class patrol officer with 16 years of service, Duluth police pension association;*

(3) *base salary for the rank currently held, plus longevity pay, pay for eligibility for next higher rank and pay for first aid care, Mankato police benefit association;*

(4) *average annual salary for highest three paid years for benefit computation purposes and current salary for contribution purposes, Red Wing fire department relief association;*

(5) *pay of the highest grade full time firefighter, St. Louis Park fire department relief association;*

(6) *maximum monthly pay of a patrol officer, St. Paul police relief association;*

(7) *prevailing base pay of rank held at retirement for benefit computation purposes and current salary for contribution purposes, South St. Paul police relief association; and*

(8) *prevailing pay for rank held for at least six months before retirement for benefit computation purposes and current salary for contribution purposes, Virginia police relief association.*

Subd. 11. [SALARY BASE.] "Salary base" means the salary amount as defined in subdivision 10 to which a specified percentage rate or rates shall be applied in determining a service pension, disability benefit, or survivor benefit.

Subd. 12. [YEAR OF ALLOWABLE SERVICE.] "Year of allowable service" means any 12 calendar months, not necessarily consecutive, in which a member of a consolidating relief association received compensation for being a police officer or firefighter, whichever applies, from the municipality in which the consolidating relief association was located and was eligible to credit for service.

Sec. 20. [353B.03] [COVERAGE AND TERMINATION OF COVERAGE.]

Any person who was a member of a consolidating relief association and who is a police officer or firefighter, whichever applies, in the municipality in which the consolidating relief association was located on or after the effective date of consolidation shall be eligible for the applicable benefit coverage provided for in this chapter.

Upon termination of active employment in the position which gave rise to the eligibility of the person for coverage by this chapter, that eligibility for benefit coverage shall terminate.

Sec. 21. [353B.04] [ADMINISTRATION.]

The benefit coverage under this chapter shall be administered by the public employees retirement association. Unless otherwise specified and where not inconsistent with a provision of this chapter, the provisions of chapter 353 shall govern in the administration of this chapter.

Sec. 22. [353B.05] [LOCAL RELIEF ASSOCIATION ACCOUNTS WITHIN FUND.]

Subdivision 1. [ACCOUNTS.] The local relief association consolidation accounts are governed by section 16.

Subd. 2. [MEMBER CONTRIBUTION RATES.] (a) Except as provided in paragraph (b), the member contribution rate for all consolidating local relief association members shall be eight percent of salary.

(b) The member contribution rate shall be the following for the former members of the consolidating relief associations as indicated:

(1) The federal insurance contribution act percentage amount plus four percent applied to salary equal to or less than the Federal Social Security Act taxable wage base and four percent applied to salary in excess of the Federal Social Security Act taxable wage base, Mankato fire department relief association, and Mankato police benefit associations;

(2) 8.75 percent of salary, New Ulm police relief association; and

(3) 8.25 percent of salary, St. Cloud police relief association.

Subd. 3. [ACCOUNT DISBURSEMENT RESTRICTED.] A local relief association consolidation account shall be disbursed only for the purposes provided in sections 8 to 17 and this chapter. The amounts necessary to make authorized disbursements from a local relief association consolidation account are annually appropriated.

Sec. 23. [353B.06] [TREASURER OF ACCOUNTS; INVESTMENT.]

Subdivision 1. [TREASURER.] The state treasurer is the ex officio treasurer of the accounts as provided in section 353.05.

Subd. 2. [INVESTMENT.] The assets of the account shall be invested by the state board of investment as provided in section 353.06.

Sec. 24. [353B.07] [SERVICE PENSIONS.]

Subdivision 1. [AGE AND SERVICE ELIGIBILITY REQUIREMENTS.] (a) Except as provided in paragraph (b), upon termination of active employment as a police officer or firefighter, whichever applies, in the city in which the consolidating local relief association was located, and person who was a member of a consolidating local relief association who has attained the age of at least 50 years and who has credit for at least 20 years of allowable service shall be entitled upon application to receive a service pension.

(b) The age and service eligibility requirements upon termination of active employment as a police officer or firefighter, whichever applies, in the city in which the consolidating local relief association was located for entitlement upon application for the receipt of a service pension shall be the following for the former members of the consolidating relief associations as indicated:

(1) attainment of the age of 55 years and the acquisition of credit for at least 20 years of allowable service, Chisholm firefighters relief association and Chisholm police relief association;

(2) attainment of the age of 60 years and the acquisition of credit for at least 20 years of allowable service, Crookston fire department relief association;

(3) attainment of the age of 50 years and the acquisition of credit for at least ten years of allowable service, Crookston police relief association;

(4) attainment of the age of 50 years and the acquisition of credit for at least ten years of allowable service, Fridley police pension association;

(5) attainment of the age of 55 years and the acquisition of credit for at least 20 years of allowable service, Hibbing firefighters relief association and Hibbing police relief association;

(6) attainment of the age of 50 years if first employed before January 1, 1968, or of the age of 55 years if first employed after December 31, 1967, and the acquisition of credit for at least 20 years of allowable service, Richfield fire department relief association;

(7) attainment of the age of 55 years and the acquisition of credit for at least 20 years of allowable service credit, Richfield police relief association;

(8) attainment of the age of 50 years if first employed prior to July 1, 1969, or of the age of 55 years if first employed after June 30, 1969, and the acquisition of credit for at least 20 years of allowable service, Rochester fire department relief association and Rochester police relief association; and

(9) attainment of the age of 55 years and the acquisition of credit for at least 20 years of allowable service, West St. Paul firefighters relief association.

Subd. 2. [SERVICE PENSION.] The service pension shall be the formula percentage rate or rates specified in subdivision 4 applied to the salary base cited in section 19, subdivision 11.

Subd. 3. [FORMULA PERCENTAGE RATE.] (a) The formula percentage rate shall be 2.333 percent per year of allowable service for each of the first 20 years of allowable service, 1.333 percent per year of allowable service for each year of allowable service in excess of 20 years but not in excess of 27 years, and .5 percent for each year of allowable service in excess of 25 years for the former members of the following consolidating relief associations:

- (1) Rochester fire department relief association;
- (2) Rochester police relief association;
- (3) St. Cloud fire department relief association;
- (4) St. Cloud police relief association;
- (5) St. Louis Park police relief association;
- (6) Winona fire department relief association; and
- (7) Winona police relief association.

(b) The formula percentage rate shall be 2.5 percent per year of allowable service for each of the first 20 years of allowable service for the former members of the following consolidating relief associations:

- (1) Albert Lea police relief association;
- (2) Anoka police relief association;
- (3) Faribault fire department relief association;
- (4) Faribault police benefit association;

- (5) *Mankato police benefit association;*
- (6) *Red Wing police relief association; and*
- (7) *West St. Paul police relief association.*

(c) *The formula percentage rate shall be 2.5 percent per year of allowable service for each of the the first 20 years of allowable service and .5 percent per year of allowable service for each year of service in excess of 25 years of allowable service for the former members of the following consolidating relief associations:*

- (1) *Austin firefighters relief association;*
- (2) *Austin police relief association;*
- (3) *South St. Paul firefighters relief association;*
- (4) *South St. Paul police relief association; and*
- (5) *Virginia police relief association.*

(d) *The formula percentage rate shall be 2.1875 percent per year of allowable service for each of the first 20 years of allowable service and 1.25 percent per year of allowable service for each year of allowable service in excess of 20 years of allowable service but not in excess of 27 years of allowable service for the former members of the following consolidating relief associations:*

- (1) *Bloomington police relief associations; and*
- (2) *Columbia Heights police relief association.*

(e) *The formula percentage rate shall be 2.65 percent per year of allowable service for each of the first 20 years of allowable service and an additional annual benefit of \$120 per year of allowable service in excess of 20 years of allowable service but not in excess of 25 years of allowable service for the former members of the following consolidating relief associations:*

- (1) *Hibbing firefighters relief association; and*
- (2) *Hibbing police relief association.*

(f) *The formula percentage rate or rates shall be the following for the former members of the consolidating relief associations as indicated:*

(1) *2.5 percent per year of allowable service for each of the first 20 years of allowable service, one percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, and 1.5 percent per year of allowable service in excess of 25 years of allowable service, Albert Lea firefighters relief association;*

(2) *the greater of 2.5 percent per year of allowable service for each of the first 20 years of allowable service applied to the final salary base, or two percent per year of allowable service for each of the first 20 years of allowable service applied to top grade patrol officer's salary base, Brainerd police relief association;*

(3) *4.25 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$10 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, Buhl police relief association;*

(4) 2.5 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$5 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, Chisholm firefighters relief association;

(5) 2.5 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$5 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years of allowable service, Chisholm police relief association;

(6) 2.1875 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service and 1.75 percent per year of allowable service in excess of 25 years of allowable service, Columbia Heights fire department relief association, paid division;

(7) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service and 1.5 percent per year of allowable service rendered after attaining the age of 60 years, Crookston fire department relief association;

(8) 2.5 percent per year of allowable service for each year of the first 30 years of allowable service, Crookston police relief association;

(9) 2.25 percent per year of allowable service for each year of the first 20 years of allowable service and 1.25 percent per year of allowable service in excess of 20 years of allowable service, but not more than 27 years of service, Crystal police relief association;

(10) 1.99063 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent for the 21st year of allowable service, and 2.5 percent per year of allowable service in excess of 21 years of allowable service but not more than 25 years of allowable service, Duluth firefighters relief association;

(11) 1.9875 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent for the 21st year of allowable service, and 2.5 percent per year of allowable service in excess of 21 years of allowable service but not more than 25 years of allowable service, Duluth police relief association;

(12) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service, and two percent per year of allowable service in excess of 20 years but not more than 25 years of allowable service and not to include any year of allowable service rendered after attaining the age of 55 years, Fairmont police benefit association;

(13) two percent per year of allowable service for each year of the first ten years of allowable service, 2.67 percent per year of allowable service in excess of ten years of allowable service but not more than 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of service but not more than 27 years of allowable service, Fridley police pension association;

(14) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service and an additional annual amount of \$30 per

year of allowable service in excess of 20 years of allowable service but not more than 30 years of allowable service, Mankato fire department relief association;

(15) 2.0625 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 24 years of allowable service and five percent for the 25th year of allowable service, Minneapolis fire department relief association;

(16) 2.125 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 24 years of allowable service, and five percent for the 25th year of allowable service, Minneapolis police relief association;

(17) the greater of 2.5 percent per year of allowable service for each of the first 20 years of allowable service applied to the final salary base, or two percent per year of allowable service for each of the first 20 years of allowable service applied to highest patrol officer's salary base plus .5 percent of the final salary base per year of allowable service for each of the first three years of allowable service in excess of 20 years of allowable service, New Ulm police relief association;

(18) two percent per year of allowable service for each of the first 25 years of allowable service and 1.5 percent per year of allowable service in excess of 25 years of allowable service, Red Wing fire department relief association;

(19) 2.55 percent per year of allowable service for each of the first 20 years of allowable service, Richfield fire department relief association;

(20) 2.4 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of allowable service but not more than 27 years of allowable service, Richfield police relief association;

(21) 2.6 percent per year of allowable service for each of the first 20 years of allowable service and one percent per year of allowable service in excess of 20 years of allowable service but not more than 30 years of allowable service, St. Louis Park fire department relief association;

(22) 1.9375 percent per year of allowable service for each of the first 20 years of allowable service, 2.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, and .5 percent per year of allowable service in excess of 25 years of allowable service, St. Paul fire department relief association;

(23) two percent per year of allowable service for each of the first 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years of allowable service, St. Paul police relief association;

(24) 2.25 percent per year of allowable service for each of the first 20 years of allowable service and one percent per year of allowable service in excess of 20 years but not more than 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years, Virginia fire department relief association; and

(25) two percent per year of allowable service for each of the first 20

years of allowable service, one percent per year of allowable service in excess of 20 years but not more than 24 years of allowable service, three percent for the 25th year of allowable service and one percent per year of allowable service in excess of 25 years of allowable service but not more than 30 years of allowable service, West St. Paul firefighters relief association.

Subd. 4. [APPLICATION.] *The application for a service pension shall be made in writing on a form prescribed by the executive director of the public employees retirement association by the person entitled to the service pension, or by a person authorized to act on the behalf of that person, and shall be accompanied by appropriate substantiation in writing of the age of the person entitled to the service pension.*

Subd. 5. [ACCRUAL.] *A service pension governed by this section shall accrue as provided in section 353.29, subdivision 7.*

Subd. 6. [PAYMENT.] *Payment of a service pension governed by this section shall be made in accordance with section 353.29, subdivision 8.*

Subd. 7. [REEMPLOYMENT OF SERVICE PENSIONER.] *The reemployment of a person receiving a service pension governed by this section by the municipality in which the consolidating local relief association was located or any governmental subdivision as that term is defined in section 353.01, subdivision 6, shall not effect the amount of the service pension.*

Sec. 25. [353B.08] [DISABILITY BENEFITS.]

Subdivision 1. [DUTY DISABILITY ELIGIBILITY REQUIREMENTS.]
(a) *For any former member of a consolidating relief association, upon termination of active employment as a police officer or firefighter, whichever applies, in the municipality in which the consolidating local relief association was located, any person who was a member of a consolidating local relief association who is not entitled to a service pension, who becomes disabled from an injury or illness arising out of or in the course of the line of duty shall be entitled upon application to receive a duty disability benefit.*

(b) *The additional requirement of the acquisition of credit for at least one month of allowable service credit shall apply for former members of the Winona fire department relief association.*

Subd. 2. [NONDUTY DISABILITY ELIGIBILITY REQUIREMENTS.]
(a) *For any former member of a consolidating relief association, upon termination of active employment as a police officer or firefighter, whichever applies, in the municipality in which the consolidating local relief association was located, any person who was a member of a consolidating local relief association, who is not entitled to a service pension, who becomes disabled from an injury or illness which does not arise out of or does not occur in the course of the line of duty shall be entitled upon application to receive a nonduty disability benefit.*

(b) *The following additional requirement shall apply for the former members of the consolidating relief associations as indicated:*

(1) *the acquisition of credit for at least ten years of allowable service credit, Chisholm firefighters relief association; and*

(2) *the acquisition of credit for at least one month of allowable service credit, Winona fire department relief association.*

Subd. 2a. [CLASSES OF DISABILITIES IN CERTAIN INSTANCES.]

(a) Except as specified in paragraph (b), there shall be no classes of disabilities or disability benefits for former members of consolidating relief associations.

(b) The classes for disabilities and disability benefits shall be the following for the former members of the consolidating relief associations as indicated:

(1) A first class disability shall be a total inability to engage in any gainful employment resulting from any medically determinable injury or illness, a second class disability shall be an inability to engage in any gainful employment resulting from any medically determinable injury or illness which is greater than a 50 percent inability and less than a total inability, and a third class disability shall be an inability to engage in any gainful employment resulting from any medically determinable injury or illness which is less than a 50 percent inability but is an inability to perform the duties of a firefighter in the municipality, Hibbing firefighters relief association; and

(2) A disability shall be an inability to perform the duties of a firefighter in the municipality resulting from any medically determinable injury or illness, with a first class disability additionally requiring an inability to perform any manual labor, a second class disability additionally encompassing a disability less severe than a first class disability allowing for the performance of light manual labor or office work and a third class disability additionally encompassing a disability less severe than a second class disability allowing for the performance of manual labor which is less strenuous or demanding than light manual labor, Minneapolis fire department relief association.

Subd. 3. [APPLICATION.] Every claim or demand for a disability benefit shall be initiated by a written application on a form prescribed by the executive director of the public employees retirement association which shall be accompanied by medical evidence to support the claimed disability.

Subd. 4. [MEDICAL EVIDENCE; BENEFIT ELIGIBILITY; DETERMINATION.] The medical basis for the claimed disability and the eligibility for a disability benefit shall be evaluated by the medical advisor for the public employees retirement association. If the submitted medical evidence is not conclusive to establish the claimed disability and eligibility for a disability benefit, the medical advisor shall notify the executive director of the public employees retirement association of that situation and the executive director shall undertake referral of the applicant to the applicable medical consultants for examination and medical recommendation. The recommendation of the medical advisor and that of any medical consultants shall be reviewed by the executive director. If there is sufficient evidence of the claimed disability and eligibility for a disability benefit, the executive director of the public employees retirement association shall grant the person the disability benefit. An appeal of any adverse determination may be made to the board of the public employees retirement association.

Subd. 5. [BENEFIT ACCRUAL.] The benefit shall accrue from the first day of the month next following the commencement of the disability or the first day of the month next following the date on which any sick leave, annual leave or salary continuation payments cease.

Subd. 6. [DUTY DISABILITY BENEFIT AMOUNT.] (a) The duty dis-

ability benefit shall be an amount equal to the service pension amount to which the person would have been entitled if the person had credit for the greater of actual years of allowable service or 20 years of allowable service, had attained the minimum age for the receipt of a service pension and had applied for a service pension rather than a disability benefit for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;*
- (2) Albert Lea police relief association;*
- (3) Anoka police relief association;*
- (4) Austin police relief association;*
- (5) Buhl police relief association;*
- (6) Chisholm police relief association;*
- (7) Duluth firefighters relief association;*
- (8) Duluth police relief association;*
- (9) Faribault fire department relief association;*
- (10) Mankato police benefit association;*
- (11) Minneapolis police relief association;*
- (12) New Ulm police relief association;*
- (13) Red Wing police relief association; -*
- (14) St. Paul police relief association;*
- (15) South St. Paul police relief association; and*
- (16) Virginia police relief association.*

(b) The duty disability benefit shall be an amount equal to 48 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;*
- (2) Richfield police relief association;*
- (3) Rochester fire department relief association;*
- (4) Rochester police relief association;*
- (5) St. Cloud fire department relief association;*
- (6) St. Cloud police relief association;*
- (7) St. Louis Park police relief association; and*
- (8) Winona police relief association.*

(c) The duty disability benefit shall be an amount equal to 50 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Austin firefighters relief association;*
- (2) Crookston fire department relief association;*
- (3) Fairmont police benefit association;*
- (4) Mankato fire department relief association;*

- (5) *Richfield fire department relief association;*
- (6) *South St. Paul firefighters relief association; and*
- (7) *Virginia fire department relief association.*

(d) *The duty disability benefit shall be an amount equal to 45 percent of the salary base for the former members of the following consolidating relief associations:*

- (1) *Bloomington police relief association; and*
- (2) *Crystal police relief association.*

(e) *The duty disability benefit shall be an amount equal to 40 percent of the salary base for the former members of the following consolidating relief associations:*

- (1) *West St. Paul firefighters relief association; and*
- (2) *West St. Paul police relief association.*

(f) *The duty disability benefit shall be the following for the former members of the consolidating relief associations as indicated:*

(1) *40 percent of the top salary for a patrol officer, Brainerd police relief association;*

(2) *\$100 per month, Chisholm firefighters relief association;*

(3) *37.5 percent of the salary base if the person has credit for less than ten years of allowable service, 43.75 percent of the salary base if the person has credit for more than nine years but less than 15 years of allowable service and 50 percent of the salary base if the person has credit for more than 14 years of allowable service credit, Columbia Heights fire department relief association, paid division;*

(4) *43.75 percent of the salary base, Columbia Heights police relief association;*

(5) *25 percent of the salary base if the person has credit for less than 12 years of allowable service and an additional amount equal to 2.5 percent of the salary base per year if allowable service for each year of allowable service in excess of 11 years of allowable service, not more than 50 percent, Crookston police relief association;*

(6) *12.5 percent of the salary base if the person has credit for less than six years of allowable service, 2.5 percent of the salary base per year of allowable service if the person has more than five years of allowable service, but not more than 50 percent of the salary base, Faribault police benefit association;*

(7) *the dollar amount which equals the benefit which would be payable under chapter 176 for a comparable benefit which qualifies for a worker's compensation benefit for a first class disability, 75 percent of the amount payable in the event of a first class disability for a second class disability and 50 percent of the amount payable in the event of a first class disability for a third class disability, Hibbing firefighters relief association;*

(8) *\$120 per month, Hibbing police relief association;*

(9) *51.25 percent of the salary base for a first class disability, 41.25 percent of the salary base for a second class disability, and 31.25 percent of the salary base for a third class disability, Minneapolis fire department*

relief association;

(10) 40 percent of the salary base if the person has credit for less than 20 years of allowable service and two percent of the salary base per year of allowable service if the person has more than 19 years of allowable service, but not more than 50 percent, Red Wing fire department relief association;

(11) 50 percent of the salary base if the person has credit for less than 21 years of allowable service and an amount equal to the service pension amount to which the person would have been entitled based on the applicable amount of allowable service if the person had attained the minimum age for the receipt of a service pension and had applied for a service pension rather than a disability benefit and if the person has credit for at least 20 years of allowable service, St. Louis Park fire department relief association;

(12) 50 percent of the salary base if the person is not able to perform the duties of any other gainful employment, 39.375 percent of the salary base if the person is only able to perform the duties of light manual labor or office employment and 33.75 percent of the salary base if the person is able to perform the duties of other manual labor, St. Paul fire department relief association; and

(13) 42.667 percent of the salary base, Winona fire department relief association.

Subd. 7. [NONDUTY DISABILITY BENEFIT AMOUNT.] (a) Except as specified in paragraph (b) or (c), the nonduty disability benefit shall be an amount equal to the amount of the duty disability benefit.

(b) The nonduty disability benefit shall be the following for the former members of the consolidating relief associations as indicated:

(1) of the salary of a top patrol officer, 30 percent if the person has credit for less than ten years of allowable service and 40 percent if the person has credit for ten or more years of allowable service, Brainerd police benefit association;

(2) a percentage of the salary base ranging from 39.8125 percent to 51.0625 percent as determined by the executive director of the public employees retirement association based on the severity of the circumstances and the extent of disability of the person, applied in a uniform manner and reflective to the extent practicable or determinable to the past administrative practices of the board of the consolidating relief association before the effective date of the consolidation, Duluth firefighters relief association;

(3) two percent of the salary base per year of allowable service but in total not less than ten percent of the salary base and not more than 40 percent of the salary base, Red Wing fire department relief association;

(4) two percent of the salary base per year of allowable service but in total not more than 40 percent of the salary base, St. Paul police relief association; and

(5) 35 percent of the salary base, Virginia fire department relief association.

(c) No nonduty benefit shall be payable from the Crookston fire department relief association.

Subd. 8. [WORKERS' COMPENSATION OFFSET.] (a) Except as specified in paragraph (b) and except to the extent that section 423A.14 applies, there shall be no reduction in the amount of any disability benefit by virtue of the receipt of any workers' compensation benefit or amount under chapter 176.

(b) The amount of any disability benefit payable shall be reduced by the amount of any workers' compensation benefit or amount received or receivable under chapter 176 for the former members of the following consolidating relief associations:

- (1) Crookston fire department relief association;
- (2) Red Wing police relief association; and
- (3) West St. Paul police relief association.

Subd. 9. [OTHER BENEFIT OFFSETS.] (a) Except as specified in paragraph (b) and except to the extent that section 423A.14 applies, there shall be no reduction in the amount of any disability benefit by virtue of any gainful compensation engaged in following the commencement of the disability benefit.

(b) The amount of any disability benefit payable shall be reduced by the amount by which the benefit and income from any gainful employment exceeds 120 percent of the salary base for the former members of the West St. Paul firefighters relief association.

Subd. 10. [OTHER DISABILITY BENEFIT COVERAGE.] (a) For former members of the Buhl police relief association, a disabled member shall be entitled to a short term disability benefit of \$8 per day for a maximum of 26 weeks, during which period no duty or nonduty disability benefit shall be payable.

(b) For former members of the Crookston police relief association, an additional benefit of \$25 per month for each child of the disabled person who has not attained the age of 18 years and who is actually dependent on the disabled person shall be payable, but in combination with the disability benefit payable as provided in subdivision 6 or 7, the total benefit shall not exceed 50 percent of the salary base.

Subd. 11. [SUBSEQUENT MEDICAL REEXAMINATIONS.] Periodically, upon the recommendation of the medical adviser appointed as provided in section 353.33, subdivision 6a, based on the medical nature of the initial qualifying disability and its potential for improvement or recovery, the executive director of the public employees retirement association shall have a former member of a consolidating relief association who is receiving a disability benefit reexamined and reevaluated for continued entitlement to a disability benefit. If, upon the recommendation of the medical adviser, the executive director determines that the person is no longer entitled to receive a disability benefit, the disability benefit shall be discontinued effective as of the first day of the second month following that determination and the person shall be considered for reemployment as a police officer or a firefighter, whichever applies, by the municipality in which the consolidating relief association was located.

Subd. 12. [RETURN TO SERVICE.] If a former member of a consolidating relief association who was receiving a disability benefit returns to active employment by a governmental subdivision, the disability benefit shall terminate, the person shall return to the appropriate active member

status and shall retain any service credit rendered before the receipt of the disability benefit.

Subd. 13. [RECOMPUTATION OF DISABILITY BENEFIT.] (a) Except as additionally provided in paragraph (b), a disability benefit shall be recomputed as a service pension as provided in section 423A.11.

(b) A disability benefit shall be subject to the following recomputation as a service pension for the former members of the consolidating relief associations as indicated:

(1) for a person with 15 or more years of allowable service, the disability benefit shall be recomputed as a service pension upon the person attaining the age of 50 years based on credited allowable service, assuming a minimum of 20 years of service, Columbia Heights fire department relief association, paid division;

(2) for a person with more than 21 years of allowable service, the disability benefit shall be recomputed as a service pension upon the person attaining the age of 50 years based on credited allowable service, Crystal police relief association; and

(3) for a person with sufficient allowable service to result in a service pension amount greater than 40 percent of the salary base, the disability benefit shall be recomputed as a service pension upon the person attaining the age of 50 years based on credited allowable service, St. Paul police relief association.

Sec. 26. [353B.09] [REFUND.]

Subdivision 1. [ENTITLEMENT.] A former member of a consolidating relief association who terminates active employment as a police officer or firefighter, whichever applies, by the municipality in which the consolidating relief association is located, to whom no other benefit is payable and who is not reemployed by that or another governmental subdivision within a period of 30 days following the termination of employment shall be entitled to receive a refund.

Subd. 2. [REFUND AMOUNT.] (a) Except as provided in paragraph (b), (c), or (d), the refund payable to a person entitled as provided in subdivision 1 shall be the total amount of accumulated member contributions, without interest.

(b) The refund payable to a person entitled as provided in subdivision 1 shall be 75 percent of the total amount of accumulated member contributions, without interest, for the former members of the following consolidating relief associations:

- (1) Bloomington police relief association;*
- (2) Fridley police pension association;*
- (3) Richfield police relief association;*
- (4) Rochester fire department relief association;*
- (5) Rochester police relief association;*
- (6) St. Cloud police relief association;*
- (7) St. Louis Park police relief association;*
- (8) Winona fire department relief association; and*

(9) *Winona police relief association.*

(c) *The refund payable to a person entitled as provided in subdivision 1 shall be \$500 plus \$100 per full year of allowable service in excess of five years of allowable service if the member terminates with at least five years of allowable service but less than 20 years of allowable service, for the former members of the Minneapolis police relief association.*

(d) *No refund shall be payable for the former members of the following consolidating relief associations:*

- (1) *Duluth firefighters relief association;*
- (2) *Duluth police pension association;*
- (3) *Minneapolis fire department relief association;*
- (4) *St. Paul fire department relief association; and*
- (5) *St. Paul police relief association.*

Sec. 27. [353B.10] [DEFERRED SERVICE PENSION.]

Subdivision 1. [ENTITLEMENT.] (a) Except as specified in paragraph (b), any former member of a consolidating relief association who has terminated active employment, who has acquired sufficient allowable service credit but who has not attained the age applicable to that former member specified in section 24, subdivision 1, may, in lieu of any refund to which the person may be entitled, leave the amount of any accumulated member contributions in the local relief association consolidation account and thereby be entitled to a deferred service pension upon or after attaining the specified age.

(b) Any former member who has terminated active employment, may, in lieu of any refund to which the person may be entitled, leave the amount of any accumulated member contributions in the local relief association consolidation account and thereby be entitled to a deferred service pension upon or after attaining the applicable specified age if the person has acquired the amount of allowable service credit as indicated for the former members of the following consolidating relief associations:

(1) at least 20 years of allowable service if the member terminated active employment before attaining the age of 50 years, deferred until the attainment of the age of 50 years, or at least ten years of allowable service but less than 20 years of allowable service if the member terminated active employment before attaining the age of 57 years, deferred until the attainment of the age of 57 years, Albert Lea police relief association;

(2) any period of allowable service, deferred until the attainment of the age of 50 years if first employed before January 1, 1968, or until the attainment of the age of 55 years if first employed after December 31, 1967, Richfield fire department relief association;

(3) any period of allowable service, deferred to the age of 55 years, Richfield police relief association;

(4) at least ten years of allowable service, deferred until the latter of the attainment of the age of 50 years or the first day of the month following the date on which the person would have acquired 20 years of allowable service credit assuming continuous future service, St. Louis Park fire department relief association and St. Louis Park police relief association; and

(5) *at least ten years of allowable service, deferred until the attainment of the age of 50 years, West St. Paul police relief association.*

Subd. 2. [DEFERRED SERVICE PENSION AMOUNT.] (a) Except as specified in paragraph (b), the deferred service pension shall be in the amount calculated as provided in section 24.

(b) The deferred service pension shall be the following for the former members of the consolidating relief associations as indicated:

(1) for a deferred service pension based on at least ten years of allowable service but less than 20 years of allowable service, 2.5 percent of the salary base per year of allowable service, Albert Lea police relief association;

(2) the amount calculated as provided in section 24, but not more than 50 percent of the salary base, Crystal police relief association;

(3) 2.5 percent per year of allowable service of the salary base, but not to exceed 50 percent of the salary base, Richfield fire department relief association;

(4) the amount calculated as provided in section 24, but not more than 54.6667 percent of the salary base, if the person had at least 20 years of allowable service credit, or 2.3333 percent of the salary base per year of allowable service, but not more than 46.6667 percent of the salary base, if the person had less than 20 years of allowable service credit, and if the person dies before attaining the age of 55 years with less than 20 years of allowable service credit, no survivor benefits shall be payable but a refund as provided in section 26 shall be payable, Richfield police relief association;

(5) the amount calculated as provided in section 24, but not more than 53.3333 percent of the salary base, St. Cloud fire department relief association and St. Cloud police relief association;

(6) the amount calculated as provided in section 24, but not more than 56 percent of the salary base, if the person had at least 20 years of allowable service credit or 2.3333 percent of the salary base per year of allowable service, but not more than 46.6667 percent of the salary base, if the person has less than 20 years of allowable service credit, St. Louis Park police relief association;

(7) for each of the first 20 years of allowable service credit, .5 percent of the salary base per year of allowable service for each year of allowable service rendered before October 1, 1965, and two percent of the salary base per year of allowable service for each year of allowable service rendered after September 30, 1965, and for each year of allowable service in excess of 20 years, one percent of the salary base per year of allowable service, but not more than 52 percent of the salary base, West St. Paul firefighters relief associations;

(8) the amount calculated as provided in section 24, but not more than 50.6667 percent of the salary base, Winona fire department relief association; and

(9) the amount calculated as provided in section 24, but not more than 53.3333 percent of the salary base, Winona police relief association.

Subd. 3. [AUGMENTATION.] The deferred service pension shall not be augmented as provided in section 353.34, subdivision 3.

Sec. 28. [353B.11] [SURVIVOR BENEFITS.]

Subdivision 1. [ELIGIBILITY; SURVIVING SPOUSE BENEFIT.] (a) Except as specified in paragraph (b), (c), (d), (e), or (f), the person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least one year before the separation from active service if the deceased member was a deceased, deferred, or retired member and who was residing with the member at the time of the death of the deceased member shall be entitled to receive a surviving spouse benefit.

(b) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member at the time of separation from active service if the deceased member was a deceased deferred or retired member and who was residing with the member at the time of the death of the member shall be entitled to receive a surviving spouse benefit in the case of former members of the following consolidating relief associations:

- (1) Albert Lea police relief association;*
- (2) Anoka police relief association;*
- (3) Austin firefighters relief association;*
- (4) Austin police relief association;*
- (5) Brainerd police benefit association;*
- (6) Columbia Heights police relief association;*
- (7) Crookston fire department relief association;*
- (8) Crookston police relief association;*
- (9) Fairmont police benefit association;*
- (10) Faribault police benefit association;*
- (11) Mankato fire department relief association;*
- (12) Red Wing police relief association;*
- (13) South St. Paul police relief association;*
- (14) Virginia fire department relief association;*
- (15) Virginia police relief association; and*
- (16) West St. Paul police relief association.*

(c) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, and who was legally married to the member at the time of separation from active service if the deceased member was a deceased deferred or retired member shall be entitled to receive a surviving spouse benefit in the case of former members of the following consolidating relief associations:

- (1) Chisholm police relief association;*
- (2) Hibbing police relief association;*
- (3) Mankato police benefit association; and*

(4) *New Ulm police relief association.*

(d) *The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least one year before the separation from active service if the deceased member was the recipient of a service pension or was entitled to a deferred service pension and who was residing with the member at the time of the death of the deceased member in the case of former members of the Minneapolis fire department relief association.*

(e) *The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least three years before the separation from active service if the deceased member was a deceased, retired, or deferred member and who was residing with the member at the time of the death of the member shall be entitled to receive a surviving spouse benefit in the case of former members of the South St. Paul firefighters relief association.*

(f) *The person who survives a deceased active, deferred, or retired member who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least one year before the separation from active service if the deceased member was a deceased, deferred, or retired member and who had not deserted the member at the time of the death of the deceased member shall be entitled to receive a surviving spouse benefit in the case of former members of the St. Paul police relief association.*

Subd. 2. [ELIGIBILITY; SURVIVING CHILD BENEFIT.] (a) *Except as specified in paragraph (b), (c), (d), (e), (f), or (g), the person who survives a deceased active, deferred, or retired member, who is the child of the deceased member and who is younger than age 18 at the time of the death of the deceased member shall be entitled to receive a surviving child benefit.*

(b) *The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member, and who is younger than age 18 if the person is not a full-time student or age 22 if the person is a full-time student shall be entitled to receive a surviving child benefit in the case of former members of the following consolidating relief associations:*

- (1) *Buhl police relief association;*
- (2) *Columbia Heights fire department relief association, paid division;*
- (3) *Duluth firefighters relief association;*
- (4) *Duluth police pension association;*
- (5) *Minneapolis fire department relief association;*
- (6) *Minneapolis police relief association; and*
- (7) *St. Paul fire department relief association.*

(c) *The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member and who is younger than age 16 shall be entitled to receive a surviving child benefit in the case of former members of the following consolidating relief associations:*

- (1) *Chisholm police relief association; and*

(2) *Hibbing police relief association.*

(d) *The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member and who is younger than age 19 shall be entitled to receive a surviving child benefit in the case of former members of the Albert Lea firefighters relief association.*

(e) *The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member and who is younger than age 18 if the person is not a full-time student or age 21 if the person is a full-time student shall be entitled to receive a surviving child benefit in the case of former members of the Crookston police relief association.*

(f) *The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member, who was dependent on the deceased member and who is younger than age 18 shall be entitled to receive a surviving child benefit in the case of former members of the Red Wing police relief association.*

(g) *The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member and who is younger than age 18 if the person is not a full time student or age 23 if the person is a full-time student shall be entitled to receive a surviving child benefit in the case of former members of the St. Paul police relief association.*

Subd. 3. [AMOUNT; SURVIVING SPOUSE BENEFIT.] (a) The surviving spouse benefit shall be 30 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;*
- (2) Albert Lea police relief association;*
- (3) Anoka police relief association;*
- (4) Austin firefighters relief association;*
- (5) Austin police relief association;*
- (6) Brainerd police benefit association;*
- (7) Crookston police relief association;*
- (8) Faribault fire department relief association; and*
- (9) West St. Paul firefighters relief association.*

(b) The surviving spouse benefit shall be 25 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Chisholm police relief association;*
- (2) Duluth firefighters relief association;*
- (3) Duluth police pension association;*
- (4) Fairmont police benefit association;*
- (5) Red Wing fire department relief association;*
- (6) South St. Paul police relief association; and*
- (7) West St. Paul police relief association.*

(c) The surviving spouse benefit shall be 24 percent of the salary base for the former members of the following consolidating relief associations:

- (1) *Fridley police pension association;*
- (2) *Richfield police relief association;*
- (3) *Rochester fire department relief association;*
- (4) *Rochester police relief association;*
- (5) *Winona fire department relief association; and*
- (6) *Winona police relief association.*

(d) *The surviving spouse benefit shall be 40 percent of the salary base for the former members of the following consolidating relief associations:*

- (1) *Columbia Heights fire department relief association, paid division;*
- (2) *New Ulm police relief association;*
- (3) *Richfield fire department relief association; and*
- (4) *St. Louis Park fire department relief association.*

(e) *The surviving spouse benefit shall be \$250 per month for the former members of the following consolidating relief associations:*

- (1) *Hibbing firefighters relief association; and*
- (2) *Hibbing police relief association.*

(f) *The surviving spouse benefit shall be 23.75 percent of the salary base for the former members of the following consolidating relief associations:*

- (1) *Crystal police relief associations; and*
- (2) *Minneapolis police relief association.*

(g) *The surviving spouse benefit shall be 32 percent of the salary base for the former members of the following consolidating relief associations:*

- (1) *St. Cloud fire department relief association; and*
- (2) *St. Cloud police relief association.*

(h) *The surviving spouse benefit shall be one-half of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, for the former members of the following consolidating relief associations:*

- (1) *Virginia fire department relief association; and*
- (2) *Virginia police relief association.*

(i) *The surviving spouse benefit shall be the following for the former members of the consolidating relief associations as indicated:*

- (1) *25.625 percent of the salary base, Bloomington police relief association;*
- (2) *72.25 percent of the salary base, Buhl police relief association;*
- (3) *50 percent of the service pension which the active member would have received based on allowable service credit to the date of death and prospective service from the date of death until the date on which the*

person would have attained the normal retirement age, 50 percent of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or \$175 per month if the deceased member was receiving a service pension or disability benefit as of the date of death, Chisholm firefighters relief association;

(4) two-thirds of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, Columbia Heights police relief association;

(5) the greater of \$300 per month or one-half of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Crookston fire department relief association;

(6) \$100 per month, Faribault police benefit association;

(7) 60 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Mankato fire department relief association;

(8) \$175 per month, Mankato police benefit association;

(9) 26.25 percent of the salary base, Minneapolis fire department relief association;

(10) equal to the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Red Wing police relief association;

(11) 26.6667 percent of the salary base, St. Louis Park police relief association;

(12) 27.5 percent of the salary base, St. Paul fire department relief association;

(13) 20 percent of the salary base, St. Paul police relief association;
and

(14) 27 percent of the salary base, South St. Paul firefighters relief association.

Subd. 4. [AMOUNT; SURVIVING CHILD BENEFIT.] (a) The surviving

child benefit shall be eight percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;*
- (2) Red Wing fire department relief association;*
- (3) Richfield police relief association;*
- (4) Rochester fire department relief association;*
- (5) Rochester police relief association;*
- (6) St. Cloud police relief association;*
- (7) St. Louis Park police relief association;*
- (8) South St. Paul firefighters relief association;*
- (9) Winona fire department relief association; and*
- (10) Winona police relief association.*

(b) The surviving child benefit shall be \$25 per month for the former members of the following consolidating relief associations:

- (1) Anoka police relief association;*
- (2) Austin firefighters relief association;*
- (3) Austin police relief association;*
- (4) Faribault police benefit association;*
- (5) Hibbing firefighters relief association;*
- (6) Mankato police benefit association;*
- (7) South St. Paul police relief association; and*
- (8) Virginia fire department relief association.*

(c) The surviving child benefit shall be ten percent of the salary base for the former members of the following consolidating relief associations:

- (1) Albert Lea police relief association;*
- (2) Crookston police relief association;*
- (3) Duluth firefighters relief association;*
- (4) Duluth police pension association;*
- (5) Faribault fire department relief association; and*
- (6) Minneapolis fire department relief association.*

(d) The surviving child benefit shall be five percent of the salary base for the former members of the following consolidating relief associations:

- (1) Columbia Heights fire department relief association, paid division;*
- (2) St. Louis Park fire department relief association;*
- (3) St. Paul police relief association; and*
- (4) West St. Paul firefighters relief associations.*

(e) The surviving child benefit shall be \$15 per month for the former members of the following consolidating relief associations:

- (1) Crookston fire department relief association;
- (2) Hibbing police relief association; and
- (3) West St. Paul police relief association.

(f) The surviving child benefit shall be 7.5 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Bloomington police relief association;
- (2) Crystal police relief association; and
- (3) Minneapolis police relief association.

(g) The surviving child benefit shall be the following for the former members of the consolidating relief associations as indicated:

(1) ten percent of the salary base if a surviving spouse benefit is also payable, that amount between ten percent of the salary base and 50 percent of the salary base as determined by the executive director of the public employees retirement association, based on the financial circumstances and need of the surviving child or surviving children, applied in a uniform manner, reflective to the extent practicable or determinable to the past administrative practices of the board of the consolidating relief association before the effective date of the consolidation if there is a surviving spouse but no surviving spouse benefit is also payable on account of the remarriage of the surviving spouse, or 50 percent of the salary base, payable in equal shares for more than one surviving child, if there is no surviving spouse, Albert Lea firefighters relief association;

(2) four percent of the salary base, Brainerd police benefit association;

(3) \$125 per month if a surviving spouse benefit is also payable or an amount equal to the surviving spouse benefit, payable in equal shares if there is more than one surviving child, if no surviving spouse benefit is payable, Buhl police relief association;

(4) \$15 per month, Chisholm firefighters relief association;

(5) \$125 per month, Chisholm police relief association;

(6) \$50 per month, Columbia Heights police relief association;

(7) 6.25 percent of the salary base, Fairmont police benefit association;

(8) 12.5 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Mankato fire department relief association;

(9) \$25 per month if a surviving spouse benefit is also payable or an amount equal to the surviving spouse benefit, payable in equal shares if there is more than one surviving child, New Ulm police relief association;

(10) in an amount determined by the executive director of the public employees retirement association based on the financial circumstances and need of the surviving child or surviving children, applied in a uniform manner, reflective to the extent practicable or determinable to the past

administrative practices of the board of the consolidating relief association before the effective date of the consolidation and not more than the largest surviving child benefit amount prescribed for any other actual or potential consolidating relief association as provided in this section, Red Wing police relief association;

(11) five percent of the salary base if a surviving spouse benefit is also payable or 15 percent of the salary base if no surviving spouse benefit is payable, Richfield fire department relief association;

(12) 5.3334 percent of the salary base, St. Cloud fire department relief association;

(13) ten percent of the salary base, St. Paul fire department relief association; and

(14) \$50 per month, Virginia police relief association.

Subd. 5. [SURVIVOR BENEFIT MAXIMUM.] (a) No surviving children or surviving family maximum shall be applicable to former members of the following consolidating relief associations:

- (1) Buhl police relief association;*
- (2) Chisholm firefighters relief association;*
- (3) Chisholm police relief association;*
- (4) Hibbing firefighters relief association;*
- (5) Mankato police benefit association;*
- (6) New Ulm police relief association;*
- (7) Red Wing fire department relief association;*
- (8) Red Wing police relief association;*
- (9) St. Paul police relief association; and*
- (10) South St. Paul police relief association.*

(b) The surviving children maximum shall be 24 percent of the salary base, if a surviving spouse benefit is also payable or 48 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;*
- (2) Richfield police relief association;*
- (3) Rochester fire department relief association;*
- (4) Rochester police relief association;*
- (5) Winona fire department relief association; and*
- (6) Winona police relief association.*

(c) The surviving family maximum shall be 50 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Anoka police relief association;*
- (2) Austin firefighters relief association;*
- (3) Austin police relief association;*

- (4) Duluth firefighters relief association; and
- (5) Richfield fire department relief association.

(d) The surviving family maximum shall be an amount equal to the service pension which a retiring member would have received based on 20 years of allowable service credit if the member had attained the age of at least 50 years in the case of an active member, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death in the case of a deferred member, or of the service pension or disability benefit which the deceased member was receiving as of the date of death, for the former members of the following consolidating relief associations:

- (1) Columbia Heights police relief association;
- (2) Virginia fire department relief association; and
- (3) Virginia police relief association.

(e) The surviving children maximum shall be 25 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Duluth police pension association; and
- (2) Fairmont police benefit association.

(f) The surviving children maximum shall be 22.5 percent of the salary base, if a surviving spouse benefit is also payable or 45 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Bloomington police relief association; and
- (2) Crystal police relief association.

(g) The surviving children maximum shall be 16 percent of the salary base, if a surviving spouse benefit is also payable or 48 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) St. Cloud fire department relief association; and
- (2) St. Cloud police relief association.

(h) The surviving children maximum shall be 20 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association; and
- (3) Faribault fire department relief association.

(i) The surviving family maximum shall be the following for the former members of the consolidating relief associations:

- (1) \$450 per month, Crookston police relief association;
- (2) 80 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service

pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, Mankato fire department relief association; and

(3) 57.5 percent of the salary base, St. Paul fire department relief association.

(j) *The surviving child maximum shall be the following for the former members of the consolidating relief associations:*

(1) 20 percent of the top salary payable to a patrol officer, Brainerd police benefit association;

(2) ten percent of the salary base, if a surviving spouse benefit is also payable or 15 percent of the salary base, if no surviving spouse benefit is also payable, Columbia Heights fire department relief association, paid division;

(3) \$105 per month if a surviving spouse benefit is also payable or \$90 per month if no surviving spouse benefit is also payable, Crookston fire department relief association;

(4) \$125 per month, Faribault police benefit association;

(5) \$30 per month if a surviving spouse benefit is also payable or \$180 per month if no surviving spouse benefit is also payable, Hibbing police relief association;

(6) 25 percent of the salary base, if a surviving spouse benefit is also payable or 51.25 percent of the salary base, if no surviving spouse benefit is also payable, Minneapolis fire department relief association;

(7) 17.5 percent of the salary base, if a surviving spouse benefit is also payable or 40 percent of the salary base, if no surviving spouse benefit is also payable, Minneapolis police relief association;

(8) 50 percent of the salary base, St. Louis Park fire department relief association;

(9) 24 percent of the salary base, St. Louis Park police relief association;

(10) 23 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, South St. Paul firefighters relief association;

(11) ten percent of the salary base, West St. Paul firefighters relief association; and

(12) \$30 per month if a surviving spouse benefit is also payable or \$75 per month if no surviving spouse benefit is also payable, West St. Paul police relief association.

Subd. 6. [DISCONTINUATION; SURVIVING SPOUSE BENEFIT.] (a) *Except as specified in paragraph (b) or (c), a surviving spouse benefit shall terminate upon the death or the subsequent marriage of the person entitled to receive or receiving a surviving spouse benefit.*

(b) *A surviving spouse benefit shall terminate upon the subsequent marriage of the person entitled to receive or receiving a surviving spouse benefit but shall recommence at the appropriate amount without any ret-*

roactive payments in the event of the termination of the subsequent marriage for any reason for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association;
- (3) Duluth firefighters relief association;
- (4) Duluth police pension association;
- (5) Minneapolis fire department relief association;
- (6) St. Paul fire department relief association; and
- (7) St. Paul police relief association.

(c) A surviving spouse benefit shall terminate only upon the death of the person entitled to receive or receiving a surviving spouse benefit for the former members of the following consolidating relief associations:

- (1) Mankato fire department relief association;
- (2) St. Louis Park fire department relief association;
- (3) South St. Paul firefighters relief association;
- (4) South St. Paul police relief association;
- (5) West St. Paul firefighters relief association; and
- (6) Winona fire department relief association.

Subd. 7. [DISCONTINUATION; SURVIVING CHILD BENEFIT.] A surviving child benefit shall terminate upon the loss of eligible surviving child status by the person previously entitled to receive or receiving a surviving child benefit.

Subd. 8. [OTHER DEATH BENEFIT COVERAGE.] Any lump sum death benefit or funeral benefit provided for in the governing benefit plan documents shall be considered to be special benefit coverage governed by section 15, subdivision 6, for the former members of the following consolidating relief associations:

- (1) Crookston fire department relief association;
- (2) Hibbing firefighters relief association;
- (3) Mankato fire department relief association;
- (4) Red Wing fire department relief association; and
- (5) Richfield fire department relief association.

Sec. 29. [353B.12] [POSTRETIREMENT BENEFIT ADJUSTMENTS.]

Subdivision 1. [SERVICE PENSION.] (a) Except as specified in paragraph (b), (c), (d), or (e), any service pension payable to a former member of a consolidating relief association shall be increased annually by the same percentage that the salary base has increased.

(b) The amount of any service pension other than any additional benefit on one-half of one percent of the salary base per year of allowable service for allowable service in excess of 25 years of service shall be increased annually by the same percentage that the salary base has increased for former members of the following consolidating relief associations:

- (1) *Austin firefighters relief association;*
- (2) *Austin police relief association;*
- (3) *Columbia Heights fire department relief association, paid division;*
- (4) *Columbia Heights police relief association;*
- (5) *St. Paul fire department relief association;*
- (6) *St. Paul police relief association;*
- (7) *South St. Paul firefighters relief association;*
- (8) *South St. Paul police relief association;*
- (9) *Virginia police relief association;*
- (10) *Winona fire department relief association; and*
- (11) *Winona police relief association.*

(c) *The amount of any service pension other than any additional benefit on one-half of one percent of the salary base per year of allowable service for allowable service in excess of 25 years of service shall be increased annually by the same percentage that the salary base has increased for former members employed before July 1, 1969, and by one-half of the dollar amount of the increase payable to former members employed before July 1, 1969, for former members employed after June 30, 1969, of the following consolidating relief associations:*

- (1) *Rochester fire department relief association; and*
- (2) *Rochester police relief association.*

(d) *The amount of any service pension shall not be subject to any annual postretirement adjustment for former members of the following consolidating relief associations:*

- (1) *Crookston fire department relief association; and*
- (2) *Crookston police relief association.*

(e) *The amount of the annual postretirement adjustment shall be the following for the former members of the consolidating relief associations as indicated:*

(1) *the amount of any service pension other than any additional benefit of one-half of one percent of the salary base per year of allowable service for allowable service in excess of 25 years of service shall be increased annually by the same percentage that the salary of a top grade firefighter has increased, Albert Lea firefighters relief association;*

(2) *the amount of any service pension shall be increased by the amount of any positive difference between the service pension payable for the month before the effective date of a postretirement increase and the amount equal to 50 percent of the salary of a first class patrol officer on the effective date of a postretirement increase, Albert Lea police relief association;*

(3) *for a service pension calculated using the top salary of a patrol officer, the service pension shall be increased by an amount equal to the percentage that the top salary of a patrol officer has increased, Brainerd police benefit association;*

(4) *the amount of any service pension shall be increased by 3.5 percent*

annually if there is any increase in the salary base, Buhl police relief association;

(5) the amount of any service pension shall be increased by three percent annually if there is any increase in the salary base, Chisholm firefighters relief association;

(6) the amount of any service pension other than any additional benefit of one-half of one percent of the salary base per year of allowable service for allowable service in excess of 25 years of service shall be increased by three percent annually, Chisholm police relief association;

(7) the amount of any service pension shall be increased by an amount equal to one-half of the percentage that the salary base has increased, Faribault police benefit association;

(8) the amount of any service pension based on at least 20 years of allowable service shall be increased by the same percentage that the salary base has increased and the amount of any service pension based on less than 20 years of allowable service shall be increased by the percentage that the salary base has increased or by three percent, whichever is less, annually, Fridley police pension association;

(9) the amount of any service pension shall be increased by one-half of the dollar amount of any increase in the salary base, Hibbing police relief association;

(10) for a service pension calculated using the salary of the highest salaried patrol officer, the service pension other than any additional benefit of one-half of one percent of final salary for the first three years of allowable service in excess of 20 years of allowable service shall be increased by the same percentage that the salary of the highest salaried patrol officer has increased, New Ulm police relief association;

(11) the amount of any service pension other than any additional benefit of one-half of one percent of the salary base per year of allowable service for allowable service in excess of 25 years of allowable service shall be increased by the same percentage that the consumer price index for all items for urban wage earners published by the federal Department of Labor, Bureau of Labor Statistics, has increased over the previous 12-month period, Red Wing fire department relief association;

(12) the amount of any service pension shall be increased by the same percentage that the consumer price index for all items for urban wage earners published by the federal Department of Labor, Bureau of Labor Statistics, has increased over the previous 12-month period, Red Wing police relief association;

(13) the amount of any service pension other than any additional benefit of one-half of one percent of the salary base per year of allowable service for allowable service in excess of 25 years of allowable service shall be increased by the same percentage that the salary base has increased or by 3.5 percent, whichever is less, annually, Virginia fire department relief association; and

(14) the amount of any service pension payable to a person who has attained the age of at least 55 years shall be increased by the same percentage that the salary base has increased or by 3.5 percent, whichever is less, annually, West St. Paul police relief association.

Subd. 2. [DEFERRED SERVICE PENSION.] (a) Except as specified in paragraph (b), any deferred service pension payable to a former member of a consolidating relief association shall be credited annually with an increase of the same percentage or amount that a service pension is to be increased as provided in subdivision 1. The amount of any postretirement increases credited during the period of deferral shall be added to the amount of the service pension payable as of the date of the termination of employment as a police officer or firefighter, whichever applies, and payable as of the date of the initial service pension payment as provided in section 27.

(b) Any deferred service pension shall not be subject to any postretirement adjustment for former members of the following consolidating relief associations:

- (1) Crookston fire department relief association; and*
- (2) Crookston police relief association.*

Subd. 3. [DISABILITY BENEFIT.] (a) Except as specified in paragraph (b), (c), and (d), any disability benefit payable to a former member of a consolidating relief association shall be increased annually by the same percentage or amount that a service pension is to be increased as provided in subdivision 1.

(b) The amount of any disability benefit shall not be subject to any annual postretirement adjustment for former members of the following consolidating relief associations:

- (1) Crookston fire department relief association;*
- (2) Crookston police relief association; and*
- (3) Hibbing firefighters relief association.*

(c) The amount of any disability benefit shall be increased annually by the same percentage that the salary of the position which the disabled person held at the time of the disability has increased over the previous 12-month period for former members of the Columbia Heights police relief association.

(d) The amount of any disability benefit shall be increased annually by the amount of any positive difference between the disability benefit payable for the month before the effective date of a postretirement increase and the amount equal to 50 percent of the salary of a first class patrol officer on the effective date of a postretirement increase for former members of the Albert Lea police relief association.

Subd. 4. [SURVIVING SPOUSE BENEFIT.] (a) Except as specified in paragraph (b), (c), and (d), any surviving spouse benefit payable on behalf of a deceased former member of a consolidating relief association shall be increased annually by the same percentage or amount that a service pension is to be increased as provided in subdivision 1.

(b) The amount of any surviving spouse benefit shall not be subject to any annual postretirement adjustment for former members of the following consolidating relief associations:

- (1) Buhl police relief association;*
- (2) Chisholm firefighters relief association;*

- (3) *Chisholm police relief association;*
- (4) *Crookston fire department relief association;*
- (5) *Crookston police relief association;*
- (6) *Faribault police benefit association;*
- (7) *Hibbing firefighters relief association;*
- (8) *Hibbing police relief association; and*
- (9) *Mankato police benefit association.*

(c) *The amount of any surviving spouse benefit shall be increased annually by the percentage that the salary base has increased over the previous 12-month period for former members of the West St. Paul police relief association.*

(d) *The amount of any surviving spouse benefit shall be increased annually by the amount of any positive difference between the surviving spouse benefit payable for the month before the effective date of a post-retirement increase and the amount equal to 30 percent of the salary of a first class patrol officer on the effective date of a post-retirement increase for former members of the Albert Lea police relief association.*

Subd. 5. [SURVIVING CHILD BENEFIT.] (a) *Except as specified in paragraph (b), (c), and (d), any surviving child benefit payable on behalf of a former member of a consolidating relief association shall be increased annually by the same percentage or amount that a service pension is to be increased as provided in subdivision 1.*

(b) *The amount of any surviving child benefit shall not be subject to any annual postretirement adjustment for former members of the following consolidating relief associations:*

- (1) *Anoka police relief association;*
- (2) *Austin firefighters relief association;*
- (3) *Austin police relief association;*
- (4) *Buhl police relief association;*
- (5) *Chisholm firefighters relief association;*
- (6) *Chisholm police relief association;*
- (7) *Columbia Heights police relief association;*
- (8) *Crookston fire department relief association;*
- (9) *Crookston police relief association;*
- (10) *Faribault police benefit association;*
- (11) *Hibbing firefighters relief association;*
- (12) *Hibbing police relief association;*
- (13) *Mankato police benefit association;*
- (14) *Red Wing police relief association;*
- (15) *South St. Paul police relief association;*
- (16) *Virginia fire department relief association;*

(17) Virginia police relief association; and

(18) West St. Paul police relief association.

(c) The amount of any surviving child benefit shall be subject to an annual postretirement adjustment only if no surviving spouse benefit is also payable and the annual adjustment shall be the same percentage or amount that a service pension is to be increased as provided in subdivision 1 for former members of the New Ulm police relief association.

(d) The amount of any surviving child benefit shall be increased annually by the amount of any positive difference between the surviving child benefit payable for the month before the effective date of a postretirement increase and the amount equal to ten percent of the salary of a first class patrol officer on the effective date of a postretirement increase for former members of the Albert Lea police relief association.

Subd. 6. [FAMILY MAXIMUM BENEFIT.] (a) Except as specified in paragraph (b), any family maximum benefit payable on behalf of a former member of a consolidating relief association shall be increased as provided for its component surviving spouse or surviving child benefits.

(b) The amount of any family maximum benefit shall be increased annually by the amount of any positive difference between the family maximum benefit payable for the month before the effective date of a postretirement increase and the amount equal to 50 percent of the salary of a first class patrol officer on the effective date of a postretirement increase for former members of the Albert Lea police relief association.

Subd. 7. [EFFECTIVE DATE FOR POSTRETIREMENT INCREASES.] Any postretirement increases as provided in this section shall occur once per calendar year. If the postretirement increase is based on the increase in a base salary amount, the postretirement increase shall be payable as of the first of the month next following the effective date of the triggering salary increase. If more than one salary increase occurs in a calendar year, only one postretirement increase shall take effect in that calendar year and the next succeeding postretirement increase shall take into account any additional salary increases which occurred since the immediately previous postretirement increase and shall occur on the date occurring 12 months after the date of the immediately previous postretirement increase or the first of the month next following the effective date of any triggering salary increase in that calendar year, whichever occurs first. If the increase in the base salary amount upon which the postretirement increase is based includes retroactive payments to an earlier date, the applicable postretirement increase may also be payable retroactive to that date. If the postretirement increase is based on the consumer price index or is a set annual percentage amount, the postretirement increase shall be payable as of the first day of February.

Sec. 30. [353B.13] [OTHER BENEFIT COVERAGE.]

(a) A person who is a former member of the New Ulm police relief association, who retired from the New Ulm police department after October 15, 1985, and who is receiving a service pension after the effective date of consolidation as provided in section 13, shall be entitled to receive a supplemental benefit of \$80 per month for each month following the date of retirement until the last day of the month in which the person attains the age of 65 years.

(b) *The payment of the premiums for medical and dental insurance coverage and the payment of a lump sum amount at retirement for former members of the St. Cloud fire department relief association and the payment of the premiums for medical insurance coverage and the payment of a lump sum amount at retirement for former members of the St. Cloud police relief association as provided for in the governing benefit plan documents shall be considered to be special benefit coverage governed by section 15, subdivision 6.*

(c) *A person who is a former member of the St. Paul fire department relief association who is unable to perform normally assigned fire department service due to a medically determinable physical or mental illness or injury and who is removed from the fire department payroll, upon application, until recovery, or for a period of 90 days or for a period of 150 days upon a showing of need and a medical report indicating a reasonable prognosis for recovery due to the extended period, whichever occurs first, shall be entitled to a sick relief benefit for each day of that inability, payable monthly, in an amount of 1.5625 percent of the salary base per day.*

Sec. 31. [353B.14] [DISPUTE OVER BENEFIT AMOUNTS OR PLAN PROVISIONS.]

In the event of any dispute by or on behalf of any former member of a consolidating relief association after the effective date of consolidation over the amount of a benefit to which the person may be entitled, the proper interpretation of a provision of sections 18 to 31, or the conformity of the provisions of sections 18 to 31 to the provisions of the benefit plan of the consolidating relief association in effect immediately before the date on which the consolidation process was initiated, the dispute shall be submitted in writing to the legislative commission on pensions and retirement by the person who is a party to the dispute or by the executive director of the public employees retirement association. The legislative commission on pensions and retirement shall review the dispute as part of its deliberations on proposed or pending retirement legislation and shall make its recommendation on the resolution of the dispute, if any, to the appropriate committees of the senate and house of representatives with jurisdiction over public employee pension matters in the form of the necessary legislation amending the provisions of sections 18 to 31, which legislation shall include retroactivity of any increase in a benefit amount or any omitted benefit amount to the date on which the benefit subject to dispute accrued or would have accrued.

Sec. 32. [356.615] [LIMITATION ON USE OF PUBLIC PENSION PLAN ASSETS.]

(a) *Money held by or credited to a public pension plan as assets, including employer and employee contributions, state aid, appropriations from the state or a governmental subdivision, and accrued earnings on investments, constitutes a dedicated fund. The dedicated fund may be used exclusively to pay retirement annuities, service pensions, disability benefits, survivor benefits, refunds of contributions, or other benefits provided under the benefit plan document or documents governing the public pension plan and to pay reasonable administrative expenses approved by the governing board of the public pension plan or by another appropriate authority. No assets of a public pension plan may be loaned or transferred to the state or a governmental subdivision or be used to fund an unfunded*

actuarial accrued liability in another public pension plan or fund, whether or not the plan providing the assets consolidates or has consolidated with the plan receiving the assets. Nothing in this section prohibits a public pension plan or the state board of investment from investing assets of a plan as authorized by law, including the investment of the assets of public pension plans by the state board of investment in a commingled investment fund.

(b) A public pension plan for purposes of this section means a pension plan or fund specified in section 356.20, subdivision 2, or 356.30, subdivision 3, or a retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained, or supported by a governmental subdivision or public body whose revenues are derived from taxation, fees, assessments, or other public sources.

Sec. 33. [TRANSITIONAL PROVISION.]

Before the August 1 which occurs immediately after the effective date of sections 8 to 17, the commission shall consider and adopt any necessary amendments and additions to the standards for actuarial work required under section 3.85, subdivision 11, to appropriately provide for the preparation of any actuarial calculations or valuations required as provided in sections 12, subdivision 1; 15, subdivision 6; and 16, subdivision 8.

Sec. 34. [EFFECTIVE DATE.]

Sections 1 to 33 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; police and salaried firefighters relief associations; authorizing the voluntary consolidation of local relief associations with the public employees police and fire fund; authorizing the individual election of applicable benefit coverage upon consolidation; amending Minnesota Statutes 1986, sections 353.01, subdivisions 2b, 10, and 16; 353.271; 353.64, subdivision 1; and 353.65, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 353 and 356; proposing coding for new law as Minnesota Statutes, chapters 353A and 353B."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 69, 915, 785, 236, 1007, 1279, 830, 446, 577, 896, 321, 537, 1050, 1222, 175, 962, 4, 1057, 759, 988, 1174, 1197, 1165, 1206, 1428, 1372, 855, 1150, 980, 281, 1033, 176, 929 and 317 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 489, 357, 345, 502, 269, 755, 1049, 567, 1073, 946, 340, 653, 505 and 102 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Pogemiller moved that the name of Mr. Marty be added as a co-author to S.F. No. 757. The motion prevailed.

Mr. Dicklich moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1197. The motion prevailed.

Mr. Luther moved that the name of Mr. Marty be added as a co-author to S.F. No. 1204. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1240. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Marty be added as a co-author to S.F. No. 1367. The motion prevailed.

Mr. Pehler moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1400. The motion prevailed.

Mr. Beckman moved that the names of Messrs. Marty and Wegscheid be added as co-authors to S.F. No. 1419. The motion prevailed.

Mr. Cohen moved that the names of Ms. Piper and Mr. Wegscheid be added as co-authors to S.F. No. 1422. The motion prevailed.

Mr. Dahl moved that the name of Mr. Marty be added as a co-author to S.F. No. 1430. The motion prevailed.

Mr. Ramstad introduced—

Senate Resolution No. 56: A Senate resolution congratulating the Trojans boys basketball team from Wayzata High School for being Lake Blue Conference co-champions in 1986-1987.

Referred to the Committee on Rules and Administration.

Mr. Pehler introduced—

Senate Resolution No. 57: A Senate resolution congratulating the St. Cloud State University Huskies Hockey Team for winning Third Place in the National Collegiate Athletic Association Men's Division III.

Referred to the Committee on Rules and Administration.

Ms. Peterson, D.C. moved that her name be stricken as chief author, shown as a co-author, and the name of Mr. Moe, D.M. be added as chief author to S.F. No. 373. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1420. The motion prevailed.

Ms. Peterson, D.C. moved that S.F. No. 451, No. 19 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

CALENDAR

H.F. No. 28: A bill for an act relating to financial institutions; extending the EFT law to terminals located on the premises of a financial institution; providing options for a financial institution relating to the availability of an electronic financial terminal for other financial institutions; permitting certain advertising relating to an electronic financial terminal; amending Minnesota Statutes 1986, sections 47.61, subdivision 3; 47.63; 47.64, subdivisions 1, 3, and 4; and 47.67.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Samuelson
Anderson	Davis	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Brandl	Freeman	Marty	Piper	Wegscheid
Brataas	Gustafson	McQuaid	Pogemiller	Willet
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 250: A bill for an act relating to game and fish; requiring a firearms safety certificate to hunt big game with firearms and by archery; amending Minnesota Statutes 1986, sections 97A.451, subdivision 3; and 97B.015, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 97B.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Waldorf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Wegscheid
Brandl	Freeman	Marty	Piper	Willet
Brataas	Gustafson	McQuaid	Pogemiller	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Renneke	
Dahl	Jude	Metzen	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 1015: A bill for an act relating to public safety; regulating boilers and their operation; amending Minnesota Statutes 1986, sections 183.375, subdivision 2; 183.411, by adding a subdivision; 183.42; 183.545, subdivision 4; and 183.56; repealing Minnesota Statutes 1986, section 183.545, subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Brandl	Freeman	Marty	Piper	Wegscheid
Brataas	Gustafson	McQuaid	Pogemiller	Willet
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Renneke	
Dahl	Jude	Metzen	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 737: A bill for an act relating to health; requiring the board of medical examiners to release certain information about disciplinary investigations and proceedings; amending Minnesota Statutes 1986, section 147.01, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Moe, D.M.	Schmitz
Anderson	Davis	Knaak	Moe, R.D.	Solon
Beckman	DeCramer	Kroening	Morse	Spear
Belanger	Dicklich	Laidig	Novak	Storm
Benson	Diessner	Langseth	Olson	Stumpf
Berg	Frank	Lantry	Pehler	Taylor
Berglin	Frederick	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.J.	Luther	Peterson, R.W.	Waldorf
Bertram	Frederickson, D.R.	Marty	Piper	Wegscheid
Brandl	Freeman	McQuaid	Pogemiller	Willet
Brataas	Gustafson	Mehrkens	Ramstad	
Chmielewski	Hughes	Merriam	Renneke	
Cohen	Johnson, D.J.	Metzen	Samuelson	

So the bill passed and its title was agreed to.

H.F. No. 554: A bill for an act relating to natural resources; changing certain provisions relating to state park motor vehicle permits; amending Minnesota Statutes 1986, section 85.05, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Samuelson
Anderson	Davis	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Brandl	Freeman	Marty	Piper	Wegscheid
Brataas	Gustafson	McQuaid	Pogemiller	Willet
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 916: A bill for an act relating to workers' compensation; providing a permanent partial disability rating for certain losses; proposing coding for new law in Minnesota Statutes, chapter 176.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Samuelson
Anderson	Davis	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Brandl	Freeman	Marty	Piper	Wegscheid
Brataas	Gustafson	McQuaid	Pogemiller	Willet
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 494: A bill for an act relating to the Duluth airport authority; providing that authority employees hired after a certain date are not covered by any civil service system.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Metzen	Samuelson
Anderson	Davis	Jude	Moe, D.M.	Schmitz
Beckman	DeCramer	Knaak	Morse	Solon
Benson	Dicklich	Knutson	Novak	Spear
Berg	Diessner	Laidig	Olson	Storm
Berglin	Frank	Langseth	Pehler	Stumpf
Bernhagen	Frederick	Lantry	Peterson, D.C.	Taylor
Bertram	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Brandl	Frederickson, D.R.	Luther	Piper	Waldorf
Brataas	Freeman	Marty	Pogemiller	Wegscheid
Chmielewski	Gustafson	McQuaid	Ramstad	Willet
Cohen	Hughes	Mehrkens	Renneke	

Messrs. Kroening and Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 793: A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; prescribing certain arbitration mechanisms for all automobile manufacturers doing business and offering express warranties on their vehicles sold in Minnesota; amending Minnesota Statutes 1986, section 325F665.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Samuelson
Anderson	Davis	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Brandl	Freeman	Marty	Piper	Wegscheid
Brataas	Gustafson	McQuaid	Pogemiller	Willet
Chmielewski	Hughes	Mehrken	Ramstad	
Cohen	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 469: A bill for an act relating to food licenses; regulating certain vending machine inspection fees; amending Minnesota Statutes 1986, section 28A.09, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Metzen	Samuelson
Anderson	Dahl	Johnson, D.J.	Moe, D.M.	Schmitz
Beckman	Davis	Jude	Moe, R.D.	Solon
Belanger	DeCramer	Knaak	Morse	Storm
Benson	Dicklich	Kroening	Novak	Stumpf
Berg	Diessner	Laidig	Olson	Taylor
Berglin	Frank	Langseth	Pehler	Vickerman
Bernhagen	Frederick	Lantry	Peterson, D.C.	Waldorf
Bertram	Frederickson, D.J.	Larson	Peterson, R.W.	Wegscheid
Brandl	Frederickson, D.R.	Marty	Piper	Willet
Brataas	Freeman	McQuaid	Pogemiller	
Chmielewski	Gustafson	Mehrken	Ramstad	

Messrs. Knutson, Luther, Merriam and Spear voted in the negative.

So the bill passed and its title was agreed to.

CONSENT CALENDAR

S.F. No. 1349: A bill for an act relating to state departments and agencies; renaming the division of emergency services; amending Minnesota Statutes 1986, section 12.04.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Mehrkens	Pogemiller
Anderson	Dahl	Johnson, D.J.	Merriam	Ramstad
Beckman	Davis	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Samuelson
Benson	Dicklich	Knutson	Moe, R.D.	Schmitz
Berg	Diessner	Laidig	Morse	Spear
Berglin	Frank	Langseth	Novak	Storm
Bernhagen	Frederick	Lantry	Olson	Stumpf
Bertram	Frederickson, D.J.	Larson	Pehler	Taylor
Brandl	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Brataas	Freeman	Marty	Peterson, R.W.	Wegscheid
Chmielewski	Gustafson	McQuaid	Piper	Willet

Messrs. Kroening and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 341, which the committee recommends to pass with the following amendments offered by Mrs. Lantry:

Page 13, line 18, delete the new language

Page 13, delete lines 19 to 21

Page 13, line 22, delete "*equipment parts.*"

The motion prevailed. So the amendment was adopted.

Mrs. Lantry then moved to amend S.F. No. 341 as follows:

Page 10, delete lines 12 to 15 and insert:

"(7) requiring as a condition of payment of a claim that repairs to any damaged vehicle must be made by a particular contractor or repair shop or that parts, other than window glass, must be replaced with parts other than original equipment parts;"

Page 13, line 23, after "*used*" insert "*, other than window glass.*"

Page 13, line 36, after "*parts*" insert "*, other than window glass.*"

Page 14, line 35, after "*parts*" insert "*, other than window glass.*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. DeCramer; Vickerman; Frederickson, D.J. and Frederickson, D.R. introduced—

S.F. No. 1463: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to establish a veterans outreach center; au-

thorizing the commissioner to establish a veterans home; providing for the operation of the center and home; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 196 and 198.

Referred to the Committee on Veterans.

Mr. Storm introduced—

S.F. No. 1464: A bill for an act relating to education; transferring certain land from the Richfield school district to the Edina school district.

Referred to the Committee on Education.

Mr. Pogemiller, Ms. Peterson, D.C.; Mr. Spear, Ms. Reichgott and Mr. Mehrkens introduced—

S.F. No. 1465: A bill for an act relating to education; establishing a pilot truancy prevention program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Renneke introduced—

S.F. No. 1466: A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4.

Referred to the Committee on Agriculture.

Messrs. Pehler and Purfeerst introduced—

S.F. No. 1467: A bill for an act relating to retirement; inclusion of librarians in the correctional officer's retirement plan; amending Minnesota Statutes 1986, section 352.91, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Pogemiller and Dahl introduced—

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

Referred to the Committee on Economic Development and Housing.

Messrs. Pogemiller and Stumpf introduced—

S.F. No. 1469: A bill for an act relating to education; changing licensing requirements for registered barbers and registered apprentice barbers; amending Minnesota Statutes 1986, sections 154.05; 154.07; 154.09; and 154.18.

Referred to the Committee on Commerce.

Mr. Cohen introduced—

S.F. No. 1470: A bill for an act relating to elections; changing precinct caucus dates and procedures; changing the date of the state primary; amending Minnesota Statutes 1986, sections 202A.14, subdivision 1; 202A.18,

subdivision 2; 204B.21, subdivision 1; 204B.33; and 204D.03, subdivision 1.

Referred to the Committee on Elections and Ethics.

Mr. Taylor introduced—

S.F. No. 1471: A bill for an act relating to the city of Mankato; permitting the establishment of special service districts; providing taxing and other authority.

Referred to the Committee on Local and Urban Government.

Mr. Spear introduced—

S.F. No. 1472: A bill for an act relating to traffic regulations; requiring certain persons convicted of DWI or a DWI-related offense to undergo chemical use assessment; imposing an assessment on persons convicted of DWI for the purpose of financing these assessments; appropriating money; amending Minnesota Statutes 1986, sections 169.121, by adding a subdivision; 169.124; 169.125; and 169.126.

Referred to the Committee on Judiciary.

Messrs. Samuelson, Bertram and Davis introduced—

S.F. No. 1473: A bill for an act relating to Morrison county; authorizing the board of county commissioners to levy a tax for the building fund.

Referred to the Committee on Local and Urban Government.

Mr. Samuelson introduced—

S.F. No. 1474: A bill for an act relating to human services; creating a department of state institutions and medical services to administer human services facilities and medical programs; proposing coding for new law as Minnesota Statutes, chapter 256G.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1475: A bill for an act relating to taxation; requiring a refund of certain taxes paid on property located in Stearns county.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.J. introduced—

S.F. No. 1476: A bill for an act relating to education; providing options for swimming classes in public schools; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Messrs. Diessner, Kroening and Mrs. Brataas introduced—

S.F. No. 1477: A bill for an act relating to workers' compensation; regulating appointments to the workers' compensation court of appeals; amending Minnesota Statutes 1986, section 175A.01, subdivision 1.

Referred to the Committee on Employment.

Mr. Spear introduced—

S.F. No. 1478: A bill for an act relating to adoption; requiring certain notifications to parents placing a child for adoption and to proposed adoptive parents; requiring a waiting period for adoption by persons whose parental rights to another child have been terminated; specifying circumstances that do not constitute good cause for terminating parental rights; amending Minnesota Statutes 1986, sections 259.23, subdivision 2; 259.24, subdivision 5; 259.25, subdivision 1; 259.27, by adding a subdivision; and 260.221; proposing coding for new law in Minnesota Statutes, chapter 259.

Referred to the Committee on Judiciary.

Mr. Luther introduced—

S.F. No. 1479: A bill for an act relating to economic development; establishing the Minnesota council on quality and productivity and providing for its powers and duties; appropriating money.

Referred to the Committee on Economic Development and Housing.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until immediately after the Joint Convention. The motion prevailed.

The Senate reconvened at the proper time.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 38: Messrs. Spear, Luther and Anderson.

S.F. No. 397: Ms. Peterson, D.C.; Messrs. Luther and Laidig.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Messrs. Johnson, D.E.; Lessard and Purfeerst were excused from the Session of today. Mr. Knaak was excused from the Session of today at 12:50 p.m. Ms. Reichgott was excused from the Session of today from 12:15 to 12:45 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 20, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-FIFTH DAY

St. Paul, Minnesota, Monday, April 20, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Willet imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Monsignor Ambrose V. Hayden.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, R.D.	Schmitz
Anderson	DeCramer	Knutson	Morse	Solon
Beckman	Dicklich	Kroening	Novak	Spear
Belanger	Diessner	Laidig	Olson	Storm
Benson	Frank	Lantry	Pehler	Stumpf
Berg	Frederick	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Piper	Waldorf
Bertram	Freeman	Marty	Pogemiller	Wegscheid
Brandl	Gustafson	McQuaid	Purfeerst	Willet
Brataas	Hughes	Mehrkens	Ramstad	
Chmielewski	Johnson, D.E.	Merriam	Reichgott	
Cohen	Johnson, D.J.	Metzen	Renneke	
Dahl	Jude	Moe, D.M.	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

CERTIFICATION

April 15, 1987

To the Governor
State of Minnesota

To the Senate
State of Minnesota

To The House of Representatives
State of Minnesota

This is to certify that the House of Representatives and the Senate in Joint Convention on Wednesday, April 15, 1987, have elected as members

of the Board of Regents of the University of Minnesota the following members each to hold his or her respective office for the term specified from the first Monday of February, 1987:

Elton A. Kuderer, Second Congressional District, Six Years

M. Elizabeth Craig, Third Congressional District, Six Years

J.P. Grahek, Eighth Congressional District, Six Years

David K. Roe, At-Large, Six years

Jerome M. Hughes
President of the Senate

Fred C. Norton
Speaker of the
House of Representatives

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 296: A bill for an act relating to eminent domain; regulating relocation benefits for displaced persons; amending Minnesota Statutes 1986, section 117.52, subdivision 1.

Senate File No. 296 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1987

Mr. Moe, R.D. moved that S.F. No. 296 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 462, 809, 903, 1145, 1376 and 1521.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 462: A resolution memorializing the United States Congress to maintain the Veteran's Administration system of health care facilities.

Referred to the Committee on Veterans.

H.F. No. 809: A bill for an act relating to natural resources; changing

requirements for arrowheads used for big game hunting; amending Minnesota Statutes 1986, section 97B.211, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1265, now on General Orders.

H.F. No. 903: A bill for an act relating to retirement; Clifton independent nonprofit firefighting corporation; Duluth township; providing for the transfer of assets and service credit upon the dissolution of the Clifton volunteer firefighters relief association.

Referred to the Committee on Governmental Operations.

H.F. No. 1145: A resolution memorializing the President and Congress of the United States to award posthumous Medals of Freedom to Andrew Goodman, Michael Schwerner, and James Chaney.

Referred to the Committee on Judiciary.

H.F. No. 1376: A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1521: A bill for an act relating to local government; providing the Lake county housing and redevelopment authority with certain port authority powers.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1404.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 710: A bill for an act relating to commerce; regulating membership camping practices; prohibiting certain advertising practices; establishing escrow requirements; regulating subdivided land sales practices; prohibiting certain advertising practices; amending Minnesota Statutes 1986, sections 82A.02, subdivisions 2, 10, and 19; 82A.04, subdivision 2; 82A.09, by adding a subdivision; 82A.11, subdivision 3; 82A.21; and 82A.24, subdivisions 3 and 6; proposing coding for new law in Minnesota Statutes, chapters 82A and 83.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 5, reinstate the stricken language

Page 2, line 6, reinstate the stricken "include individuals who refer persons"

Page 2, line 6, after the reinstated "persons" insert "*provided that the referring party is a current member of the campground or does not directly or indirectly receive compensation of more than \$150 per referral, does not make more than 15 referrals per year, and has entered into a referral agreement with a membership camping operator that prohibits the discussion of terms or prices of camping memberships. The practice of subcontracting referral services where referral fees are split or shared with*

another person is prohibited"

Page 7, line 5, delete "(a)" and insert "(i)"

Page 7, line 7, delete "(b)" and insert "(ii)"

Page 7, lines 7, 19, 29, and 34, delete "accomodations" and insert "accommodations"

Page 7, line 11, delete "(c)" and insert "(iii)"

Page 7, line 13, delete "(d)" and insert "(iv)"

Page 7, line 15, delete "(e)" and insert "(v)"

Page 7, line 18, delete "(f)" and insert "(vi)"

Page 7, line 20, delete "paragraph" and insert "subclause"

Page 7, line 21, after the colon, insert "*the retail price the item sells for in Minnesota; or if the item is not sold in Minnesota, the retail price the item sells for in states contiguous to Minnesota; or if the item is not sold in Minnesota or in a state contiguous to this state, the retail price the item sells for anywhere in the United States;*"

Page 7, delete lines 22 to 27

Page 7, line 28, delete "(g)" and insert "(vii)"

Page 7, line 33, delete "(h)" and insert "(viii)"

Page 7, line 36, delete "(i)" and insert "(ix)"

Page 8, line 4, delete "(j)" and insert "(x)"

Page 8, line 17, reinstate the stricken language and delete the new language

Page 8, line 18, before "days" insert "*business*"

Page 8, line 25, delete "*shall*" and insert "*must*"

Page 9, line 15, delete the comma and insert a semicolon

Page 9, lines 26 and 28, delete "*shall*" and insert "*must*"

Page 10, after line 2, insert:

"Subd. 6. [MEMBERSHIP CAMPING DUES.] A membership camping operator or the operator's salesperson shall deposit all membership dues received in an escrow account in a Minnesota bank, trust company, or savings and loan association, a foreign bank which authorizes the commissioner to examine its records of these deposits upon demand by the commissioner, or an industrial loan and thrift company organized under chapter 53 with deposit liabilities. In any calendar year, total dues to be deposited in the escrow may not exceed an amount approved by the commissioner as reasonably needed for that calendar year's maintenance budget submitted by the operator. The operator may draw funds from the escrow as needed provided that funds are expended for purposes identified by the budget."

Page 10, line 15, delete the new language

Page 11, lines 19 and 25, delete "accomodations" and insert "accommodations"

Page 11, line 23, delete "(a)" and insert "(i)"

Page 11, line 25, delete "(b)" and insert "(ii)"

Page 11, line 29, delete "(c)" and insert "(iii)"

Page 11, line 32, delete "(d)" and insert "(iv)"

Page 11, line 34, delete "(e)" and insert "(v)"

Page 12, line 1, delete "(f)" and insert "(vi)"

Page 12, lines 2, 12, and 17, delete "accomodations" and insert "accommodations"

Page 12, line 4, after the colon, insert "*the retail price the item sells for in Minnesota; or if the item is not sold in Minnesota, the retail price the item sells for in states contiguous to Minnesota; or if the item is not sold in Minnesota or in any state contiguous to this state, the retail price the item sells for anywhere in the United States;*"

Page 12, delete lines 5 to 10

Page 12, line 11, delete "(g)" and insert "(vii)"

Page 12, line 16, delete "(h)" and insert "(viii)"

Page 12, line 19, delete "(i)" and insert "(ix)"

Page 12, line 23, delete "(j)" and insert "(x)"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

H.F. No. 432: A bill for an act relating to education; modifying certain provisions of the compulsory attendance laws; establishing new compulsory attendance requirements; amending Minnesota Statutes 1986, sections 121.11, subdivision 7; 123.935, subdivision 7; 127.19; and 127.20; proposing coding for new law in Minnesota Statutes, chapter 120; repealing Minnesota Statutes 1986, sections 120.10, subdivisions 1, 2, 2a, and 2b; and 120.12.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete "*the minimal*"

Page 2, delete lines 3 to 8 and insert:

"*Subd. 5. [AGES AND TERMS.] Every child between seven and 16 years of age shall receive instruction for at least 170 days each year. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction at least equivalent to 170 half days. A parent may withdraw a child under the age of seven from enrollment at any time.*"

Page 2, line 27, delete "*demonstrate competency or*"

Page 3, line 10, delete "5" and insert "6"

Page 3, line 16, after "*performance*" insert "*on the total battery score*"

Page 3, line 17, delete "*on the total battery score*"

Page 7, line 26, strike "charge or control" and insert "custody"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

H.F. No. 96: A bill for an act relating to the state high school league; requiring the league to arrange certain conference memberships; providing standards; amending Minnesota Statutes 1986, section 129.121, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 19, delete "*follow in*"

Page 2, line 20, delete "*arranging*" and insert "*arrange*"

Page 2, line 21, delete "*which*" and insert "*that*"

Page 2, line 22, delete "*consideration of*" and insert "*, at least*"

Page 2, line 23, delete "*among other factors,*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1042 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		1042			988

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 499 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				499	348

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 200 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				200	424

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 200 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 200 and insert the language after the enacting clause of S.F. No. 424, the first engrossment; further, delete the title of H.F. No. 200 and insert the title of S.F. No. 424, the first engrossment.

And when so amended H.F. No. 200 will be identical to S.F. No. 424, and further recommends that H.F. No. 200 be given its second reading and substituted for S.F. No. 424, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1028 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				1028	1110

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 839 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				839	783

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 839 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 839 and insert the language after the enacting clause of S.F. No. 783, the second engrossment; further, delete the title of H.F. No. 839 and insert the title of S.F. No. 783, the second engrossment.

And when so amended H.F. No. 839 will be identical to S.F. No. 783, and further recommends that H.F. No. 839 be given its second reading and substituted for S.F. No. 783, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 823 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
823	701				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 823 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 823 and insert the language after the enacting clause of S.F. No. 701, the first engrossment; further, delete the title of H.F. No. 823 and insert the title of S.F. No. 701, the first engrossment.

And when so amended H.F. No. 823 will be identical to S.F. No. 701, and further recommends that H.F. No. 823 be given its second reading and substituted for S.F. No. 701, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 924 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
924		1159			

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 983 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
983		929			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 983 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 983 and insert the language after the enacting clause of S.F. No. 929, the first engrossment; further, delete the title of H.F. No. 983 and insert the title of S.F. No. 929, the first engrossment.

And when so amended H.F. No. 983 will be identical to S.F. No. 929, and further recommends that H.F. No. 983 be given its second reading and substituted for S.F. No. 929, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 948 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
948		981			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 948 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 948 and insert the language after the enacting clause of S.F. No. 981, the first engrossment; further, delete the title of H.F. No. 948 and insert the title of S.F. No. 981, the first engrossment.

And when so amended H.F. No. 948 will be identical to S.F. No. 981,

and further recommends that H.F. No. 948 be given its second reading and substituted for S.F. No. 981, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 643 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
643	539				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 643 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 643 and insert the language after the enacting clause of S.F. No. 539, the first engrossment; further, delete the title of H.F. No. 643 and insert the title of S.F. No. 539, the first engrossment.

And when so amended H.F. No. 643 will be identical to S.F. No. 539, and further recommends that H.F. No. 643 be given its second reading and substituted for S.F. No. 539, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 710 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 432, 96, 1042, 499, 200, 1028, 839, 823, 924, 983, 948 and 643 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Marty moved that his name be stricken as a co-author to S.F. No. 220. The motion prevailed.

Ms. Berglin moved that the name of Mr. Brandl be added as a co-author to S.F. No. 789. The motion prevailed.

Ms. Piper moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1391. The motion prevailed.

Ms. Piper moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1443. The motion prevailed.

Mr. Frederick moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1448. The motion prevailed.

Mr. Spear moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 1472. The motion prevailed.

Mr. Luther moved that the name of Mr. Pehler be added as a co-author to S.F. No. 1479. The motion prevailed.

Messrs. Moe, D.M.; Solon; Chmielewski; Wegscheid and Ms. Reichgott introduced—

Senate Resolution No. 58: A Senate resolution proclaiming Sunday, May 17, as Ethnic American Day in the State of Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Marty moved that S.F. No. 1029, No. 92 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

CALENDAR

S.F. No. 341: A bill for an act relating to insurance; regulating unfair settlement practices of automobile insurers; requiring repairs with original equipment parts; providing an exception; regulating insurance appraisals; revising the truth-in-repairs act to require disclosure of whether new parts are original equipment parts; amending Minnesota Statutes 1986, sections 72A.20, subdivision 12a; 72B.091, subdivision 2; 325E.56, subdivision 8; and 325E.60, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Reichgott
Anderson	Davis	Knaak	Moe, D.M.	Renneke
Beckman	DeCramer	Knutson	Moe, R.D.	Samuelson
Belanger	Dicklich	Kroening	Morse	Schmitz
Benson	Diessner	Laidig	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Freeman	Marty	Piper	Vickerman
Brataas	Hughes	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Merriam	Ramstad	Willet

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 567: A resolution memorializing the President and Congress to give states more authority to regulate interstate pipelines and to improve federal regulation of pipelines.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Reichgott
Anderson	Davis	Knaak	Moe, D.M.	Renneke
Beckman	DeCramer	Knutson	Moe, R.D.	Samuelson
Belanger	Dicklich	Kroening	Morse	Schmitz
Benson	Diessner	Laidig	Novak	Solon
Berg	Frank	Lantry	Olson	Spear
Berglin	Frederick	Larson	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Freeman	Marty	Piper	Vickerman
Brataas	Gustafson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Merriam	Ramstad	Willet

So the resolution passed and its title was agreed to.

S.F. No. 1197: A bill for an act relating to state government; creating the council on Martin Luther King, Jr. holidays and providing for the council's powers and duties; proposing coding for new law as Minnesota Statutes, chapter 44B.

Mr. Dicklich moved that S.F. No. 1197, No. 3 on the Consent Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

H.F. No. 505: A bill for an act relating to state lands; authorizing conveyance of certain state easement.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R.D.	Schmitz
Anderson	DeCramer	Knutson	Morse	Solon
Beckman	Dicklich	Kroening	Novak	Spear
Belanger	Diessner	Laidig	Olson	Storm
Benson	Frank	Lantry	Pehler	Stumpf
Berg	Frederick	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Piper	Waldorf
Bertram	Freeman	Marty	Pogemiller	Wegscheid
Brandl	Gustafson	McQuaid	Purfeerst	Willet
Brataas	Hughes	Mehrkens	Ramstad	
Chmielewski	Johnson, D.E.	Merriam	Reichgott	
Cohen	Johnson, D.J.	Metzen	Renneke	
Dahl	Jude	Moe, D.M.	Samuelson	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 235, 345 and H.F. Nos. 235 and 750, which the committee recommends to pass.

H.F. No. 1049, which the committee recommends to pass, subject to the following motion:

Ms. Piper moved that the amendment made to H.F. No. 1049 by the

Committee on Rules and Administration in the report adopted April 15, 1987, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 922, which the committee recommends to pass with the following amendment offered by Mr. Lessard:

Page 1, line 28, delete "120" and insert "90"

Page 2, line 3, delete "120" and insert "90"

Page 2, line 32, delete "120" and insert "90"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Lessard introduced—

S.F. No. 1480: A bill for an act relating to veterans; requiring the purchase or construction of a veterans home in Grand Rapids with the use of nonstate funds and providing for the operation and administration of the home; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans.

Messrs. Marty and Morse introduced—

S.F. No. 1481: A bill for an act relating to education; creating the Minnesota education trust; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Messrs. Jude, Wegscheid, Ms. Piper, Messrs. Frederickson, D.R. and Freeman introduced—

S.F. No. 1482: A bill for an act relating to state government; authorizing the use of certain mechanical lifting devices in public buildings; amending Minnesota Statutes 1986, section 16B.61, subdivision 5.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 1483: A bill for an act relating to the University of Minnesota; providing for development and research on health care delivery systems for dairy herds; appropriating money.

Referred to the Committee on Finance.

Messrs. Frederickson, D.J. and Vickerman introduced—

S.F. No. 1484: A bill for an act relating to grain grading and testing; providing that state grades and test results may be the basis for market price; amending Minnesota Statutes 1986, section 17B.05.

Referred to the Committee on Agriculture.

Mr. Frank introduced—

S.F. No. 1485: A bill for an act relating to drivers' licenses; amending age for provisional license from 19 to 21 years; imposing curfew on minor drivers, with exceptions; providing for fees; amending Minnesota Statutes 1986, sections 171.02, subdivision 3; 171.07, subdivision 1; 171.171; and 171.27; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

Messrs. Luther, Kroening and Willet introduced—

S.F. No. 1486: A bill for an act relating to employment; requiring certain employers to make available a plan of health care coverage to all employees; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Employment.

Mrs. Brataas introduced—

S.F. No. 1487: A bill for an act relating to workers' compensation; changing basis of calculating minimum weekly temporary total disability benefits; amending Minnesota Statutes 1986, section 176.101, subdivision 1.

Referred to the Committee on Employment.

Mrs. Brataas introduced—

S.F. No. 1488: A bill for an act relating to workers' compensation; eliminating supplemental benefits for new claims; amending Minnesota Statutes 1986, section 176.132, subdivision 1.

Referred to the Committee on Employment.

Mrs. Brataas introduced—

S.F. No. 1489: A bill for an act relating to workers' compensation; prohibiting benefits for injuries caused by employees use of drugs; amending Minnesota Statutes 1986, section 176.021, subdivision 1.

Referred to the Committee on Employment.

Mr. Pogemiller introduced—

S.F. No. 1490: A bill for an act relating to crimes; providing for sentencing repeat offenders up to the maximum sentence provided by law for the offense of conviction; prescribing penalties; amending Minnesota Statutes 1986, sections 244.04, by adding a subdivision; 244.05, subdivision 1, and by adding a subdivision; and 244.10; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

MEMBERS EXCUSED

Mr. Langseth was excused from the Session of today.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 22, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-SIXTH DAY

St. Paul, Minnesota, Wednesday, April 22, 1987

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mrs. McQuaid imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Hal Hoekstra.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Jude	Merriam	Reichgott
Anderson	Davis	Knaak	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R.D.	Schmitz
Benson	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Lantry	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pehler	Stumpf
Bertram	Freeman	Lessard	Peterson, D.C.	Vickerman
Brandl	Gustafson	Luther	Peterson, R.W.	Waldorf
Brataas	Hughes	Marty	Piper	Willet
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	
Cohen	Johnson, D.J.	Mehrkens	Ramstad	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

April 16, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 128, 291, 279 and 403.

Sincerely,

Rudy Perpich, Governor

April 20, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 457.

Sincerely,

Rudy Perpich, Governor

April 17, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1987 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
128		27	April 16	April 17
279		28	April 16	April 17
291		29	April 16	April 17
403		30	April 16	April 17
	11	31	April 16	April 17
	23	32	April 16	April 17
	202	33	April 16	April 17
	348	34	April 16	April 17
	400	35	April 16	April 17
	424	36	April 16	April 17

Sincerely,

Joan Anderson Growe
Secretary of State

April 9, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Hazardous Substance Injury Compensation Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Ralph E. Deger, 717 W. 41st St., Hibbing, St. Louis County, has been appointed by me, effective April 14, 1987, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Judiciary.)

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 73.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 20, 1987

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 8: A House concurrent resolution commemorating the life and work of John Mariucci.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 20, 1987

Mr. Moe, R.D. moved that House Concurrent Resolution No. 8 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 38: A bill for an act relating to alcoholic beverages; permitting certain transactions by brewers and wholesalers; authorizing cities to issue temporary off-sale licenses for the sale of vintage wine at auctions; amending Minnesota Statutes 1986, sections 340A.308; and 340A.405, by adding a subdivision.

There has been appointed as such committee on the part of the House: Jacobs, Ogren and Bennett.

Senate File No. 38 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 20, 1987

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 397: A bill for an act relating to elections; setting times for changing election precincts and redistricting certain election districts; amending Minnesota Statutes 1986, sections 204B.14, subdivision 3; and 375.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B.

There has been appointed as such committee on the part of the House: Scheid, Osthoff and Knickerbocker.

Senate File No. 397 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 20, 1987

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 31, 119, 217, 532, 170, 457, 596, 1009, 561, 1225, 1267, 642, 1054, 1112, 904, 947, 1371, 1120, 1170 and 1213.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 20, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 31: A bill for an act relating to labor; prohibiting the charging of a fee in connection with a job application; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 176, now on General Orders.

H.F. No. 119: A bill for an act relating to employment; providing the option for certain employees at a state university to obtain state employee fringe benefits; amending Minnesota Statutes 1986, section 43A.27, by adding a subdivision.

Referred to the Committee on Governmental Operations.

H.F. No. 217: A bill for an act relating to traffic regulations; providing for the operation by police departments and sheriff's offices of specially marked vehicles for highway traffic law enforcement; amending Minnesota Statutes 1986, section 169.98, subdivision 1, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1188.

H.F. No. 532: A bill for an act relating to public safety; motorized bicycles; establishing standards for the safe operation of motorized bicycles; amending Minnesota Statutes 1986, sections 65B.001, by adding a subdivision; 65B.43, subdivision 13; 168.011, subdivision 27; 169.01, subdivision 4a; 169.223; 171.01, subdivision 20; and 171.02, subdivision 3.

Referred to the Committee on Finance.

H.F. No. 170: A bill for an act relating to firearms; allowing ammunition manufacturers to possess machine guns for ammunition testing purposes; permitting certain licensed dealers and manufacturers to own or possess machine guns and short-barreled shotguns for certain purposes; amending Minnesota Statutes 1986, section 609.67, subdivisions 3 and 4.

Referred to the Committee on Judiciary.

H.F. No. 457: A bill for an act relating to retirement; public employees retirement association administrative changes; privacy of certain membership data; amending Minnesota Statutes 1986, sections 353.01, subdivisions 2b and 20; 353.03, subdivision 3; 353.27, subdivisions 4, 10, and 12; 353.28, subdivision 5; 353.29, subdivision 8; 353.33, by adding a subdivision; 353.34, by adding a subdivision; 353.36, subdivision 2; 353.64, subdivisions 1 and 2; 353.656, subdivision 6, and by adding a subdivision; and 353.657; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1986, section 353.64, subdivision 6.

Referred to the Committee on Governmental Operations.

H.F. No. 596: A bill for an act relating to jails; providing for the detention and confinement of minors subject to prosecution as adults; amending Minnesota Statutes 1986, sections 641.14; and 636.07.

Referred to the Committee on Judiciary.

H.F. No. 1009: A bill for an act relating to transportation; providing for standards for special transportation service; requiring changes in the administration of special transportation service in the metropolitan area; amending Minnesota Statutes 1986, sections 174.30, subdivisions 1, 2, 4, 6, 7, and by adding subdivisions; 473.386, subdivisions 1, 2, 3, 4, and 6; repealing Minnesota Statutes 1986, section 473.386, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1108, now on General Orders.

H.F. No. 561: A bill for an act relating to government data; providing for access to data by protection and advocacy systems; amending Minnesota Statutes 1986, section 13.89.

Referred to the Committee on Judiciary.

H.F. No. 1225: A bill for an act relating to employment; requiring certain employers to make available a plan of health care coverage to all employees; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Employment.

H.F. No. 1267: A bill for an act relating to insurance; regulating investments of domestic companies; defining terms; providing additional investment authority; amending Minnesota Statutes 1986, section 60A.11, subdivisions 10 and 26.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1206, now on General Orders.

H.F. No. 642: A bill for an act relating to human services; prohibiting licensing of supportive living residences; requiring monitoring of facilities; providing for various levels of care for persons with mental illness; directing the commissioner of human services to review and alter rules relating to

residential care facilities for persons with mental illness; requiring study of housing needs for persons with mental illness; prohibiting payment to newly-licensed facilities having more than four residents with mental illness; amending Minnesota Statutes 1986, sections 245.802, subdivision 1a, and by adding subdivisions; 256D.01, by adding a subdivision; and 256D.37, by adding a subdivision.

Referred to the Committee on Health and Human Services.

H.F. No. 1054: A bill for an act relating to vocational rehabilitation; limiting grants to sheltered workshops; providing for use of community-based employment; regulating and defining vocational rehabilitation programs; amending Minnesota Statutes 1986, sections 129A.01; 129A.03; 129A.06; 129A.07; and 129A.08.

Referred to the Committee on Health and Human Services.

H.F. No. 1112: A bill for an act relating to human services; defining directors, officers, and partners as vendors of medical care for the purpose of medical assistance; allowing the commissioner to charge interest on money recovered from certain medical assistance providers; allowing sanction authority; amending Minnesota Statutes 1986, sections 256B.02, subdivision 7; 256B.064, subdivision 1c; and 256B.27, subdivisions 3 and 4.

Referred to the Committee on Finance.

H.F. No. 904: A bill for an act relating to human services; requiring notification to spouse of nursing home resident; amending Minnesota Statutes 1986, section 256B.48, by adding a subdivision.

Referred to the Committee on Health and Human Services.

H.F. No. 947: A bill for an act relating to state lands; authorizing private sales of certain tax-forfeited land in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 940, now on General Orders.

H.F. No. 1371: A bill for an act relating to courts; specifying certain locations for holding court in Ramsey county; proposing coding for new law in Minnesota Statutes, chapter 488A.

Referred to the Committee on Judiciary.

H.F. No. 1120: A bill for an act relating to grain grading and testing; providing that state grades and test results may be the basis for market price; amending Minnesota Statutes 1986, section 17B.05.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1484.

H.F. No. 1170: A bill for an act relating to state government; prohibiting certain mandated leaves of absence for state employees; amending Minnesota Statutes 1986, section 43A.32, subdivision 2, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1165, now on General Orders.

H.F. No. 1213: A bill for an act relating to retirement; teachers retirement association; making various changes in the law governing the association for the purpose of facilitating administration of retirement benefits and contributions; amending Minnesota Statutes 1986, sections 354.05, sub-

division 35, and by adding a subdivision; 354.06, subdivision 1; 354.07, subdivision 3; 354.094, subdivision 1; 354.44, subdivision 5; 354.46, subdivision 5; 354.48, subdivision 7; 354.51, subdivision 5; 354.55, subdivision 11; 354.62, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1986, section 354.44, subdivision 1a.

Referred to the Committee on Governmental Operations.

REPORTS OF COMMITTEES

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as to S.F. No. 583. The motion prevailed.

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1056: A bill for an act relating to natural resources; increasing certain game, fish, and related license and other fees; amending Minnesota Statutes 1986, sections 84.091, subdivision 3; 97A.415, subdivision 1; 97A.475, subdivisions 2, 3, 6, 7, 8, 9, 11, 12, 13, and 20.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 84.091, subdivision 3, is amended to read:

Subd. 3. [LICENSE FEES.] (a) The fees for the following licenses, to be issued to residents only, are:

- (1) for harvesting wild rice, ~~\$10~~ \$12.50;
- (2) for buying and selling wild ginseng, \$5;
- (3) for a wild rice dealer's license to buy and sell 50,000 pounds or less, \$70; and
- (4) for a wild rice dealer's license to buy and sell more than 50,000 pounds, \$250.

(b) The weight of the wild rice shall be determined in its raw state.

Sec. 2. Minnesota Statutes 1986, section 97A.065, is amended by adding a subdivision to read:

Subd. 5. [SALE OF FISH EGGS AND FRY.] Money received from the sale of fish eggs and fry is continuously appropriated to the commissioner for fish management operations.

Sec. 3. Minnesota Statutes 1986, section 97A.065, is amended by adding a subdivision to read:

Subd. 6. [HUNTER EDUCATION SURCHARGE.] The commissioner may only use the revenue from the small game and deer hunter education

surcharge for firearms safety and hunter education programs.

Sec. 4. Minnesota Statutes 1986, section 97A.415, subdivision 1, is amended to read:

Subdivision 1. [ONE LICENSE PER PERSON.] Only one license of each kind may be issued to a person in a license year, except the *resident and nonresident short-term angling license licenses*, unless authorized by commissioner's order.

Sec. 5. Minnesota Statutes 1986, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

- (1) for persons under age 65 to take small game, ~~\$7~~ \$10;
- (2) for persons age 65 or over, ~~\$3.50~~ \$5;
- (3) to take turkey, ~~\$10~~ \$12.50;
- (4) to take deer with firearms, ~~\$15~~ \$20;
- (5) to take deer by archery, ~~\$15~~ \$20;
- (6) to take moose, for a party of not more than four persons, ~~\$200~~ \$250; and
- (7) to take bear, ~~\$25~~ \$30.

Sec. 6. Minnesota Statutes 1986, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take small game, ~~\$46~~ \$51;
- (2) to take deer with firearms, \$100;
- (3) to take deer by archery, \$100;
- (4) to take bear, \$150;
- (5) to take turkey, \$30; and
- (6) to take raccoon, bobcat, fox, coyote, or lynx, ~~\$100~~ \$125.

Sec. 7. Minnesota Statutes 1986, section 97A.475, is amended by adding a subdivision to read:

Subd. 4a. [SMALL GAME HUNTER EDUCATION SURCHARGE.] Fees for licenses for residents under age 65 to take small game under subdivision 2, clause (2), are increased by a surcharge of 25 cents for hunter education and firearms safety.

Sec. 8. Minnesota Statutes 1986, section 97A.475, is amended by adding a subdivision to read:

Subd. 4b. [DEER LICENSE HUNTER EDUCATION SURCHARGE.] Fees for licenses for residents to take deer by firearms or archery under subdivision 2, clauses (4) and (5), are increased by a surcharge of 50 cents for hunter education and firearms safety.

Sec. 9. Minnesota Statutes 1986, section 97A.475, subdivision 6, is amended to read:

Subd. 6. [RESIDENT FISHING.] Fees for the following licenses, to be issued to residents only, are:

- (1) to take fish by angling, *for persons under age 65*, ~~\$6.50~~ \$10;
- (2) to take fish by angling, *for persons age 65 and over*, \$3.50;
- ~~(2)~~ (3) to take fish by angling, for a combined license for a married couple, ~~\$10.50~~ \$13.50; and
- (4) to take fish by angling, *for a period of 24 hours from the time of issuance*, \$4.50; and
- ~~(3)~~ (5) to take fish by spearing from a dark house, ~~\$7.50~~ \$12.

Sec. 10. Minnesota Statutes 1986, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, ~~shall be~~ are:

- (1) to take fish by angling, ~~\$16~~ \$18;
- (2) to take fish by angling, limited to seven consecutive days, ~~\$13~~ \$15;
- (3) to take fish by angling, for three days, ~~\$10~~ \$12; and
- (4) to take fish by angling, for a *family combined license for a family*, ~~\$27.50~~ \$30.50;
- (5) to take fish by angling, *for a period of 24 hours from the time of issuance*, \$4.50; and
- (6) to take fish by angling, *for a married couple combined license, limited to 14 consecutive days*, \$22.50.

Sec. 11. Minnesota Statutes 1986, section 97A.475, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA SPORTING.] The commissioner shall issue Minnesota sporting licenses to residents only. The licensee may take fish by angling and small game. The fee for the license is:

- (1) for an individual, ~~\$12~~ \$15.50; and
- (2) for a combined license for a married couple to take fish, and for one spouse to take small game, ~~\$16~~ \$19.50.

Sec. 12. Minnesota Statutes 1986, section 97A.475, subdivision 9, is amended to read:

Subd. 9. [FISHING SURCHARGE.] The fees for the following licenses must be increased by a surcharge of \$2.50:

- (1) resident angling, under subdivision 6, clauses (1), (3), and ~~(2)~~ (4);
- (2) nonresident angling, under subdivision 7;
- (3) Minnesota sporting, under subdivision 8;
- (4) nonresident fish houses, under subdivision 12; and
- (5) to net fish for domestic use, under subdivision 13.

Sec. 13. Minnesota Statutes 1986, section 97A.475, subdivision 11, is amended to read:

Subd. 11. [FISH HOUSES AND DARK HOUSES; RESIDENTS.] Fees

for the following licenses are:

- (1) for a fish house or dark house that is not rented, ~~\$5~~ \$8; and
- (2) for a fish house or dark house that is rented, ~~\$15~~ \$18.

Sec. 14. Minnesota Statutes 1986, section 97A.475, subdivision 12, is amended to read:

Subd. 12. [FISH HOUSES; NONRESIDENT.] The fee for a fish house license for a nonresident is ~~\$15~~ \$19.50.

Sec. 15. Minnesota Statutes 1986, section 97A.475, subdivision 13, is amended to read:

Subd. 13. [NETTING WHITEFISH AND CISCOES FOR PERSONAL CONSUMPTION.] The fee for a license to net whitefish and ciscoes in inland lakes and international waters for personal consumption is, for each net, ~~\$3~~ \$5.

Sec. 16. Minnesota Statutes 1986, section 97A.475, subdivision 20, is amended to read:

Subd. 20. [TRAPPING LICENSE.] The fee for a license to trap fur-bearing animals is:

- (1) for persons over age 13 and under age 18, ~~\$3.50~~ \$5; and
- (2) for persons age 18 and older, ~~\$13~~ \$16.

Sec. 17. Minnesota Statutes 1986, section 97C.305, is amended to read:
97C.305 [TROUT AND SALMON STAMP]

Subdivision 1. [REQUIREMENT.] Except as provided in subdivision 2, a person over age 16 and under age 65 required to possess an angling license must have a trout and salmon stamp in possession to take fish by angling in:

- (1) a stream designated by the commissioner as a trout stream;
- (2) a lake designated by the commissioner as a trout lake; or
- (3) Lake Superior.

Subd. 2. [EXEMPTION.] A trout and salmon stamp is not required for a person taking fish by angling under a 24-hour license under section 97A.475, subdivision 6, clause (4), or subdivision 7, clause (5).

Sec. 18. [REPEALER.]

Minnesota Statutes 1986, section 97A.451, subdivision 1, is repealed.

Sec. 19. [EFFECTIVE DATE.]

Except as provided in this section, sections 1 to 16 are effective for the licensing year beginning March 1, 1988, and for each licensing year after that date. The 24-hour resident and nonresident angling licenses, and the nonresident married couple 14-day angling licenses are effective beginning June 1, 1987, and for each licensing year after that date."

Delete the title and insert:

"A bill for an act relating to natural resources; increasing certain game, fish, and related license and other fees; amending Minnesota Statutes 1986, sections 84.091, subdivision 3; 97A.065, by adding subdivisions; 97A.415,

subdivision 1; 97A.475, subdivisions 2, 3, 6, 7, 8, 9, 11, 12, 13, and 20, and by adding subdivisions; and 97C.305; repealing Minnesota Statutes 1986, section 97A.451, subdivision 1."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 388: A bill for an act relating to environment; authorizing the pollution control agency to issue administrative orders assessing penalties; establishing a hearing procedure; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, section 115B.20, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [116.072] [ADMINISTRATIVE PENALTIES FOR HAZARDOUS WASTE VIOLATIONS.]

Subdivision 1. [AUTHORITY TO ISSUE PENALTY ORDERS.] The director may issue an order requiring violations to be corrected and administratively assessing monetary penalties for hazardous waste violations under sections 115.061 and 116.07, and Minnesota Rules, chapter 7045. The order must be issued as provided in this section.

Subd. 2. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) The director may issue an order assessing a penalty up to \$10,000 for all violations identified during an inspection.

(b) In determining the amount of a penalty the director may consider:

- (1) the willfulness of the violation;*
- (2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;*
- (3) the history of past violations;*
- (4) the number of violations;*
- (5) the economic benefit gained by the person by allowing or committing the violation; and*
- (6) other factors as justice may require, if the director specifically identifies the additional factors in the director's order.*

(c) For a violation after an initial violation, the director shall, in determining the amount of a penalty, consider the factors in paragraph (b) and the:

- (1) similarity of the most previous violation and the violation to be penalized;*
- (2) time elapsed since the last violation;*
- (3) number of previous violations; and*
- (4) response of the person to the most previous violation identified.*

Subd. 3. [CONTENTS OF ORDER.] An order assessing an administrative penalty under this section shall include:

- (1) a concise statement of the facts alleged to constitute a violation;*
- (2) a reference to the section of the statute, rule, variance, order, stipulation agreement, or term or condition of a permit that has been violated;*
- (3) a statement of the amount of the administrative penalty to be imposed and the factors upon which the penalty is based; and*
- (4) a statement of the person's right to review of the order.*

Subd. 4. [CORRECTIVE ORDER.] (a) The director may issue an order assessing a penalty and requiring the violations cited in the order to be corrected within 30 calendar days from the date the order is received.

(b) The person to whom the order was issued shall provide information to the director before the 31st day after the order was received demonstrating that the violation has been corrected or that appropriate steps toward correcting the violation have been taken. The director shall determine whether the violation has been corrected and notify the person subject to the order of the director's determination.

Subd. 5. [PENALTY.] (a) Except as provided in paragraph (b), if the director determines that the violation has been corrected or appropriate steps have been taken to correct the action, the penalty must be forgiven. Unless the person requests review of the order under subdivision 6 or 7 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the director showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the director's determination under subdivision 4, paragraph (b), if the person subject to the order has provided information to the director that the director determines is not sufficient to show the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For a repeated or serious violation, the director may issue an order with a penalty that will not be forgiven after the corrective action is taken. The penalty is due by 31 days after the order was received unless review of the order under subdivision 6, 7, or 8 has been sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty was received.

Subd. 6. [EXPEDITED ADMINISTRATIVE HEARING.] (a) Within 30 days after receiving an order or within 20 days after receiving notice that the director has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may request an expedited hearing to review the director's action. The person to whom the order is directed and the director are the parties to the expedited hearing. The director must notify the person to whom the order is directed of the time and place of the hearing at least 20 days before the hearing. The expedited hearing must be held within 30 days after a request for hearing has been filed with the director unless the parties agree to a later date.

(b) All written arguments must be submitted within ten days following the close of the hearing. The hearing shall be conducted under the conference contested case rules of the office of administrative hearings, as modified by this subdivision. The office of administrative hearings may, in consultation with the agency, adopt rules specifically applicable to cases under this section.

(c) The administrative law judge shall issue a report making recommendations about the director's action to the director within 30 days following the close of the record. The administrative law judge may not recommend a change in the amount of the proposed penalty unless the administrative law judge determines that, based on the factors in subdivision 2, the amount of the penalty is unreasonable.

(d) If the administrative law judge makes a finding that the hearing was requested solely for purposes of delay or that the hearing request was frivolous, the director may add to the amount of the penalty the costs charged to the agency by the office of administrative hearings for the hearing.

(e) If a hearing has been held, the director may not issue a final order until at least five days after receipt of the report of the administrative law judge. The person to whom an order is issued may, within those five days, comment to the director on the recommendations and the director will consider the comments. The final order may be appealed in the manner provided in sections 14.63 to 14.69.

(f) If a hearing has been held and a final order issued by the director, the penalty shall be paid by 30 days after the date the final order is received unless review of the final order is requested under sections 14.63 to 14.69. If review is not requested or the order is reviewed and upheld, the amount due is the penalty, together with interest accruing from 31 days after the original order was received at the rate established in section 549.09.

Subd. 7. [DISTRICT COURT HEARING.] (a) Within 30 days after the receipt of an order or within 20 days of receipt of notice that the director has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may file a petition in district court for review of the order in lieu of requesting an administrative hearing under subdivision 6. The petition shall be filed with the court administrator with proof of service on the director. The petition shall be captioned in the name of the person making the petition as petitioner and the director as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order, including the facts upon which each claim is based.

(b) At trial, the director must establish by a preponderance of the evidence that a violation subject to this section occurred, the petitioner is responsible for the violation, a penalty immediately assessed as provided for under subdivision 5, paragraph (b) or (c), is justified by the violation, and the factors listed in subdivision 2 were considered when the penalty amount was determined and the penalty amount is justified by those factors.

Subd. 8. [MEDIATION.] In addition to review under subdivision 6 or 7, the director is authorized to enter into mediation concerning an order issued under this section if the director and the person to whom the order is issued both agree to mediation.

Subd. 9. [ENFORCEMENT.] (a) The attorney general may proceed on

behalf of the state to enforce penalties that are due and payable under this section in any manner provided by law for the collection of debts.

(b) The attorney general may petition the district court to file the administrative order as an order of the court. At any court hearing, the only issues parties may contest are procedural and notice issues. Once entered, the administrative order may be enforced in the same manner as a final judgment of the district court.

(c) If a person fails to pay the penalty, the attorney general may bring a civil action in district court seeking payment of the penalties, injunctive, or other appropriate relief including monetary damages, attorney fees, costs, and interest.

Subd. 10. [REVOCAION AND SUSPENSION OF PERMIT.] If a person fails to pay a penalty owed under this section the agency has grounds to revoke or refuse to reissue or renew a hazardous waste permit issued by the agency.

Subd. 11. [CUMULATIVE REMEDY.] The authority of the agency to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law. The payment of a penalty does not preclude the use of other enforcement provisions in connection with the violation for which the penalty was assessed."

Delete the title and insert:

"A bill for an act relating to environment; authorizing the pollution control agency to issue administrative orders assessing penalties; establishing a hearing procedure; providing for the distribution and expenditure of monetary penalties; proposing coding for new law in Minnesota Statutes, chapter 116."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F No. 346: A bill for an act relating to health; establishing a statewide cancer surveillance system; providing for rule authority to administer the system and collect and distribute data; appropriating money; amending Minnesota Statutes 1986, sections 144.68; and 144.69; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, sections 144.66 and 144.67.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [144.671] [CANCER SURVEILLANCE SYSTEM; PURPOSE.]

The commissioner of health shall establish a statewide population-based cancer surveillance system. The purpose of this system is to:

(1) monitor incidence trends of cancer to detect potential public health problems, predict risks, and assist in investigating cancer clusters;

(2) more accurately target intervention resources for communities and

patients and their families;

(3) inform health professionals and citizens about risks, early detection, and treatment of cancers known to be elevated in their communities; and

(4) promote high quality research to provide better information for cancer control and to address public concerns and questions about cancer.

Sec. 2. [144.672] [DUTIES OF COMMISSIONER; RULES.]

Subdivision 1. [RULE AUTHORITY.] The commissioner of health shall collect cancer incidence information, analyze the information, and conduct special studies designed to determine the potential public health significance of an increase in cancer incidence.

The commissioner shall adopt rules to administer the system, collect information, and distribute data. The rules must include, but not be limited to, the following:

(1) the type of data to be reported;

(2) standards for reporting specific types of data;

(3) payments allowed to hospitals, pathologists, and registry systems to defray their costs in providing information to the system;

(4) criteria relating to contracts made with outside entities to conduct studies using data collected by the system. The criteria may include requirements for a written protocol outlining the purpose and public benefit of the study, the description, methods, and projected results of the study, peer review by other scientists, the methods and facilities to protect the privacy of the data, and the qualifications of the researcher proposing to undertake the study;

(5) specification of fees to be charged under section 13.03, subdivision 3, for all out-of-pocket expenses for data summaries or specific analyses of data requested by public and private agencies, organizations, and individuals, and which are not otherwise included in the commissioner's annual summary reports. Fees collected are appropriated to the commissioner to offset the cost of providing the data; and

(6) establishment of a committee to assist the commissioner in the review of system activities.

Subd. 2. [BIANNUAL REPORT REQUIRED.] The commissioner of health shall prepare and transmit to the governor and to members of the legislature a biannual report on the incidence of cancer in Minnesota and a compilation of summaries and reports from special studies and investigations performed to determine the potential public health significance of an increase in cancer incidence, together with any findings and recommendations. The first report shall be delivered by February 1989, with subsequent reports due in February of each of the following odd-numbered years.

Sec. 3. Minnesota Statutes 1986, section 144.68, is amended to read:

144.68 [RECORDS AND REPORTS REQUIRED.]

Subdivision 1. [PERSON PRACTICING HEALING ARTS.] Every person licensed to practice the healing arts in any form, upon request of the state commissioner of health, shall prepare and forward to the commissioner, in the manner and at such times as the commissioner designates, a detailed record of each case of malignant disease cancer treated or seen

by the person professionally.

Subd. 2. [HOSPITALS AND SIMILAR INSTITUTIONS.] Every hospital, ~~sanatorium, nursing home~~ *medical clinic, medical laboratory*, or other institution for the hospitalization, *clinical or laboratory diagnosis*, or care of human beings, upon request of the ~~state~~ commissioner of health, shall prepare and forward to the commissioner, in the manner and at the times designated by the commissioner, a detailed record of each case of ~~malignant disease having been therein~~ *cancer*.

Subd. 3. [INFORMATION REPORTING WITHOUT LIABILITY.] The furnishing of the information required under subdivisions 1 and 2 shall not subject the person, hospital, ~~sanatorium, nursing home~~ *medical clinic, medical laboratory*, or other ~~place~~ *institution* furnishing the information, to any action for damages or other relief.

Sec. 4. Minnesota Statutes 1986, section 144.69, is amended to read:

144.69 [INFORMATION NOT AVAILABLE TO THE PUBLIC CLASSIFICATION OF DATA ON INDIVIDUALS.]

~~No such report, or part thereof, nor any copy of the same or part thereof, shall be open to the public, nor shall any of the contents thereof be disclosed, in any manner, by any official or clerk or other employee or person having access thereto, but all such information~~ *Notwithstanding section 13.05, subdivision 9, data collected on individuals by the cancer surveillance system, including the names and personal identifiers of persons required in section 144.68 to report, shall be confidential private and may only be used for the purposes set forth in sections 144.66 to 1 and 2 and 144.68 and 144.69. And any such disclosure other than is provided for in sections 144.66 to 1 and 2 and 144.68 and 144.69, is hereby declared to be a misdemeanor and punishable as such. No Except as provided by rule, and as part of an epidemiologic investigation, an officer or employee of the board shall commissioner of health may interview any patient patients named in any such report, nor a relative or relatives of any such patient, unless only after the consent of the attending physician and or surgeon is first obtained.*

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, sections 144.66 and 144.67, are repealed.

Sec. 6. [APPROPRIATION.]

\$1,520,000 is appropriated from the general fund to the commissioner of health to implement the provisions of sections 1 to 4, to establish a statewide cancer surveillance system, to develop and maintain a computerized record linkage system, to manage and analyze the data, and to conduct follow-up investigations on clusters of disease and unusual case distributions identified by the system, to be available until June 30, 1989.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment. Section 6 is effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to health; establishing a statewide cancer surveillance system; providing for rule authority to administer the system and collect and distribute data; appropriating money; amending Minnesota

Statutes 1986, sections 144.68; and 144.69; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, sections 144.66 and 144.67.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1396: A bill for an act relating to human services; setting forth appeal procedure for recipients of case management services; amending Minnesota Statutes 1986, sections 256.045, subdivisions 1, 3, 4, 5, 6, 7, and 10, and by adding a subdivision; repealing Minnesota Statutes 1986, section 256.045, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete “2” and insert “3”

Page 1, line 16, after “5” insert “, and section 4”

Page 2, line 30, strike “2 or” and after “3” insert “or section 4”

Page 3, after line 17, insert:

“Sec. 4. Minnesota Statutes 1986, section 256.045, is amended by adding a subdivision to read:

Subd. 4a. [CASE MANAGEMENT APPEALS.] Any recipient of case management services pursuant to section 256B.092, subdivisions 1 to 1b, who contests the local agency's action or failure to act in the provision of those services, other than a failure to act with reasonable promptness or a suspension, reduction, denial or termination of services, must submit a written request for review to the local agency. The local agency shall inform the commissioner of the receipt of a request for review when it is submitted and shall schedule a conciliation conference. The local agency shall notify the recipient, the commissioner, and all interested persons of the time, date, and location of the conciliation conference. The commissioner shall designate a representative to be present at the conciliation conference to assist in the resolution of the dispute without the need for a hearing. Within 30 days, the local agency shall conduct the conciliation conference and inform the recipient in writing of the action the local agency is going to take and when that action will be taken and notify the recipient of the right to a hearing under this subdivision. The conciliation conference shall be conducted in a manner consistent with the procedures for reconsideration of an individual service plan or an individual habilitation plan pursuant to Minnesota Rules, parts 9525.0075, subpart 5, and 9525.0105, subpart 6. If the county fails to conduct the conciliation conference and issue its report within 30 days, or, at any time up to 90 days after the conciliation conference is held, a recipient may submit to the commissioner a written request for a hearing before a state human services referee to determine whether case management services have been provided in accordance with applicable laws and rules or whether the local agency has assured that the services identified in the recipient's individual service plan have been delivered in accordance with the laws and rules governing the provision of those services. The state human services referee shall recommend an order to the commissioner, who shall, in accordance with the procedure in

subdivision 5, issue a final order within 60 days of the receipt of the request for a hearing, unless the commissioner refuses to accept the recommended order, in which event a final order shall issue within 90 days of the receipt of that request. The order may direct the local agency to take those actions necessary to comply with applicable laws or rules."

Page 3, line 18, delete "4" and insert "5"

Pages 3 to 5, delete section 5

Page 5, line 11, after "subdivision 3" insert "or section 4"

Page 5, line 17, strike "2 or" and after "3" insert "or section 4"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 582: A bill for an act relating to health; allowing health maintenance organizations to adjust premiums paid based on actual health services utilization; amending Minnesota Statutes 1986, section 62D.04, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 62D.04, subdivision 1, is amended to read:

Subdivision 1. Upon receipt of an application for a certificate of authority, the commissioner of health shall determine whether the applicant for a certificate of authority has:

(a) demonstrated the willingness and potential ability to assure that health care services will be provided in such a manner as to enhance and assure both the availability and accessibility of adequate personnel and facilities;

(b) arrangements for an ongoing evaluation of the quality of health care;

(c) a procedure to develop, compile, evaluate, and report statistics relating to the cost of its operations, the pattern of utilization of its services, the quality, availability and accessibility of its services, and such other matters as may be reasonably required by regulation of the commissioner of health;

(d) reasonable provisions for emergency and out of area health care services;

(e) demonstrated that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner of health may consider:

(1) the financial soundness of its arrangements for health care services and the proposed schedule of charges used in connection therewith;

(2) the adequacy of its working capital;

(3) arrangements which will guarantee for a reasonable period of time the continued availability or payment of the cost of health care services in the event of discontinuance of the health maintenance organization;

(4) agreements with providers for the provision of health care services; and

(5) any deposit of cash or securities submitted in accordance with section 62D.041.

(f) demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services, including hospital care; provided, however, that the requirement in this paragraph shall not prohibit *the following*:

(1) a health maintenance organization from obtaining insurance or making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services, the aggregate value of which exceeds \$5,000 in any year, (ii) for the cost of providing comprehensive health care services to its members on a nonelective emergency basis, or while they are outside the area served by the organization, or (iii) for not more than 95 percent of the amount by which the health maintenance organization's costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

(2) *a health maintenance organization from having a provision in a group health maintenance contract allowing an adjustment of premiums paid based upon the actual health services utilization of the enrollees covered under the contract, except that at no time during the life of the contract shall the contract holder fully self-insure the financial risk of health care services delivered under the contract. Risk sharing arrangements shall be subject to the requirements of sections 62D.01 to 62D.30.*

(g) otherwise met the requirements of sections 62D.01 to 62D.29.

Sec. 2. Minnesota Statutes 1986, section 62D.08, subdivision 3, is amended to read:

Subd. 3. Such report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, ~~and~~ (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, *and (4) a supplementary statement of assets, liabilities, premium revenue and expenditures for risk sharing business under section 62D.04, subdivision 1, on forms prescribed by the commissioner;*

(b) The number of new enrollees enrolled during the year, the number of enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

(d) A report of the names and addresses of all persons set forth in section 62D.03, subdivision 4, clause (c) who were associated with the health

maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d); and

(e) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of health to carry out the duties under sections 62D.01 to 62D.29.

Sec. 3. Minnesota Statutes 1986, section 62D.10, is amended by adding a subdivision to read:

Subd. 6. Health maintenance organization contracts under section 62D.04, subdivision 1, shall include a clear statement of the risk sharing arrangement."

Delete the title and insert:

"A bill for an act relating to health; allowing health maintenance organizations to adjust premiums based on actual health services utilization; amending Minnesota Statutes 1986, sections 62D.04, subdivision 1; 62D.08, subdivision 3; and 62D.10, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 789: A bill for an act relating to human services; establishing prepaid health plans under medical assistance; appropriating money; amending Minnesota Statutes 1986, sections 256.045, subdivision 3; 256B.02, by adding a subdivision; 256B.19, subdivision 1; 256B.69, by adding subdivisions; 256D.03, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1986, section 256.966.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 4, delete "*For persons*"

Page 2, delete lines 5 and 6

Page 2, line 7, delete "*the responsibility of the prepaid health plan.*" and insert "*The prepaid health plan must notify the ombudsman on the same day of any complaint made under section 62D.11 by persons enrolled in a prepaid health plan under chapter 256B or 256D. At the time a complaint is made, the prepaid health plan must notify the recipient of the name and telephone number of the ombudsman. Recipients may request the assistance of the ombudsman in the complaint system process.*"

Page 2, line 9, after the period, insert "*The ombudsman may waive the requirement that the complaint system procedures be exhausted prior to an appeal if the ombudsman determines that the complaint must be resolved expeditiously in order to protect the recipient's health.*"

Page 2, after line 24, insert:

“(d) In a notice of appeal from a ruling of a prepaid health plan, a recipient may request an expedited hearing. The ombudsman, after discussing with the recipient his or her condition and in consultation with a health practitioner who practices in the specialty area of the recipient’s primary diagnosis, shall investigate and determine whether an expedited appeal is warranted. In making the determination, the ombudsman shall evaluate whether the medical condition of the recipient, if not expeditiously diagnosed and treated, could cause physical or mental disability, substantial deterioration of physical or mental health, continuation of severe pain, or death. The ombudsman may order a second medical opinion from the prepaid health plan or order a second medical opinion from a non-prepaid health plan provider at prepaid health plan expense. If the ombudsman determines that an expedited appeal is warranted, the state welfare referee shall hear the appeal and render a decision within a time commensurate with the level of urgency involved, based on the individual circumstances of the case. In urgent or emergency situations in which a prepaid health plan provider has prescribed treatment, and the prepaid health plan has denied authorization for that treatment, the referee may order the health plan to authorize treatment pending the outcome of the appeal if an expedited hearing would not prevent disability, deterioration, severe pain, or death.”

Page 3, line 36, delete “and”

Page 4, line 1, after “62D” insert “, and vendors of medical care and organizations participating in prepaid programs under section 256D.03, subdivision 4, clause (b),”

Page 4, line 2, after the period, insert “Notwithstanding any other law, health insurers may enter into contracts with the commissioner under this section. As a condition of the contract, health insurers and health service plan corporations must agree to comply with the requirements of section 62D.04, subdivision 1, clauses (a), (b), (c), (d), and (f), and provide a complaint procedure that satisfies the requirements of section 62D.11. Nothing in this section permits health insurers not licensed as health maintenance organizations under chapter 62D to offer a prepaid health plan as defined in section 2 to persons other than those receiving medical assistance or general assistance medical care under this section.”

Page 4, line 10, delete everything after the period

Page 4, delete line 11

Page 5, line 7, after the period, insert “If a prepaid health plan contracts to provide services only within one county, an individual county maximum allowable per capita rate must be established for purposes of rates paid to that plan.”

Page 5, line 11, delete “payment rates” and insert “the commissioner shall contract with an independent actuary to establish repayment rates.”

Page 5, delete lines 12 to 15

Page 5, line 16, delete “percent of the prepaid health plans submitting bids.”

Page 5, delete lines 20 to 33 and insert:

“Subd. 5. [FREE CHOICE LIMITED.] (a) The commissioner may require recipients of aid to families with dependent children to enroll in a

prepaid health plan and receive services from or through the prepaid health plan. Aid to families with dependent children recipients who become eligible on or after December 1, 1987, must be enrolled when eligibility is determined.

(b) If the recipient does not choose a health plan within 45 days, the commissioner shall"

Page 5, line 34, delete "randomly" and after "plan" insert "according to paragraph (c)"

Page 5, line 36, delete "December 20, 1987" and insert "January 15, 1988"

Page 6, line 1, delete "December 20, 1987" and insert "January 15, 1988"

Page 6, line 2, delete "randomly"

Page 6, line 3, after the first "plan" insert "according to paragraph (c)"

Page 6, line 3, after the period, insert "Each recipient shall be enrolled in the health plan for a minimum period of six months following the effective date of enrollment, except that the recipient may change health plans once within the first 60 days after initial enrollment. The commissioner shall request a waiver from the federal Health Care Financing Administration to extend the minimum period to 12 months."

Page 6, after line 5, insert:

"(c) If a recipient does not choose a prepaid health plan within the required period and the recipient has received services within the past year from a provider under contract with a participating prepaid health plan, the commissioner shall, to the extent possible, assign the recipient to a plan that will allow the recipient to continue to receive services from the provider. In other cases involving a recipient who does not choose a plan, the commissioner shall randomly assign the recipient to a plan."

Page 6, line 6, before "Women" insert "(d)"

Page 6, line 12, before "If" insert "(e)"

Page 6, after line 29, insert:

"Subd. 7. [SERVICES PENDING APPEAL.] If the recipient appeals in writing to the state agency on or before the tenth day after the decision of the prepaid health plan to reduce, suspend or terminate services which the recipient had been receiving, and the treating physician or another plan physician orders the services to be continued at the previous level, the prepaid health plan must continue to provide services at a level equal to the level ordered by the plan's physician until the state agency renders its decision.

Subd. 8. [CONTRACT CASE MANAGEMENT.] In counties where the commissioner has fewer than two prepaid health plans under contract to provide health care services to eligible classes of recipients, the commissioner may require recipients to choose a case manager. The case manager is a health care provider who manages an array of health services identified by the commissioner in a contract, and provides or makes referrals for contract health services necessary for the recipient. Reimbursement to case managers must be subject to performance standards established by the commissioner. The commissioner may seek appropriate federal waivers and

adopt rules necessary to implement this subdivision. The commissioner may contract with case managers only when the cost of the contract is anticipated to be less than the projected expenditures without the contract.

Subd. 9. [PREPAYMENT COORDINATOR.] The local agency shall designate a prepayment coordinator to assist the state agency in implementing this section, section 256B.69, and section 256D.03, subdivision 4. Assistance must include educating recipients about available health care options, enrolling recipients under subdivision 5, providing necessary eligibility and enrollment information to health plans and the state agency, and coordinating complaints and appeals with the ombudsman established in subdivision 6.

Subd. 10. [IMPACT ON PUBLIC OR TEACHING HOSPITALS AND COMMUNITY CLINICS.] (a) Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program, provided the terms of participation in the program are competitive with the terms of other participants.

(b) Prepaid health plans serving counties with a nonprofit community clinic must contract with the clinic to provide services to clients who choose to receive services from the clinic, if the clinic agrees to payment rates that are competitive with rates paid to other providers for similar services.

Sec. 5. Minnesota Statutes 1986, section 256B.69, subdivision 6, is amended to read:

Subd. 6. [SERVICE DELIVERY.] (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(a) (1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in section 256B.02, subdivision 8, in order to ensure appropriate health care is delivered to enrollees;

(b) (2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(c) (3) may contract with other health care and social service practitioners to provide services to enrollees; and

(d) (4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section 72A.20, subdivision 12a, paragraphs (d), (e), (g), and (h), when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a claim within 30 business days of the date of acceptance of the claim."

Page 7, line 7, after "services" insert "or may be expedited based on the request of a recipient appealing for nonemergency services" and after

the period, insert *"The ombudsman, after discussing the recipient's condition with the recipient and in consultation with a health practitioner who practices in the specialty area of the recipient's diagnosis, shall investigate and determine whether an expedited appeal is warranted. In making the determination, the ombudsman shall evaluate whether the medical condition of the recipient, if not expeditiously diagnosed and treated, could cause physical or mental disability, substantial deterioration of physical or mental health, continuation of severe pain, or death. The ombudsman may order a second medical opinion from the prepaid health plan or order a second medical opinion from a nonprepaid health plan provider at prepaid health plan expense. If the ombudsman determines that an expedited appeal is warranted, the panel shall hear the appeal and render a decision within a time commensurate with the level of urgency involved, based on the individual circumstances of the case."*

Page 8, after line 18, insert:

"Sec. 11. Minnesota Statutes 1986, section 256B.69, is amended by adding a subdivision to read:

Subd. 16. [PROJECT EXTENSION.] Minnesota Rules, parts 9550.1450; 9500.1451; 9500.1452; 9500.1453; 9500.1454; 9500.1455; 9500.1456; 9500.1457; 9500.1458; 9500.1459; 9500.1460; 9500.1461; 9500.1462; 9500.1463; and 9500.1464, are extended until December 31, 1990."

Page 11, line 4, delete "\$163,400" and insert "\$_____"

Page 11, line 6, delete "\$60,000" in both places and insert "\$_____ " in both places

Page 11, line 7, delete "two" and insert "five"

Page 11, line 8, after "services" insert ", including one client ombudsman, three persons to work with county agencies, and one person to handle appeals"

Page 11, line 14, delete "section" and insert "sections" and delete "is" and insert "and 256B.05, subdivision 4, are"

Page 11, line 17, delete "12" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "256B.69," insert "subdivisions 6 and 11, and"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 557: A bill for an act relating to state departments and agencies; renaming the mental retardation division of the department of human services; amending Minnesota Statutes 1986, section 245.072.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1368: A bill for an act relating to human services; creating a new formula for distribution of administrative aid to counties; eliminating equalization aid to counties; amending Minnesota Statutes 1986, section 256D.22; repealing Minnesota Statutes 1986, section 245.74.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 998: A bill for an act relating to human services; defining directors, officers, and partners as vendors of medical care for the purpose of medical assistance; allowing the commissioner to charge interest on money recovered from certain medical assistance providers; allowing sanction authority; amending Minnesota Statutes 1986, sections 256B.02, subdivision 7; 256B.064, subdivision 1c; and 256B.27, subdivisions 3 and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 5, after the period, insert "*The term only includes directors and officers of corporations who personally receive a portion of the distributed assets upon liquidation or dissolution, and their liability is limited to the portion of the claim that bears the same proportion to the total claim as their share of the distributed assets bears to the total distributed assets.*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 563: A bill for an act relating to human services; extending subsidized adoption program; amending Minnesota Statutes 1986, section 259.40, subdivisions 1, 2, and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 33, delete "*in the care*" and insert "*is the legal or financial dependent*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1041: A bill for an act relating to health; providing for a local public health act; defining the powers and duties of boards of health; providing discretionary county ordnancing power; authorizing the community health service subsidy; authorizing grants; providing penalties; amending Minnesota Statutes 1986, sections 35.67; 35.68; 144.36; 144.37; 145.075; and 145.923; and Laws 1969, chapter 235, section 3, subdivisions 2 and 4; proposing coding for new law as Minnesota Statutes, chapter

145A; repealing Minnesota Statutes 1986, sections 145.01 to 145.07; 145.08 to 145.125; 145.17 to 145.23; 145.24, subdivisions 1 and 2; 145.47 to 145.55; 145.911; 145.912, subdivisions 1 to 8, 10 to 15, 19, and 20; 145.913 to 145.92; and 145.922.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 15, delete "*a nuisance as defined in sections 561.01 and*"

Page 4, delete line 16 and insert "*any activity or failure to act that adversely affects the public health.*"

Page 8, delete lines 15 and 16 and insert "*enforce, or to enjoin as a public health nuisance any activity or failure to act that adversely affects the public health.*"

Page 24, line 21, strike "promulgate" and insert "*adopt, or to enjoin as a public health nuisance any activity or failure to act that adversely affects the public health*"

Page 24, lines 22 and 23, strike the old language and delete the new language

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 923: A bill for an act relating to human services; regulating budgets and procedures of human services boards; amending Minnesota Statutes 1986, sections 402.02, subdivision 2; 402.05, subdivision 1a; and 402.062, subdivisions 1 and 2; repealing Minnesota Statutes 1986, section 402.095.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 917: A bill for an act relating to human services; requiring director of state planning agency to contract for development of client advisory committees; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete "*director of the state*" and insert "*commissioner of jobs and training, through the division of rehabilitation resources*"

Page 1, delete line 19

Page 1, line 20, delete "*disabilities*"

Page 1, line 22, delete the first comma and insert "*and*" and delete the second comma

Page 1, line 23, delete everything before the second "*and*"

Page 1, line 24, delete "*as appropriate to*" and insert "*and technical assistance to client advisory committees in*"

Page 2, line 11, delete "*Members of*"

Page 2, line 12, after "*committee*" insert "*shall consist of not more than 12 members who*"

Page 2, line 16, delete "*director of the state planning agency*" and insert "*commissioner of jobs and training*"

Amend the title as follows:

Page 1, lines 2 and 3, delete "*director of state planning agency*" and insert "*commissioner of jobs and training*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 575: A bill for an act relating to organ donation; appropriating money to print driver's license renewal notice communications about organ donation.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1190: A bill for an act relating to the Minneapolis park and recreation board; permitting the establishment of a park board personnel system; requiring the park board to adopt current Minneapolis civil service commission provisions; providing employee protections.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 1416: A bill for an act relating to the city of Minneapolis; providing for the appointment of the director of the office of emergency preparedness; amending Laws 1969, chapter 937, section 1, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1162: A bill for an act relating to local improvements; permitting the issuance of general obligation bonds for certain pedestrian skyways; amending Minnesota Statutes 1986, section 429.091, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1241: A bill for an act relating to metropolitan government; providing for qualifications of commission members, budget criteria, plans, and reports; amending Minnesota Statutes 1986, sections 473.141, subdivision 2, and by adding a subdivision; 473.161, subdivision 1c; 473.1623, subdivisions 4 and 5; 473.303, by adding a subdivision; 473.377, subdivision 1; and 473.604, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 473.141, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP; APPOINTMENTS.] (a) Each agency consists of eight members, plus a chair appointed as provided in subdivision 3. The metropolitan council shall appoint the eight members on a nonpartisan basis after consultation with the members of the legislature from the district for which the member is to be appointed. *The consultation with legislators in the affected district must include informing each legislator of the name, address, and background of each candidate for appointment and soliciting and reporting to the appointments committee the recommendations of each legislator on the appointment.*

(b) In addition to the notice required in section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The council shall notify in writing the governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which the member is to be appointed. The notices must describe the appointment process and invite participation and recommendations on the appointment.

(c) The council shall establish an appointments committee, composed of members of the council, to screen and review candidates. Following the submission of member applications to the metropolitan council as provided under section 15.0597, subdivision 5, the appointments committee shall conduct public meetings, following appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the council a written report that lists the persons who have applied or been nominated or recommended for the position, along with a description of the background and qualifications of each. *In making its recommendation, the committee specifically shall consider evidence of the candidate's commitment to regularly communicate on issues before the agency with metropolitan council members, legislators and local elected officials in the district, and the committee shall report its findings on this subject in its written report to the council.*

(d) One member shall be appointed from each of the following agency districts:

- (1) district A, consisting of council districts 1 and 2;
- (2) district B, consisting of council districts 3 and 7;
- (3) district C, consisting of council districts 4 and 5;
- (4) district D, consisting of council districts 6 and 10;
- (5) district E, consisting of council districts 8 and 9;
- (6) district F, consisting of council districts 11 and 12;
- (7) district G, consisting of council districts 13 and 14; and
- (8) district H, consisting of council districts 15 and 16.

Sec. 2. Minnesota Statutes 1986, section 473.141, is amended by adding a subdivision to read:

Subd. 3a. [MEMBERS; DUTIES.] Each member shall communicate regularly with metropolitan council members, legislators, and local government officials in the district the member represents.

Sec. 3. Minnesota Statutes 1986, section 473.161, subdivision 1c, is amended to read:

Subd. 1c. [SERVICES AND SYSTEMS MANAGEMENT.] The plan must include a services and systems management component that describes the levels and costs of services that will be provided to service areas and populations within the metropolitan area. The component must describe: (1) service needs, objectives, and priorities; (2) changes in existing services; (3) deployment of new services; (4) distribution and coordination of services; (5) timing, priority, and location, with maps, of service areas, routes, levels of service, and similar matters, as appropriate to the type of service; (6) delivery methods and providers; ~~(6)~~ (7) system management and administration; ~~(7)~~ (8) costs; ~~(8)~~ (9) manner of finance and revenue sources, including federal and state funds, private funds, taxes, and user charges; and ~~(9)~~ (10) fiscal effects.

Sec. 4. Minnesota Statutes 1986, section 473.1623, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL REPORTING AND MANAGEMENT ADVISORY COMMITTEE.] A financial reporting and management advisory committee is created, consisting of the chairs of the council and the following metropolitan agencies: the waste control commission, transit board, transit commission, metropolitan airports commission, and sports facilities commission. The committee is established to assist and advise the council and other governing boards in meeting the requirements of this section. Staff and administrative services for the committee must be provided by the council and the member agencies. Other agencies shall make financial information available upon request.

Sec. 5. Minnesota Statutes 1986, section 473.1623, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL REPORTING; BUDGETING.] (a) The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop uniform or consistent standards, formats, and procedures for the budgets and financial reports of the council and all metropolitan agencies. The council shall report to the legislature from time to time on progress made by the committee in improving the uniformity and

quality of budgets and financial reports and on legislation that may be needed for this purpose.

(b) The council and each metropolitan agency shall prepare a summary budget for agency fiscal year 1988 and each year thereafter. The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop guidelines and models for the summary budgets. The purpose of the summary budget is to increase public knowledge and agency accountability by providing citizens outside of the agency with a condensed, accessible, and graphic description of the financial affairs of the agency. The document should contain a coherent, effectively communicated, understandable statement of: financial trends and forecasts; budget policies and policy changes; agency financial assumptions, objectives and plans; revenue sources and expenditures by program category; personnel policies, decisions, and allocation; budgetary performance measures; and similar matters serving the purpose of the document.

Sec. 6. Minnesota Statutes 1986, section 473.1623, subdivision 5, is amended to read:

Subd. 5. [ADMINISTRATIVE COORDINATION.] The advisory committee shall evaluate the benefits, costs, methods, and effects, including operational effects, of joint or uniform and coordinated exercise of powers by the council and metropolitan agencies for appropriate administrative functions. The study must include at least ongoing managerial reporting, contracts, purchasing, data processing, and personnel. The council shall report to the legislature *from time to time* on the findings and recommendations of the advisory committee to date ~~by January 1, 1987,~~ and on legal and other impediments to increased coordination of administrative functions. Before submitting the report, the council shall request comments on the report from the affected metropolitan agencies, and the comments must be submitted along with the report.

Sec. 7. [473.166] [METROPOLITAN TRANSIT PLANNING PROCESS.]

By January 15, 1988, the council shall report to the legislature a recommended process for coordinating the planning of transit development by regional railroad authorities.

Sec. 8. [473.247] [METROPOLITAN AGENCIES; PUBLIC INFORMATION.]

The council shall publish a consolidated metropolitan bulletin or register containing official notices, meeting and hearing schedules, notices of adopted ordinances, rules, policies, and similar matters for the council and all metropolitan agencies. Metropolitan agencies shall cooperate with the council in providing timely information for publication.

Sec. 9. Minnesota Statutes 1986, section 473.303, is amended by adding a subdivision to read:

Subd. 3a. [MEMBERS; DUTIES.] Members have the duties imposed by section 2.

Sec. 10. Minnesota Statutes 1986, section 473.377, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The transit board shall prepare, submit to the council, and adopt an implementation plan as provided in section 473.161. *The services and systems management component of the board's*

plan must include a description of the special transportation service provided under section 473.386. The board shall prepare an implementation plan meeting the requirements of this section and submit the plan to the council by August 1, 1986, and thereafter at a time prescribed by the council.

Sec. 11. Minnesota Statutes 1986, section 473.604, subdivision 1, is amended to read:

Subdivision 1. The following persons and their respective successors shall constitute the members and governing body of the corporation, namely:

(1) All of the members and commissioners in office January 1, 1973, for the remainder of the terms for which they were appointed or otherwise selected, respectively;

(2) The mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

(3) A member of the council of each of the cities, appointed by the council for a term of four years commencing in July, 1977;

(4) A member of the park board of Minneapolis appointed by that board and a second member of the council of St. Paul, appointed by it, each for a term of two years commencing in July, 1979;

(5) One additional resident of each city, who does not hold any office under the state or any of its political subdivisions except that of notary public, herein termed a "citizen commissioner," such member in St. Paul to be appointed by the mayor, with the approval of the council, and in Minneapolis by the council, with the approval of the mayor; each for a term of two years commencing in July, 1979;

(6) Six additional members, each appointed by the governor on a non-partisan basis, and each holding no other office under the state or any of its political subdivisions except that of notary public; for terms and with residence qualifications as follows:

(a) (1) A resident of the area of the counties of Washington and Ramsey, outside of St. Paul, for a four-year term commencing in July, 1974, and a successor for a term ending July 1, 1981;

(2) A resident of the county of Anoka, for a four-year term commencing in July, 1974, and a successor for a term ending July 1, 1981;

(3) Three residents of the area of the counties of Carver, Scott and Hennepin, outside Minneapolis, for a two-year term commencing in July, 1974, and their successors for a term ending July 1, 1981;

(4) A resident of the county of Dakota, for a four-year term commencing in July, 1974, and a successor for a term ending July 1, 1981;

(b) As successors to all members referred to in paragraphs (2) to (6)(a), whose terms will expire in July, 1981, a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of

which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. *Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment;*

(7) One member appointed by the governor of the state, who shall be chair of the corporation, appointed for a term coterminous with that of the governor.

Sec. 12. Minnesota Statutes 1986, section 473.604, is amended by adding a subdivision to read:

Subd. 7. [MEMBERS; DUTIES.] Members appointed under subdivision 1, clause (b), have the duties imposed by section 2.

Sec. 13. [REPORT; METROPOLITAN AGENCIES.]

By January 1, 1988, the council and each agency represented on the advisory committee established under section 473.1623 shall report to the legislature on the following:

(1) agency personnel practices, including an analysis of trends, compliance with legal requirements, health care and other benefits, and salary levels in comparison with relevant job markets;

(2) ethical practices requirements for board members and employees of each agency, including the sources of the requirements, agency comparisons, and comparison with requirements for state and local government officers and employees.

Sec. 14. [APPLICATION.]

Sections 1 to 10 are effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 15. [REPEALER.]

Minnesota Statutes 1986, section 473.398, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 7 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 7, after "subdivisions" insert "2," and after "4" insert a comma

Page 1, line 9, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1986, section 473.398"

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1322: A bill for an act relating to towns; providing procedures for their organization and dissolution; amending Minnesota Statutes 1986, sections 365.45; 368.47; and 379.01.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 365.45, is amended to read:

365.45 [DISSOLUTION OF TOWNS.]

~~When the electors of any town, at the annual meeting, or at a special meeting called for that purpose, shall have voted, by ballot, to dissolve the town organization hereunder, the town board thereof shall adopt a resolution setting forth such facts and asking for the dissolution of the town; and a copy of the resolution, a petition signed by a majority of the registered voters of the town calling for the dissolution of the town organization is filed with the town clerk at least 60 days before a regular or special town election, the question of whether to dissolve the town shall be submitted to the voters at the regular or special town election in the same manner provided in section 368.47. The result of the election, duly certified by the town clerk, shall be presented to the board of county commissioners of the county in which ~~such the town is located, such.~~ The board of county commissioners ~~may shall,~~ or whenever the tax delinquency in any town exceeds 70 percent in any one year, the board of county commissioners of the county wherein ~~such the town is situated,~~ on its own initiative, may, by resolution, dissolve ~~such the town and attach the territory formerly embraced therein to an adjoining town or towns, or provide for the government of such the territory as unorganized territory of the county. If such the dissolved territory is added to an adjoining town the proposal therefor shall first have the approval of a five-eighths majority of the voting electors of such the town to which the dissolved territory is added. Upon the adoption of the resolution by the county board such the town shall be dissolved and no longer entitled to exercise any of the powers or functions of an organized town. The county auditor shall give ten days notice, by one publication in the paper in which the proceedings of the county board are published, of the meeting of the county board at which such petition the dissolution of the town will be considered.~~~~

Sec. 2. Minnesota Statutes 1986, section 368.47, is amended to read:

368.47 [TOWNS MAY BE DISSOLVED.]

When the voters residing within a town in this state have failed to elect any town officials for more than ten years continuously ~~immediately prior to April 24, 1937,~~ or the town has failed and omitted for a period of ten years to exercise any of the powers and functions of a town, as provided by law, or when the assessed valuation of any town drops to less than \$40,000, or when the tax delinquency of any such town, exclusive of taxes that are delinquent or unpaid by reason of taxes being contested in proceedings for the enforcement of taxes, amounts to 50 percent of its assessed valuation, or where the state or federal government has acquired title to 50 percent of the real estate of such town, which facts, or any of them, may be found and determined by the resolution of the county board of the county in which the town is located, according to the official records in the office of the county auditor, the county board by resolution may declare any such town, naming it, duly dissolved and no longer entitled to exercise any of the powers or functions of a town. In counties having a population according to the 1930 federal census of not more than 16,000 nor less than 15,000

and having not more than 77 nor less than 75 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 28,000 nor less than 27,000 and having not more than 91 nor less than 90 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 210,000 nor less than 200,000 and having not more than 202 nor less than 200 full or fractional congressional townships, before any such dissolution shall become effective the ~~freeholders~~ voters of the town ~~may~~ shall express their approval or disapproval of such dissolution. The clerk of the town shall, upon the ~~petition of ten legal voters of such a petition signed by a majority of the registered voters of the town,~~ filed with the clerk at least 45 60 days before any regular or special town election thereof, give notice at the same time and in the same manner of such election that the question of dissolution of such town will be submitted for determination at such election. At such election when so petitioned for the question shall be voted upon by a separate ballot, the terms of which shall be either "for dissolution" or "against dissolution," which ballot shall be deposited in a separate ballot box to be provided and the result of such voting shall be duly canvassed, certified, and returned in the same manner and at the same time as other facts and returns of the election. If a majority of the votes cast at the election shall be for dissolution, such town shall be dissolved; and, if a majority of the votes cast at the election shall be against dissolution, the town shall not be dissolved.

When a town is dissolved under the provisions of sections 368.47 to 368.49 the county shall acquire title to any telephone company or any other business being conducted by such town and such business shall be operated by the board of county commissioners until such time as a sale thereof can be made; provided that the subscribers or patrons of such businesses shall have the first opportunity of purchase. If such dissolved town has any outstanding indebtedness chargeable to such business, the auditor of the county wherein such dissolved town is located shall levy a tax against the property situated in the dissolved town for the purpose of paying the indebtedness as it becomes due.

Sec. 3. Minnesota Statutes 1986, section 379.01, is amended to read:
379.01 [ORGANIZATION.]

Subdivision 1. [MANNER; PETITION; NAME.] When a majority of the ~~legal~~ registered voters of any congressional township containing not less than 25 legal voters petition the county board to be organized as a town such board shall forthwith call an election on the question. If a majority of the vote in the township is in favor of organization, the county board shall proceed to fix and determine the boundaries of such new town and name the same and make and file with the auditor a full report of its proceedings in relation to the establishment thereof. Towns thus formed shall be named in accordance with the expressed wish of a majority of its voters. If they fail to request a name, the board shall select one.

Subd. 2. [PETITION BY FREEHOLDERS.] When a majority of the resident freeholders of any one, two, three, four, or five congressional townships containing in the aggregate not less than 25 freeholders who are legal voters petition the county board to be organized as a town such board shall forthwith call an election on the question. If a majority of the vote in the townships is in favor of organization, the county board shall proceed to fix and determine the boundaries of such new town and name the same

and make and file with the county auditor a full report of its proceedings in relation to the establishment thereof. For the purposes of this section the word "freeholders" shall be construed to include any person who is a legal voter in any such town occupying real estate therein under the homestead or preemption laws of the United States or under contract of purchase from any person or corporation or from the state of Minnesota.

Subd. 3. [ORGANIZATIONAL MEETING.] If the result of an election held under this section is in the affirmative the county shall arrange for the holding of the first organizational meeting not more than 30 days after the election in the township to be organized.

Subd. 4. [CONDUCT OF ELECTION; COSTS.] The county auditor shall have the ballots printed for an election under this section, and shall otherwise make preparation for the election including having a notice published in the official newspaper of the county once a week for two successive weeks stating the date of the election and the question to be voted on. The last publication shall be no later than ten days before the election. The cost of the election shall be borne by the county."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 1223: A bill for an act relating to Morrison county; removing special qualifications for newspapers; repealing Laws 1980, chapter 526.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1986, section 331A.02, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION.] No newspaper in this state shall be entitled to any compensation or fee for publishing any public notice unless it is qualified as a medium of official and legal publication. To be qualified as a medium of official and legal publication, a newspaper shall:

(a) be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,000 square inches;

(b) if a daily, be distributed at least five days each week, or if not a daily, be distributed at least once each week, for 50 weeks each year. In any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

(c) in at least half of its issues each year, have no more than 75 percent of its printed space comprised of advertising material and paid public notices. In all of its issues each year, have 25 percent, if published more often than weekly, or 50 percent, if weekly, of its news columns devoted to news of local interest to the community which it purports to serve. Not more than 25 percent of its total nonadvertising column inches in any issue may wholly duplicate any other publication unless the duplicated material is from recognized general news services;

(d) be circulated in the local public corporation which it purports to

serve, and either have at least 500 copies regularly delivered to paying subscribers ~~and have entry as second class matter in its local post office,~~ or have at least 500 copies regularly distributed without charge to local residents;

(e) have its known office of issue established in either the county in which lies, in whole or in part, the local public corporation which the newspaper purports to serve, or in an adjoining county;

(f) file a copy of each issue immediately with the state historical society;

(g) be made available at single or subscription prices to any person, corporation, partnership, or other unincorporated association requesting the newspaper and making the applicable payment, or be distributed without charge to local residents;

(h) have complied with all the foregoing conditions of this subdivision for at least one year immediately preceding the date of the notice publication;

(i) the newspaper must before January 1 of each year publish and submit to the secretary of state, along with a filing fee of \$25, a sworn United States Post Office second-class statement of ownership and circulation or a statement of ownership and circulation verified by a recognized independent circulation auditing agency *covering a period of not less than one year ending at least 120 days before the filing deadline.*"

Page 1, line 11, delete "*this act*" and insert "*section 2*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 and 3 and insert "relating to legal newspapers; modifying certain requirements to qualify as a legal newspaper; removing special qualifications for newspapers in Morrison county; amending Minnesota Statutes 1986, section 331A.02, subdivision 1; repealing Laws 1980,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 29: A bill for an act relating to drivers' licenses; permitting limited license for homemaker; amending Minnesota Statutes 1986, section 171.30, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete line 19 and insert "*educational, medical, or nutritional needs of the family of the homemaker;*"

Page 2, line 13, before the period, insert "*or another dependent person*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

H.F. No. 542: A bill for an act relating to transportation; providing an alternative procedure to record town roads; proposing coding for new law in Minnesota Statutes, chapter 164.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Local and Urban Government. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 634: A bill for an act relating to motor vehicles; permitting seven characters on personalized license plates; amending Minnesota Statutes 1986, section 168.12, subdivision 2a.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 228: A bill for an act relating to motor vehicles; taxation; providing for taxation of pickup trucks with a carrying capacity of 2,000 pounds or less; amending Minnesota Statutes 1986, section 168.011, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On trucks and tractors except those in this chapter defined as farm trucks, on truck-tractor and semitrailer combinations except those defined as farm combinations, and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, ~~but~~ and in no event less than \$120, *except in the case of vehicles registered at a gross weight of 9,000 pounds or less that are in the ninth or succeeding year of vehicle life the tax is \$35.*

Minnesota Base Rate Schedule
Scheduled taxes include five percent
surtax provided for in subdivision 14

	TOTAL GROSS WEIGHT IN POUNDS	TAX
A	0 - 1,500	\$ 15
B	1,501 - 3,000	20
C	3,001 - 4,500	25
D	4,501 - 6,000	35
E	6,001 - 9,000	45
F	9,001 - 12,000	70
G	12,001 - 15,000	105
H	15,001 - 18,000	145
I	18,001 - 21,000	190
J	21,001 - 26,000	270
K	26,001 - 33,000	360
L	33,001 - 39,000	475
M	39,001 - 45,000	595
N	45,001 - 51,000	715

O	51,001 - 57,000	865
P	57,001 - 63,000	1015
Q	63,001 - 69,000	1185
R	69,001 - 73,280	1325
S	73,281 - 78,000	1595
T	78,001 - 81,000	1760

For purposes of the Minnesota base rate schedule, for vehicles with six or more axles in the "S" and "T" categories, the base rates are \$1,520 and \$1,620 respectively.

For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to subdivision 12.

Truck-tractors except those herein defined as farm and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor.

Commercial zone trucks include only trucks, truck-tractors, and semi-trailer combinations which are:

(1) used by an authorized local cartage carrier operating under a permit issued under section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within an area composed of two contiguous cities of the first class and municipalities contiguous thereto as defined by section 221.011, subdivision 17; or,

(2) operated by an interstate carrier registered under section 221.60, or by an authorized local cartage carrier or other carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation by the interstate commerce commission pursuant to United States Code, title 49, section 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to reregister the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during each of the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule.

On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, *except for pickup trucks with a carrying capacity of 2,000 pounds or less and in the ninth or succeeding year of vehicle life*, and except for those commercial zone vehicles specifically provided for in this subdivision, the tax for each of the first eight years of vehicle life shall be 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle

life, the tax shall be 75 percent of the Minnesota base rate prescribed by this subdivision.

For a truck with a manufacturer's nominal rated carrying capacity of 2,000 pounds or less, in the ninth or succeeding year of vehicle life, that would conform to the definition of pickup truck except that the carrying capacity of the truck is greater than 1,500 pounds, the tax is the same as for a pickup truck of the same age, taxed under subdivision 1a. If the truck does not have a manufacturer's rated carrying capacity, the capacity is computed by subtracting the unladen weight of the truck from its gross vehicle weight. The truck must retain its commercial license plates."

Delete the title and insert:

"A bill for an act relating to motor vehicles; taxation; providing for taxation of pickup trucks with a carrying capacity of 2,000 pounds or less; amending Minnesota Statutes 1986, section 168.013, subdivision 1e."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

H.F. No. 575: A resolution memorializing the President and Congress to immediately direct the Farmers Home Administration to participate in and cooperate with the Farmer-Lender Mediation Program in the State of Minnesota.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1484: A bill for an act relating to grain grading and testing; providing that state grades and test results may be the basis for market price; amending Minnesota Statutes 1986, section 17B.05.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 15 to 18 and insert "*price of such the grain, an average sample of at least three quarts of said the grain in dispute may be taken by either or both of the parties interested. Said sample or The commissioner shall prescribe a procedure for taking samples and having the samples shall be certified to by both the owner and receiver*"

Page 1, line 21, delete everything after "*sampled*"

Page 1, delete lines 22 to 25

Page 2, line 1, delete the new language

Page 2, delete lines 6 and 7 and insert "*program division of the Minnesota department of agriculture who shall, upon request, . The head of the grain inspection division shall examine said grain samples submitted, and adjudge*"

Page 2, line 9, strike "or" and before "*other*" insert "*and*"

Page 2, line 13, after the period, insert "*The test results must be based on the arithmetic mean of the samples submitted.*"

Page 2, line 15, delete "*qualities*" and insert "*factors*"

Page 2, delete lines 16 to 27 and insert “*only the requested tests on the samples. Before the results of the inspection are released to the A person requesting the inspection, said person shall make payment of must pay the required fee before the results of the inspection are released. The fee charged shall must be the same as that required for similar services rendered by the grain inspection program division. Payment for the grain involved in a disagreement must be made on the basis of grade, dockage, moisture content, protein content, and other market pricing factors certified by the department on samples submitted. An appeal of the determination made by the department may be made as provided under the United States Grain Standards Act, United States Code, title 7, section 79, subsection (c), and the code of Federal Regulations, title 7, sections 800.125 to 800.140. A person receiving or delivering grain that is subject to this section is liable for damages resulting from not abiding by the determination made by the department. A person who violates this section is subject to penalties prescribed in section 17B.29.*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 583: A bill for an act relating to education; removing references to repealed statutes; removing obsolete language; amending Minnesota Statutes 1986, sections 122.541, subdivision 2; 125.611, subdivisions 10, 11, 12, and 13; 136D.27; 136D.74, subdivision 2; and 136D.87; repealing Minnesota Statutes 1986, section 125.611, subdivisions 8 and 9.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

FOUNDATION AND GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1986, section 124.17, is amended by adding a subdivision to read:

Subd. 1b. [AFDC PUPIL UNITS.] In a district in which the number of pupils from families receiving aid to families with dependent children equals six percent or more of the actual pupil units in the district for the same year, as computed in subdivision 1, each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent. In a district in which the percent of concentration is less than six, additional pupil units may not be counted for such pupils. A pupil may not be counted as more than .6 additional pupil unit under this subdivision. The weighting in this subdivision is in addition to the weighting provided in subdivision 1.

Sec. 2. Minnesota Statutes 1986, section 124.2162, is amended by adding a subdivision to read:

Subd. 3. [REDISTRIBUTION.] For purposes of aid calculations, the commissioner may redistribute current year teacher retirement and FICA obligations among districts that have agreements for sharing staff or for cooperative education of pupils to adjust for changes in staffing patterns

between the base year and the current year resulting from the agreements.

Sec. 3. Minnesota Statutes 1986, section 124A.02, subdivision 9, is amended to read:

Subd. 9. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. ~~The formula allowance shall be \$1,585 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year.~~ The formula allowance shall be \$1,690 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year. The formula allowance is \$1,700 for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year.

Sec. 4. Minnesota Statutes 1986, section 124A.02, subdivision 16, is amended to read:

Subd. 16. [PUPIL UNITS, AFDC.] ~~For the 1984-1985 and 1985-1986 school years, "AFDC pupil units" means 98.5 percent of the pupil units identified in Minnesota Statutes 1980, section 124.17, subdivision 1, clauses (4) and (5) in the 1980-1981 school year.~~

~~For the 1986-1987 school year and each year thereafter, "AFDC pupil units" means pupil units identified in section 124.17, subdivision 1a.~~

Sec. 5. Minnesota Statutes 1986, section 124A.21, is amended to read:

124A.21 [ISOLATED SCHOOL AID FOR ST. LOUIS COUNTY DISTRICT.]

~~In the 1985-1986 and 1986-1987 1987-1988 school years, a district having more than 2,500 square miles in area and operating six or more secondary schools shall be entitled to additional foundation aid. The additional aid shall equal \$50 times the actual pupil units in each of these the school years year.~~

Sec. 6. [124A.22] [GENERAL EDUCATION REVENUE.]

Subdivision 1. [GENERAL EDUCATION REVENUE.] The general education revenue for each district equals the sum of the district's basic revenue, compensatory education revenue, training and experience revenue, and sparsity revenue.

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. The formula allowance is \$2,724 for the 1988-1989 school year.

Subd. 3. [COMPENSATORY EDUCATION REVENUE.] The compensatory education revenue for each district equals the formula allowance times the AFDC pupil units counted according to section 1 for the school year.

Subd. 4. [TRAINING AND EXPERIENCE REVENUE.] The training and experience revenue for each district equals the greater of zero or the result of the following computation:

(a) Subtract 1.6 from the training and experience index.

(b) Multiply the result in clause (a) by the product of \$700 times the actual pupil units for the school year.

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to subdivision 6.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades seven through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades seven through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually-traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

Subd. 6. [SPARSITY REVENUE.] A district's sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

(1) the formula allowance for the school year, multiplied by

(2) the secondary average daily membership of the high school, multiplied by

(3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by

(4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

Sec. 7. [124A.23] [GENERAL EDUCATION LEVY AND AID.]

Subdivision 1. [GENERAL EDUCATION MILL RATE.] The commissioner of revenue shall establish and certify the general education mill rate to the commissioner of education by August 1 of each year for levies payable in the following year. The general education mill rate shall be a rate, rounded up to the nearest tenth of a mill, which, when used to calculate the levy in subdivision 2 for all districts, raises the amount specified in this subdivision. The general education mill rate for the 1989 fiscal year shall be sufficient to raise \$1,067,000,000. The general education mill rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

Subd. 2. [GENERAL EDUCATION LEVY.] To obtain general education revenue, a district may levy an amount not to exceed the general education mill rate times the adjusted assessed valuation of the district for the pre-

ceding year. If the amount of the general education levy would exceed the general education revenue, the amount of the general education levy must be limited to the amount of the general education revenue minus any payments made according to section 124A.035, subdivision 4. The adjusted assessed valuation must be determined each year by the equalization aid review committee according to section 124.2131.

Subd. 3. [GENERAL EDUCATION AID.] A district's general education aid is the difference between the general education revenue and the general education levy, multiplied times the ratio of the actual amount levied to the permitted levy.

Subd. 4. [USES OF REVENUE.] General education revenue may be used during the regular school year and the summer for general and special school purposes.

Sec. 8. [124A.24] [RESERVED REVENUE FOR CERTAIN PROGRAMS.]

Subdivision 1. [REQUIREMENT.] Two and one-fourth percent of the basic revenue under section 6, subdivision 2, shall be reserved and may be used only to provide one or more of the programs enumerated in this section. The school board shall determine which programs to provide, the manner in which they will be provided, and the extent to which other money may be used for the programs. The remaining basic revenue under section 6, subdivision 2, may be used to provide one or more of the programs enumerated in this section.

Subd. 2. [STATE ASSISTANCE.] The state board of education and the commissioner of education shall provide assistance to school boards offering the programs enumerated in this section. The state board or commissioner may establish an advisory committee for any program area. Technical assistance shall be provided commensurate with school board and district needs. State board of education rules apply to all programs or portions of programs offered.

Subd. 3. [SEPARATE RECORDS.] A district offering any program enumerated in this section shall maintain records of the expenditures for each program offered.

Subd. 4. [ARTS EDUCATION AND COMPREHENSIVE ARTS PLANNING PROGRAMS.] A school board may use the reserved revenue to provide a variety of arts education programs for its pupils and staff. The programs may involve comprehensive arts planning, staff development, curriculum offerings, and arts activities for all forms of creative and artistic endeavors.

Subd. 5. [CHEMICAL ABUSE PREVENTION.] A school board may use the reserved revenue to offer a program to prevent chemical abuse among pupils in public and nonpublic schools and area vocational technical institutes.

Subd. 6. [GIFTED AND TALENTED.] A school board may use the reserved revenue to offer programs for gifted and talented pupils.

Subd. 7. [INTERDISTRICT COOPERATION TO EXPAND CURRICULUM.] A school board may use the reserved revenue to expand curricular offerings in secondary mathematics, secondary science, foreign languages, and computer usage by entering into cooperation agreements with other school boards. The agreements shall emphasize instruction and minimize administrative costs.

Subd. 8. [MASTERY LEARNING IN READING.] A school board may use the reserved revenue to offer a mastery learning program with individualized learning plans for reading for pupils in kindergarten to grade three.

Subd. 9. [PLANNING, EVALUATING, REPORTING, AND ASSESSING.] A school board may use the reserved revenue to fulfill its obligations under article 8, section 14, and section 126.67 to plan, evaluate, report, and assess.

Subd. 10. [PROGRAMS OF EXCELLENCE.] A school board may use the reserved revenue for a secondary academic program designated by the commissioner of education as a program of excellence. The commissioner shall establish criteria for the programs of excellence and may approve applications of not more than 100 nonresident pupils to attend the programs full-time. The district of attendance may count a pupil attending a program as a resident pupil for the purpose of determining aids and levies.

Subd. 11. [REGIONAL MANAGEMENT AND EDUCATIONAL SERVICES FOR DISTRICTS.] A school board may use the reserved revenue to obtain the services of an educational cooperative service unit or other regional provider of management, computer, and educational services for pupils and staff.

Subd. 12. [SECONDARY VOCATIONAL EDUCATION.] A school board may use the reserved revenue to offer secondary vocational education programs. The rules of the state board of education shall enable a pupil to enroll in courses in these programs for less than an entire school year. The rules must not require a school board to offer more than four credits or 560 hours of these course offerings in any school year. The rules must not incorporate provisions of the state plan for vocational education by reference.

Subd. 13. [TOBACCO USE PREVENTION.] A school board may use the reserved revenue to offer a program to prevent tobacco use among pupils in public and nonpublic schools and area vocational technical institutes. The program must prohibit tobacco use by minors on school premises.

Sec. 9. [124A.25] [REDUCTION TO GENERAL EDUCATION REVENUE.]

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the net unappropriated operating fund balance as of June 30 in the second prior school year exceeds \$600 times the actual pupil units in the second prior year. The amount of the reduction shall equal the lesser of:

- (1) the amount of the excess, or*
- (2) \$150 times the actual pupil units for the school year.*

Subd. 2. [LEVY REDUCTION.] If a district's general education revenue is reduced, the general education levy shall be reduced by the following amount:

- (1) the reduction specified in subdivision 1, times*
- (2) the ratio of the district's general education levy to its general education revenue.*

Subd. 3. [AID REDUCTION.] A district's general education aid shall be reduced by an amount equal to the difference between the revenue reduction and the levy reduction.

Sec. 10. [124A.26] [COMPENSATORY EDUCATION REVENUE.]

Subdivision 1. [USE OF THE REVENUE.] The compensatory education revenue under section 6, subdivision 3, may be used only to meet the special educational needs of pupils whose educational achievement is below the level that is appropriate for pupils of their age. These needs may be met by providing these pupils at least some of the following:

(1) remedial instruction in reading, language arts, and mathematics to improve the achievement level of the pupils;

(2) additional teachers and teacher aides to provide more individualized instruction to these pupils;

(3) summer programs that enable these pupils to improve their achievement or that reemphasizes material taught during the regular school year;

(4) in-service education for teachers, teacher aides, principals, and other personnel to recognize these pupils and provide appropriate responses to their needs;

(5) for instruction of these pupils, textbooks, workbooks, periodicals, pamphlets, photographs, reproductions, filmstrips, prepared slides, pre-recorded video programs, sound recordings, desk charts, games, study prints and pictures, desk maps, models, learning kits, blocks and cubes, flashcards, instructional computer software programs, pencils, pens, crayons, notebooks, duplicating fluids, and papers;

(6) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services; and

(7) bilingual programs, bicultural programs, and programs for pupils of limited English proficiency.

Subd. 2. [SEPARATE ACCOUNTS.] Each district receiving compensatory education revenue shall maintain separate accounts to identify expenditures for salaries and programs related to this revenue.

Sec. 11. [124A.27] [SUPPLEMENTAL REVENUE.]

Subdivision 1. [GENERAL REVENUE ALLOWANCE.] "General revenue allowance" for a school year means the result of the following computation:

(1) a district's general education revenue for the same year, minus any revenue reduction according to section 9, divided by

(2) the district's actual pupil units for the same year.

Subd. 2. [CATEGORICAL ALLOWANCE.] "Categorical allowance" for a district means the sum of its direct categorical aid, direct categorical levies, and indirect categorical revenue, divided by its 1987-1988 actual pupil units.

Subd. 3. [DIRECT CATEGORICAL AID.] "Direct categorical aid" means the total aid earned by a district for the 1987-1988 school year for the following categories:

- (1) chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;*
- (2) gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;*
- (3) tobacco use prevention aid, according to Minnesota Statutes 1986, section 124.252;*
- (4) interdistrict cooperation aid, according to Minnesota Statutes 1986, section 124.272;*
- (5) aid for planning, evaluation, and reporting process, according to Minnesota Statutes, section 124.274;*
- (6) arts education aid, according to Minnesota Statutes 1986, section 124.275;*
- (7) secondary vocational education aid, according to Minnesota Statutes 1986, section 124.573;*
- (8) summer program aid, according to Minnesota Statutes 1986, section 124A.033;*
- (9) programs of excellence grants, according to Minnesota Statutes 1986, section 126.60;*
- (10) venture fund grants, according to Minnesota Statutes 1986, section 129B.04; and*
- (11) comprehensive arts in education planning grants, according to Minnesota Statutes 1986, section 129B.20.*

Subd. 4. [DIRECT CATEGORICAL LEVIES.] "Direct categorical levies" means the sum of the tax levies certified by a district in 1986 for the following purposes:

- (1) financial audits, according to Minnesota Statutes 1986, section 6.62;*
- (2) summer programs, according to Minnesota Statutes 1986, section 124A.03;*
- (3) unemployment insurance costs, according to Minnesota Statutes 1986, section 268.06, subdivision 25;*
- (4) civil service retirement, according to Minnesota Statutes 1986, section 275.125, subdivision 6a;*
- (5) interdistrict cooperation, according to Minnesota Statutes 1986, section 275.125, subdivision 8a; and*
- (6) liability insurance costs, according to Minnesota Statutes 1986, section 466.06.*

Subd. 5. [INDIRECT CATEGORICAL REVENUE.] "Indirect categorical revenue" means the total amount allocated to the district by intermediate districts and other employing units of which the district is a member, for the following categories of revenue for the 1987-1988 school year:

- (1) contracts for regional services for educational effectiveness, according to Minnesota Statutes 1986, section 121.609, subdivision 4;*

(2) regional reporting subsidy grants, according to Minnesota Statutes 1986, section 121.935, subdivision 5;

(3) teacher retirement and FICA aid, according to Minnesota Statutes 1986, section 124.2163;

(4) secondary vocational education aid, according to Minnesota Statutes 1986, section 124.573;

(5) levies for secondary vocational education certified in 1986 by intermediate or joint school boards, according to Minnesota Statutes 1986, sections 136D.27, 136D.74, and 136D.87; and

(6) payments by the state for general administration of educational cooperative service units.

For the purposes of this subdivision, intermediate school districts and other employing units, as defined in Minnesota Statutes 1986, section 124.2161, shall allocate the amounts of all revenues described in this subdivision among their member districts.

Subd. 6. [MINIMUM ALLOWANCE.] "Minimum allowance" for a district means the categorical allowance plus \$15 plus the result of the following computation:

(1) the sum of the basic foundation revenue, cost differential tier revenue, second tier revenue, third tier revenue, fourth tier revenue, fifth tier revenue, declining pupil unit revenue, and teacher retirement and FICA aid the district would have received for the 1988-1989 school year if the provisions of Minnesota Statutes 1986, sections 124.2161 and 124.2162 and chapter 124A, had been effective for the 1988-1989 school year, divided by

(2) the district's actual pupil units for the 1988-1989 school year.

The minimum allowance shall be calculated assuming a formula allowance of \$1,700 for the 1988-1989 school year.

Subd. 7. [REVENUE AMOUNT.] If a district's minimum allowance exceeds its general revenue allowance for a school year, the district shall receive supplemental revenue equal to the amount of the excess times the actual pupil units for the school year.

Subd. 8. [SUPPLEMENTAL LEVY.] To obtain supplemental revenue, a district may levy an amount not to exceed the product of its supplemental revenue for the school year times the ratio of its general education levy to its general education revenue for the same year.

Subd. 9. [SUPPLEMENTAL AID.] A district's supplemental aid is the difference between its supplemental revenue and its supplemental levy, times the ratio of the actual amount levied to the permitted levy.

Subd. 10. [USES OF REVENUE.] Supplemental revenue may be used during the regular school year and the summer for general and special school purposes.

Sec. 12. Minnesota Statutes 1986, section 129B.43, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] A school district or group of districts that wishes to receive a grant for may establish an improved learning programs may apply to the council on quality education for approval pro-

~~gram. Programs may be approved for one portion of a school population, one or several attendance areas, or one or a group of districts.~~

Sec. 13. Minnesota Statutes 1986, section 129B.43, subdivision 4, is amended to read:

Subd. 4. [RULES AND RIGHTS.] ~~On recommendation of the council of quality education,~~ The state board of education may waive school district compliance with its rules which would prevent implementation of an improved learning program. Participation in an improved learning program as a principal-teacher, counselor-teacher, or career teacher shall not affect seniority in the district or rights under the applicable collective bargaining agreement.

Sec. 14. Minnesota Statutes 1986, section 136D.27, is amended to read:

136D.27 [TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.]

~~Each year the joint school board may each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational technical schools,~~ certify to each participating school district ~~the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for special education and 7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education.~~ Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 15. Minnesota Statutes 1986, section 136D.74, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY.] ~~Each year the intermediate school board may in each year for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred~~ certify to each county auditor of each county in which said intermediate school district shall lie, as a single taxing district, ~~the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and 5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education.~~ Said annual tax levies shall be certified pursuant to section 275.07. Upon such certification the county auditor or auditors and other appropriate county officials shall levy and collect such levies and remit the proceeds of collection thereof to the intermediate school district as in the case with independent school districts. Such levies shall not be included in computing the limitations, if any, upon the levy of the intermediate district or any of the participating districts under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdi-

vision 3a, 124A.14, subdivision 5a, and 275.125.

Sec. 16. Minnesota Statutes 1986, section 136D.87, is amended to read:
136D.87 [TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.]

Each year the joint school board may each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational technical schools, certify to each participating school district the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 17. Minnesota Statutes 1986, section 275.125, subdivision 4, is amended to read:

Subd. 4. [MISCELLANEOUS LEVY AUTHORIZATIONS.] A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by *Minnesota Statutes 1974*, section 275.125, subdivision 3, clause (7) (C); ~~as it read in Minnesota Statutes 1974; the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; and the amounts necessary to pay the district's obligations under section 122.533; and the amounts necessary to pay the district's insurance premium costs under section 466.06.~~

Sec. 18. [APPROPRIATION.]

Subdivision 1. [TO DEPARTMENT OF EDUCATION.] There is appropriated from the general fund, or another named fund, to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [FOUNDATION AID.] For foundation aid there is appropriated:

\$860,319,700 _____1988,

\$126,482,100 _____1989.

The appropriation for aid for fiscal year 1988 includes \$121,712,400

for aid for fiscal year 1987 payable in fiscal year 1988 and \$738,607,300 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriation for aid for fiscal year 1989 is for aid for fiscal year 1988 payable in fiscal year 1989.

Subd. 3. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For general and supplemental education aid there is appropriated:

\$989,747,000 _____1989.

The appropriation is for aid for fiscal year 1989 payable in fiscal year 1989. \$659,500 is from the public health fund and \$989,087,500 is from the general fund.

Subd. 4. [TEACHER RETIREMENT AND FICA AID.] For teacher retirement and FICA aid there is appropriated:

\$235,255,000 _____1988,

\$ 35,520,000 _____1989.

The appropriation for aid for fiscal year 1988 includes \$33,975,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$201,280,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 is for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$236,800,000 for fiscal year 1988.

Subd. 5. [SUMMER PROGRAMS.] For summer program aid according to Minnesota Statutes, section 124A.033, subdivision 3, there is appropriated:

\$8,177,800 _____1988.

The appropriation for fiscal year 1988 is for aid for programs in summer 1987.

Subd. 6. [CANCELLATION.] Except as provided in Minnesota Statutes, section 124.14, subdivision 7; none of the amounts appropriated in subdivision 3 shall be expended for a purpose other than the purpose indicated.

Sec. 19. [REPEALER.]

Subdivision 1. [JUNE 30, 1987.] Minnesota Statutes 1986, sections 124.185; 124.65; 124.66; 124A.02, subdivisions 2, 7, and 14; 124A.03, subdivisions 1, 1a, 3, 4, and 6; 124A.06, subdivision 3a; 124A.08, subdivision 3a; 124A.10, subdivision 3a; 124A.12, subdivision 3a; 124A.14, subdivision 5a; 124A.20, subdivision 2; 129B.01; 129B.02; 129B.04; 129B.05; and 275.125, subdivisions 3, 6a, and 8a, are repealed June 30, 1987.

Subd. 2. [MAY 30, 1988.] Minnesota Statutes 1986, section 124A.033, is repealed May 30, 1988.

Subd. 3. [JUNE 30, 1988.] Minnesota Statutes 1986, sections 121.935, subdivision 5; 123.3514, subdivision 9; 124.17, subdivisions 1a and 2d; 124.2161; 124.2162; 124.2163; 124.246; 124.247; 124.252; 124.272; 124.274; 124.275; 124.573; 124A.01; 124A.02, subdivisions 5, 6, 9, 10, 11, 12, and 13; 124A.035, subdivision 1; 124A.04; 124A.06, subdivisions 1, 1a, 1b, 2, and 4; 124A.08, subdivisions 1, 2, 4, and 5; 124A.10, subdivisions 1, 2, and 4; 124A.12, subdivisions 1, 2, and 4; 124A.14, subdivisions 1, 2, 3, 4, 5, and 6; 124A.16; 124A.20, subdivisions 1 and

3; 124A.21; 126.031, subdivision 2; 126.264, subdivision 3; 126.267; 126.268, subdivision 2; 126.60; 126.62; 126.64; 126.65; 126.70; 126.71; 126.72; 126.80; 126.81; 129B.17; 129B.20; 129B.21; 129B.35; 129B.43, subdivisions 2, 3, and 6; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; and 129B.67 are repealed June 30, 1988.

Subd. 4. [EFFECT OF REPEALER.] According to Minnesota Statutes, section 645.35, the repeal of the sections listed in this section does not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids payable in fiscal year 1989, that are attributable to the 1987-1988 school year under or by virtue of the sections repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1, 6, 7, 8, 9, 10, and 11 are effective for revenue for the 1988-1989 school year and thereafter.

ARTICLE 2

PUPIL TRANSPORTATION

Section 1. Minnesota Statutes 1986, section 124.225, subdivision 1, is amended to read:

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

(a) "FTE" means a transported full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in clause (e)(1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982 for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education, and adjusted pursuant to subdivision 7a.

(d) "Aid entitlement per FTE" means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) "Transportation category" means a category of transportation service provided to pupils. ~~For the 1984-1985 and 1985-1986 school years, each category includes transportation provided during the regular school year and in conjunction with a summer program eligible for aid and levy under~~

sections 124A.03 and 124A.033. For purposes of this section, transportation categories for the 1984-1985 and 1985-1986 school years are as follows:

(1) regular transportation is transportation services provided under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1);

(2) nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (9), and (10).

(1) For the purposes of this section, transportation categories for the 1986-1987 and 1987-1988 school year and thereafter years are as follows:

(1) (i) regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1); and

(2) (ii) nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10).

(2) For purposes of this section, for the 1988-1989 school year and thereafter, regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding the following transportation services provided under section 124.223, clause (1):

(i) transportation between schools;

(ii) noon transportation to and from school for kindergarten pupils attending half-day sessions;

(iii) late transportation home from school for pupils involved in after school activities; and

(iv) transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order.

Nonregular transportation is transportation services provided under section 124.223, clause (1), that are excluded from the regular category, and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10).

(f) "Pupil weighting factor" means the ratio of the actual district average cost per FTE in a particular transportation category in the base year to the actual district average cost per FTE in the regular transportation category in the base year.

(g) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(h) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(i) "Current year" means the school year for which aid will be paid.

(j) "Base year" means the second school year preceding the school year for which aid will be paid.

(k) "Base cost" for the 1984-1985 and 1985-1986 base years means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation. *Base cost in the 1986-1987 base year and after means the ratio of:*

(1) *the sum of*

(i) *the authorized cost in the base year for regular transportation as defined in clause (b), plus*

(ii) *the actual cost in the base year for transportation to and from school of secondary pupils who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus*

(iii) *the actual cost in the base year for transportation costs that are necessary because of extraordinary traffic hazards,*

(2) *to the sum of*

(i) *the number of FTE pupils transported in the regular category in the base year, plus*

(ii) *the number of secondary pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus*

(iii) *the number of pupils residing less than one mile from school who were transported to and from school in the base year because of extraordinary traffic hazards.*

(l) "Predicted base cost" means the base cost as predicted by subdivision 3.

Sec. 2. Minnesota Statutes 1986, section 124.225, subdivision 4b, is amended to read:

Subd. 4b. [FORMULA TERMS, 1984-1985 AND AFTER.] To predict the logarithm of the base cost for each district pursuant to subdivision 3 for ~~each school year~~ *the 1985-1986 base year*, the multiple regression formula shall use the following terms for each district:

(1) the logarithm of the lesser of (a) the number of authorized FTE's per square mile transported by the district in the regular transportation category, or (b) 200;

(2) whether the district is nonrural, based upon criteria established by the department of education; and

(3) the logarithm of the percentage of all FTE's transported in the regular category using buses that are not owned by the district.

To predict the logarithm of the base cost for each district according to subdivision 3 for the 1986-1987 base year and thereafter, the multiple regression formula shall use the following terms for each district:

(1) *the logarithm of the lesser of:*

(a) 200; or

(b) the quotient obtained by dividing the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of secondary pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school which they could attend or from the nonpublic school actually attended, plus

(iii) the number of pupils residing less than one mile from school who were transported to and from school in the base year because of extraordinary traffic hazards,

(c) by the area of the district in square miles;

(2) whether the district is nonrural, based upon criteria established by the department of education; and

(3) the logarithm of the percentage of all FTE's transported in the regular category using buses that are not owned by the district.

Sec. 3. Minnesota Statutes 1986, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by ~~4.3~~ 6.0 percent to determine the district's aid entitlement per FTE for the ~~1984-1985~~ 1986-1987 school year, by ~~8.9~~ 5.4 percent to determine the district's aid entitlement per FTE for the ~~1985-1986~~ 1987-1988 school year, and by ~~6.0~~ 5.1 percent to determine the district's aid entitlement per FTE for the ~~1986-1987~~ 1988-1989 school year.

Sec. 4. Minnesota Statutes 1986, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. [AID.] For the ~~1984-1985 and 1985-1986~~ school years a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services aid reduction pursuant to subdivision 8k, minus the amount raised by 1.75 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 1.75 mills. Transportation aid shall be computed as if the district had levied the amount raised by 1.75 mills.

(a) For the ~~1986-1987 and 1987-1988~~ school year and each year thereafter years, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services aid reduction pursuant to subdivision 8k, minus the amount raised by 2.25 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 2.25 mills. Transportation aid shall be computed as if the district had levied the amount raised by 2.25 mills.

(b) For the 1988-1989 school year and thereafter, a district's transportation aid is equal to the sum of its basic transportation aid under subdivision 8b, its nonregular transportation aid under subdivision 8i, and its nonregular transportation levy equalization aid under subdivision 8j, minus its contracted services aid reduction under subdivision 8k, minus its basic transportation levy limitation for the levy attributable to that school year under section 275.125, subdivision 5.

(c) If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the aid entitlement of off-formula districts in the same proportion.

Sec. 5. Minnesota Statutes 1986, section 124.225, subdivision 8i, is amended to read:

Subd. 8i. [NONREGULAR TRANSPORTATION AID.] ~~For the 1984-1985 school year and each year thereafter,~~ (a) A district's nonregular transportation aid shall be determined pursuant to this subdivision.

(b) For the 1986-1987 and 1987-1988 school years, nonregular transportation aid shall equal (a) (1) 20 percent of the first \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 40 percent of the next \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$20, times (b) (2) the number of total pupil units in the district in the current year.

(c) For the 1988-1989 school year and thereafter, nonregular transportation aid equals (1) 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$30, times (2) the number of total pupil units in the district in the current year.

Sec. 6. Minnesota Statutes 1986, section 124.225, subdivision 10, is amended to read:

Subd. 10. [DEPRECIATION.] Any school district which owns school buses or mobile units shall transfer annually from the unappropriated fund balance account in its transportation fund to the appropriated fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, clause (b)(4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of

(1) the district's total transportation aid without the reduction pursuant to subdivision 8a, plus

(2) for fiscal years 1985 and 1986 an amount equal to 1.75 mills times the adjusted assessed valuation of the district for the preceding year, and for fiscal year 1987 and thereafter, 2.25 mills times the adjusted assessed valuation of the district for the preceding year, plus the district's basic transportation levy limitation under section 275.125, subdivision 5;

(3) the district's contract services aid reduction under subdivision 8k, plus

(4) the district's nonregular transportation levy limitation under section 275.125, subdivision 5c.

Sec. 7. Minnesota Statutes 1986, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] ~~For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of 2.25 mills times the adjusted assessed valuation of the taxable property of the district for the preceding year. Each year, a school district may levy for school transportation services an amount not to exceed the basic transportation mill rate times the adjusted assessed valuation of the district for the preceding year. The commissioner of revenue shall establish and certify the basic transportation mill rate to the commissioner of education by August 1 of each year for levies payable in the following year. The basic transportation mill rate shall be a rate, rounded up to the nearest hundredth of a mill, that, when used to calculate the levy for all districts, raises the amount specified in this subdivision. The basic transportation mill rate for the 1988-1989 school year shall be sufficient to raise \$71,437,600. The basic transportation mill rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.~~

Sec. 8. [1987 DESEGREGATION LEVY.]

~~In addition to the levy authorized in Minnesota Statutes, section 275.125, subdivision 6e, in 1987 any district that is implementing a plan for desegregation mandated by the state board of education may levy for transportation for desegregation an amount not to exceed 1.5 mills times the adjusted assessed valuation of the district. Notwithstanding Minnesota Statutes, section 121.904, the proceeds of this levy may be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing aid adjustments according to Minnesota Statutes, section 124.155.~~

Sec. 9. [APPROPRIATIONS.]

~~Subdivision 1. [TO DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.~~

~~Subd. 2. [TRANSPORTATION AID.] For transportation aid there is appropriated:~~

~~\$91,005,800 _____1988,~~

~~\$87,876,700 _____1989.~~

~~The appropriation for aid for fiscal year 1988 includes \$12,194,300 for aid for fiscal year 1987 payable in fiscal year 1988 and \$78,811,500 for~~

fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$13,907,800 for aid for fiscal year 1988 payable in fiscal year 1989 and \$73,968,900 for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$92,719,300 for fiscal year 1988 and \$87,022,200 for fiscal year 1989.

Subd. 3. [TRANSPORTATION AID FOR POST-SECONDARY ENROLLMENT OPTIONS.] For transportation of pupils who attend post-secondary institutions according to Minnesota Statutes, section 123.3514, there is appropriated:

\$75,000 _____1988,

\$75,000 _____1989.

The commissioner shall allocate this appropriation among school districts based upon guidelines adopted by the state board of education under Minnesota Statutes, section 123.3514, subdivision 8.

Subd. 4. [PRORATION.] Except as provided in Minnesota Statutes, section 124.14, subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for any purposes indicated plus the amount of any transfers made according to Minnesota Statutes, section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts in the manner prescribed in Minnesota Statutes, section 124.225, subdivision 8a.

Sec. 10. [REPEALER.]

Minnesota Statutes 1986, section 124.225, subdivision 1a, is repealed.

ARTICLE 3

SPECIAL EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1986, section 120.03, subdivision 1, is amended to read:

Subdivision 1. Every child who has a hearing impairment, visual handicap, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, or deaf/blind handicap and needs special instruction and services, as determined by the standards of the state board, is a handicapped child. *In addition, every child under age five who needs special instruction and services, as determined by the standards of the state board, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a handicapped child.*

Sec. 2. Minnesota Statutes 1986, section 120.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN.] Every district shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section 120.03. ~~School age means the ages of three to~~ *Special instruction and services must be provided from birth until September 1 after the handicapped child becomes 21 years for children who are handicapped as*

defined in section 120.03 and *old but* shall not extend beyond secondary school or its equivalent. For purposes of this subdivision, the age of a handicapped child shall be the age as of September 1 of the calendar year in which the school year for which the child seeks special instruction and services commences. Every district may provide special instruction and services for handicapped children who have not attained school age. Local health, education, and social service agencies shall refer children from under age three to five who are known to need or suspected of needing special instruction and services to the school district. A school district is encouraged to contract with a developmental achievement center when the center is cost efficient for the district and when the center provides continuity of special instruction and services for handicapped children under the age of five and their families. Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full range of programs for education and services for handicapped children. This subdivision does not alter the compulsory attendance requirements of section 120.10.

Sec. 3. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 1b. [HIGH SCHOOL DIPLOMA.] Upon completion of secondary school or the equivalent, a handicapped pupil who satisfactorily attains the objectives in the pupil's individual education plan shall be granted a high school diploma that is identical to the diploma granted to a nonhandicapped pupil.

Sec. 4. Minnesota Statutes 1986, section 120.17, subdivision 2, is amended to read:

Subd. 2. [METHOD OF SPECIAL INSTRUCTION.] Special instruction and services for handicapped children must be based on the assessment and individual education plan. The instruction and services may be provided by one or more of the following methods:

- (a) in connection with attending regular elementary and secondary school classes;
- (b) establishment of special classes;
- (c) at the home or bedside of the child;
- (d) in other districts;
- (e) instruction and services in by special education cooperative centers established under this section, or in another member district of the cooperative center to which the resident district of the handicapped child belongs;
- (f) in a state university laboratory school or a University of Minnesota laboratory school;
- (g) in a state residential school or a school department of a state institution approved by the commissioner;
- (h) (g) in other states;
- (i) (h) by contracting with public, private or voluntary agencies;
- (j) (i) for children under age five and their families, programs and services established through collaborative efforts with other agencies or within the district; and

(j) for children under age five and their families, programs in which handicapped children are served with nonhandicapped children; and

(k) any other method approved by the commissioner.

Preference shall be given to providing special instruction and services to children under age three and their families in the residence of the child with the parent or primary caregiver or both present.

The primary responsibility for the education of a handicapped child shall remain with the district of the child's residence regardless of which method of providing special instruction and services is used. *The district of residence must inform the parents of the child about the methods of instruction that are available.*

Sec. 5. Minnesota Statutes 1986, section 120.17, subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board, in consultation with the departments of health and human services, ~~may adopt emergency rules and shall adopt permanent rules for instruction and services for children from under age three to five and their families.~~ *Until June 30, 1988, a developmental achievement center contracting with under contract to a school district to provide special instruction and services is eligible for variance from rules relating to personnel licensure. Until June 30, 1988, the licensure variance for a developmental achievement center shall be granted according to the same procedures and criteria used for granting a variance to a school district. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.*

Sec. 6. Minnesota Statutes 1986, section 120.17, subdivision 3a, is amended to read:

Subd. 3a. [SCHOOL DISTRICT OBLIGATIONS.] Every district shall ensure that: *the provisions in this subdivision apply to all handicapped children.*

(a) All handicapped children ~~are~~ *shall be* provided the special instruction and services ~~which~~ *that* are appropriate to their needs; *An individual education plan shall address the child's need to develop skills to live and work as independently as possible within the community. By grade nine or age 14, the plan shall address the child's needs for transition from secondary services to post-secondary education, employment, and community living.*

(b) Handicapped children ~~from under age three to five~~ and their families ~~are shall be~~ provided special instruction and services appropriate to the child's level of functioning and needs;

(c) Handicapped children and their parents or guardians ~~are shall be~~ guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment and educational placement of handicapped children;

(d) To the maximum extent appropriate, handicapped children, including those in public or private institutions or other care facilities, ~~are shall be~~ educated with children who are not handicapped, and ~~that~~ special classes, separate schooling, or other removal of handicapped children from the regular educational environment ~~occurs may occur~~ only when and to the extent that the nature or severity of the handicap is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(e) In accordance with recognized professional standards, testing and evaluation materials and procedures utilized for the purposes of classification and placement of handicapped children ~~are shall be~~ selected and administered so as not to be racially or culturally discriminatory; ~~and~~.

(f) The rights of the child ~~are shall be~~ protected when the parents or guardians are not known or not available, or the child is a ward of the state.

Sec. 7. Minnesota Statutes 1986, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to clause (d) at the district's initiative ~~after at least one attempt to obtain this consent through a conciliation conference held pursuant to clause (e)~~;

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a);

(d) Parents, guardians and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in the school district where the child resides, if ~~after at least one conciliation conference~~ the parent or guardian continues to object to:

- (1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;
- (2) the proposed placement of their child in, or transfer of their child to a special education program;
- (3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;
- (4) the proposed provision or addition of special education services for their child; or
- (5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with the person's objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) The decision of the hearing officer pursuant to clause (d) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the hearing review officer by the parent, guardian, or the school board of the district where the child resides pursuant to clause (f).

The local decision shall:

- (1) be in writing;
 - (2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;
 - (3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;
 - (4) state the amount and source of any additional district expenditure necessary to implement the decision; and
 - (5) be based on the standards set forth in subdivision 3a and the rules of the state board.
- (f) Any local decision issued pursuant to clauses (d) and (e) may be

appealed to the hearing review officer within 15 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

- (1) be in writing;
- (2) include findings and conclusions; and
- (3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(h) The commissioner of education, having delegated general supervision of special education to the appropriate staff, shall be the hearing review officer except for appeals in which:

- (1) the commissioner has a personal interest in or specific involvement with the student who is a party to the hearing;
- (2) the commissioner has been employed as an administrator by the district that is a party to the hearing;
- (3) the commissioner has been involved in the selection of the administrators of the district that is a party to the hearing;
- (4) the commissioner has a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;
- (5) the appeal challenges a state or local policy which was developed with substantial involvement of the commissioner; or
- (6) the appeal challenges the actions of a department employee or official.

For any appeal to which the above exceptions apply, the state board of education shall name an impartial and competent hearing review officer.

In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

(i) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise,

the child shall remain in the child's current educational placement and shall not be denied initial admission to school.

(j) The child's school district of residence, if different from the district where the child actually resides, shall receive notice of and may be a party to any hearings or appeals pursuant to this subdivision.

Sec. 8. Minnesota Statutes 1986, section 120.17, subdivision 5, is amended to read:

Subd. 5. [SCHOOL OF PARENTS' CHOICE.] Nothing in this chapter shall be construed as preventing parents of a handicapped ~~educable~~ child from sending such child to a school of their choice, if they so elect, subject to admission standards and policies to be adopted pursuant according to the provisions of sections ~~128A.01 to 128A.07~~ chapter 128A, and all other provisions of chapters 120 to 129.

Sec. 9. Minnesota Statutes 1986, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.] Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota ~~School state academy~~ for the deaf or the Minnesota ~~Braille and Sight-Saving School state academy~~ for the blind shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which the child's parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivisions 1 or 2 that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the actual cost of providing the program; provided, however, that effective for the 1983-1984 school year and thereafter, the amount of tuition charged shall not exceed the sum of \$1,000 plus the foundation aid formula allowance of the district for that child, for an entire school year, or a prorated amount based on the portion of the school year for which the child is a resident of the district or is actually in membership in the program. For purposes of this subdivision, "foundation aid formula allowance" shall have the meaning attributed to it in section 124.32, subdivision 1a. The district of the child's residence shall pay the tuition and may claim foundation aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this subdivision. All tuition received by the state board shall be deposited in the state treasury.

(c) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

(d) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to make a tuition charge for less than the amount specified in clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause (c) for providing appropriate educational programs to pupils attending the applicable school.

(e) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to supply staff from the Minnesota ~~School~~ *state academy* for the deaf and the Minnesota ~~Braille and Sight-Saving School~~ *state academy for the blind* to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

Sec. 10. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of 15 members is established. The members and the chair shall be appointed by the governor. The council shall be composed of at least three parents of handicapped children under age seven, a representative of each of the commissioners of education, health, and human services, three representatives of public or private providers of services for handicapped children under age five, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education, at least one representative of advocacy organizations for handicapped children, and other members knowledgeable about handicapped children under age five. Section 15.059 applies to the council, except that the council is permanent and does not expire. The council shall meet at least quarterly.

The council shall address methods of developing, implementing, and financing comprehensive, coordinated, multidisciplinary, interagency programs of early intervention services for handicapped children and their families. The duties of the council include recommending both fiscal and program policies to ensure a comprehensive and coordinated system of all state and local agency services for handicapped children under age five and their families. The policies must address ways to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

Each year by January 15 the council shall submit its recommendations to the education committees of the legislature, the governor, and the commissioners of education, health, and human services.

Sec. 11. Minnesota Statutes 1986, section 120.17, subdivision 12, is amended to read:

Subd. 12. [INTERAGENCY EARLY LEARNING INTERVENTION COMMITTEE.] A district, group of districts, or special education cooperative, in cooperation with the county or counties in which the district or cooperative is located, shall establish an interagency early learning intervention committee for handicapped children under age five and their families. Members of the committee shall be representatives of local and re-

gional health, education, and county human service agencies; ~~developmental achievement centers~~ *early childhood family education programs*; current service providers; parents of young handicapped children; and other private or public agencies as appropriate. The committee shall elect a chair from among its members and shall meet ~~regularly~~ *at least quarterly*. The committee shall perform the following ongoing duties:

(1) identify current services and funding being provided within the community for handicapped children under the age of five and their families;

(2) establish and evaluate the identification, referral, and community learning systems to recommend, where necessary, alterations and improvements;

(3) facilitate the development of ~~interagency~~ *individual education plans and individual service plans* when necessary to appropriately serve handicapped children under the age of five and their families *and recommend assignment of financial responsibilities to the appropriate agencies*;

(4) *implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs*;

(5) review and comment on the early learning section of the total special education system for the district *and the county social services plan*; and

~~(5) review and comment on the funding sources that currently exist for the services being provided to handicapped children under the age of five and their families in the area~~

(6) *facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services.*

The departments of education, health, and human services are encouraged to provide assistance to the local agencies in developing cooperative plans for providing services.

Sec. 12. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 12a. [COMMUNITY INTERAGENCY COMMITTEE.] Districts located in a city of the first class shall establish or participate in an established community interagency committee for handicapped youth and their families. Members of the committee may consist of representatives from special education, vocational and regular education, community education, post-secondary education and training institutions, parents of handicapped youth, local business or industry, rehabilitation services, county social services, health agencies, and additional public or private adult service providers as appropriate. The committee shall elect a chair and shall meet regularly. The committee shall:

(1) *identify current services, programs, and funding sources provided within the community for elementary, secondary, and post-secondary handicapped youth and their families*;

(2) *facilitate the development of multiagency teams to address present and future service needs of individual students on their individual education plans*;

(3) *develop a community plan to include mission, goals, and objectives, and an implementation plan to assure that service needs of handicapped individuals are met*;

(4) recommend changes or improvements in the community system of services;

(5) exchange agency information such as appropriate data, effectiveness studies, special projects, exemplary programs, and creative funding of programs; and

(6) prepare a yearly summary assessing the progress of services in the community for handicapped youth and their families and disseminate it to all youth and adult services agencies involved in the planning and to the commissioner of education by September 1 of each year.

Sec. 13. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 14. [MAINTENANCE OF EFFORT BY COUNTIES AND SCHOOL DISTRICTS.] A county human services agency or county board shall continue to provide services for handicapped children under age five and their families as set forth in their county social service agency plan or as specified in the individual service plan and individual habilitation plan of each child. Special instruction and services for which a handicapped child is eligible under this section are not the responsibility of a county human services agency or county board. School districts and counties are encouraged to enter into agreements to cooperatively serve and provide funding for handicapped children under age five and their families.

Sec. 14. Minnesota Statutes 1986, section 120.17, is amended by adding a subdivision to read:

Subd. 15. [THIRD PARTY PAYMENT.] Nothing in this section relieves an insurer or similar third party from an otherwise valid obligation to pay or changes the validity of an obligation to pay for services to a handicapped child.

Sec. 15. Minnesota Statutes 1986, section 123.39, subdivision 1, is amended to read:

Subdivision 1. The board may provide for the free transportation of pupils to and from school, and to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. Every driver shall possess all the qualifications required by the rules of the state board of education. In any school district, the board shall arrange for the attendance of all pupils living two miles or more from the school through suitable provision for transportation or through the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. *The board shall provide transportation to and from the home of a handicapped child not yet enrolled in kindergarten when special instruction and services under section 120.17 are provided in a location other than in the child's home.* When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control and management of the school board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more econom-

ically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 16. Minnesota Statutes 1986, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted as follows: according to this subdivision.

~~(1) (a) A handicapped prekindergarten pupil who is enrolled for the entire school year in a program approved by the commissioner, for each handicapped prekindergarten pupil, one-half pupil unit for and has an individual education plan requiring up to 437 hours of assessment and education services in the school year as provided in the pupil's individual education plan or, for is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, a number of pupil units equal to the pupil is counted as the ratio of the number of hours of assessment and education service required in the school year by the pupil's individual education program plan, developed pursuant to the rules of the state board, to 875, but not more than one pupil unit.~~

~~(2) In an elementary school:~~

~~(b) A handicapped prekindergarten pupil who is enrolled for less than the entire school year in a program approved by the commissioner is counted as the greater of (1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year, or (2) the ratio of the number of hours of assessment and education service required in the school year by the pupil's individual education program plan to 875, but not more than one.~~

~~(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.~~

~~(a) for each (d) A handicapped kindergarten pupil, as defined in section 120.03, who is enrolled in a program approved by the commissioner, a number of pupil units equal to is counted as the ratio of the number of hours of assessment and education services required in the school year by the pupil's individual education program plan, developed pursuant to the rules of the state board, to 875, but not more than one pupil unit;~~

~~(b) for (e) A kindergarten pupils, other than those in clause (a), enrolled in one-half day sessions throughout the school year or the equivalent thereof, one-half pupil unit; and pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.~~

~~(e) for other elementary pupils, one pupil unit (f) A pupil who is in any of grades one to six is counted as one pupil unit.~~

~~(3) in secondary schools; (g) A pupil who is in any of grades seven to 12 is counted as 1-4/10 pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.~~

Sec. 17. Minnesota Statutes 1986, section 124.175, is amended to read:

124.175 [AFDC PUPIL COUNT.]

Each year by March 1, the department of human services shall certify to the department of education, for each school district, *each participating American Indian school, and each tribal contract school, as defined in section 19*, the number of pupils from families receiving aid to families with dependent children who were enrolled in a public school, *participating American Indian school, or tribal contract school* on October 1 of the preceding year.

Sec. 18. Minnesota Statutes 1986, section 124.223, is amended to read:
124.223 [TRANSPORTATION AID AUTHORIZATION.]

School transportation and related services for which state transportation aid is authorized are:

(1) [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] Transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to, from, or between the schools the resident pupils attend pursuant to a program approved by the commissioner of education; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79;

(2) [OUTSIDE DISTRICT.] Transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to and from a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) [SECONDARY VOCATIONAL CENTERS.] Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) [HANDICAPPED.] Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by section 120.17 are provided, within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to *any distance requirement for children not yet enrolled in kindergarten* or to the requirement in clause (1) that elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid;

(5) [BOARD AND LODGING; NONRESIDENT HANDICAPPED.] When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) [SHARED TIME.] Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education, and necessary transportation required by section 120.17, subdivision 9 for resident handicapped pupils who are provided special instruction and services on a shared time basis;

(7) [FARIBAULT STATE SCHOOLS.] Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) [SUMMER INSTRUCTIONAL PROGRAMS.] Services described in clauses (1) to (7) and (9) and (10) when provided in conjunction with a summer program eligible for aid and levy under sections 124A.03 and 124A.033;

(9) [COOPERATIVE ACADEMIC AND VOCATIONAL.] Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes approved by the commissioner or secondary vocational classes not provided at a secondary vocational center which are approved by the commissioner for resident pupils of any of these districts; and

(10) [NONPUBLIC SUPPORT SERVICES.] Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935.

Sec. 19. [124.482] [AMERICAN INDIAN SCHOOLS.]

Subdivision 1. [DEFINITIONS.] (a) "Tribal contract school" or "school" means a school that is operated by a tribal government, is not an experimental school associated with a school district, and receives aid through a financial assistance contract with the Bureau of Indian Affairs.

(b) "Federal payment" means an amount paid to a school by the Bureau of Indian Affairs.

(c) "Participating American Indian school" or "participating school" means a school that meets all of the following:

(1) is nonsectarian and controlled by American Indians;

(2) is accredited by or making progress toward accreditation by the north central association commission on schools;

(3) has been in existence for at least three consecutive school years; and

(4) serves pupils who are members of or qualified for membership in one or more federally recognized Indian tribes.

Subd. 2. [FOUNDATION OR GENERAL EDUCATION AID.] Each year the state shall pay foundation aid or general education aid to a tribal contract school. The amount of aid equals:

(1) the foundation aid formula allowance or 90 percent of the general education formula allowance times the school's actual pupil units, calculated in the same manner as that used for school districts; minus

(2) the total federal payment to the school for basic programs for the same year.

Subd. 3. [COMPENSATORY EDUCATION REVENUE.] Each year the school district in which a participating American Indian school is located shall pay compensatory education revenue to that school. The district shall not place any restrictions or conditions on the payment. The payment equals the foundation aid or general education formula allowance times the school's AFDC pupil units, calculated in the same manner as that used for school districts.

Subd. 4. [GRANTS.] Tribal contract and participating American Indian schools are eligible to apply to the state board or commissioner of education, as applicable, for any grants that are available to school districts.

Sec. 20. Minnesota Statutes 1986, section 126.54, subdivision 1, is amended to read:

Subdivision 1. [GRANTS; PROCEDURES.] ~~For Each fiscal years 1983, 1984, and 1985~~ year the state board of education shall make grants to no fewer than six school year American Indian language and culture education programs. At least three programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 21. Minnesota Statutes 1986, section 128A.01, is amended to read:

128A.01 [LOCATION.]

The Minnesota state academy for the deaf and the Minnesota state academy for the blind shall be ~~continued~~ located at Faribault as residential schools and as a resource center for school districts, and shall be grouped and classed with the educational institutions of the state.

Sec. 22. Minnesota Statutes 1986, section 128A.02, subdivision 2, is amended to read:

Subd. 2. The state board shall promulgate rules regarding the operation of both academies and the individuals in attendance, and shall perform all duties necessary to provide the most beneficial and least restrictive program of education for each child handicapped by visual disability or hearing impairment. *The academies shall provide various levels of service, as defined in the rules of the state board of education, for the pupils. Developmental needs of the pupils shall be addressed by the academies. The academies shall provide opportunities for the pupils to be educated with nonhandicapped pupils, according to assessments and individual education plans.*

Sec. 23. Minnesota Statutes 1986, section 128A.02, subdivision 4, is amended to read:

Subd. 4. The state board may enter into contracts with other public and private agencies and institutions to provide residential and building maintenance services if it determines that these services could thus be provided

in a more efficient and less expensive manner. The state board may also enter into contracts with public and private agencies and institutions, school districts or combinations thereof, and educational cooperative service units, and counties to provide respite care and supplementary educational instruction and services, including assessments and counseling.

Sec. 24. [128A.021] [RESOURCE CENTER FOR THE HEARING IMPAIRED AND VISUALLY IMPAIRED.]

A resource center for hearing impaired and visually impaired pupils is established at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The resource center shall offer such programs as summer institutes for hearing impaired and visually impaired pupils in various regions of the state, workshops for teachers, and leadership development for teachers. Programs offered through the resource center shall promote and develop education programs offered by school districts and other organizations and shall provide assistance to school districts and other organizations in developing innovative programs. The resource center may contract with appropriate nonprofit organizations to provide programs through the resource center. The advisory council for the academies shall serve as the advisory council for the resource center.

Sec. 25. [128A.09] [SERVICE, SEMINAR, AND CONFERENCE FEES.]

Subdivision 1. [DEPOSIT; CREDIT.] Fees collected by the academies for services, seminars, and conferences must be deposited in the state treasury and credited to the revolving fund of the academies.

Subd. 2. [ADMINISTRATOR'S VOUCHERS.] Payment may be made from the revolving fund only according to vouchers authorized by the administrator of the academies. Money in the revolving fund is annually appropriated to the academies to defray expenses of the services, seminars, and conferences.

Sec. 26. [COMMISSION SPECIAL EDUCATION STUDY.]

The sum of \$100,000 is appropriated for fiscal year 1988 from the general fund to the legislative commission on public education for the commission to conduct a comprehensive qualitative and quantitative evaluation and analytical study of special education instruction and related service. The sum is available until June 30, 1989.

Sec. 27. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [NETT LAKE LIABILITY INSURANCE.] For a grant to independent school district No. 707, Nett Lake, to pay insurance premiums under Minnesota Statutes, section 466.06, there is appropriated:

\$40,000 _____1988.

The sum is available until June 30, 1989.

Subd. 3. [AMERICAN INDIAN TRIBAL CONTRACT SCHOOLS.] For aid to American Indian tribal contract schools there is appropriated:

\$ 21,300 _____1988,

\$394,700 _____1989.

The appropriation for aid in fiscal year 1988 includes \$21,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid in fiscal year 1989 includes \$3,700 for aid for fiscal year 1988 payable in fiscal year 1989 and \$391,000 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$25,000 for fiscal year 1988 and \$460,000 for fiscal year 1989.

Subd. 4. [COOK COUNTY INDIAN EDUCATION GRANT.] For grants to independent school district No. 166, Cook county, for Indian education at the Grand Portage elementary school there is appropriated:

\$50,000 _____1988,

\$50,000 _____1989.

The district must comply with the conditions in subdivision 6.

Subd. 5. [AMERICAN INDIAN EDUCATION.] For certain American Indian education programs in school districts there is appropriated:

\$174,755 _____1988,

\$174,755 _____1989.

The appropriation for aid for fiscal year 1988 includes \$26,213 for aid for fiscal year 1987 payable in fiscal year 1988 and \$148,542 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for fiscal year 1989 includes \$26,213 for aid for fiscal year 1988 payable in fiscal year 1989 and \$148,542 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$174,755 for fiscal year 1988 and \$174,755 for fiscal year 1989.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner shall not approve the payment of any amount to a school district pursuant to this subdivision unless that school district is in compliance with all applicable laws of this state.

Up to the following amounts may be distributed to the following school districts for each fiscal year: \$54,848 to independent school district No. 309-Pine Point School; \$9,685 to independent school district No. 166; \$14,949 to independent school district No. 432; \$14,053 to independent school district No. 435; \$42,163 to independent school district No. 707; and \$39,057 to independent school district No. 38. These amounts shall be expended only for the benefit of American Indian students and for the purpose of meeting established state educational standards or statewide requirements.

These appropriations are available only if there will not be available for the districts enumerated in this subdivision for the applicable school year any operation support funds from the federal Bureau of Indian Affairs pursuant to the Johnson-O'Malley Act, Public Law Number 73-167, or Code of Federal Regulations, title 25, section 273.31, or equivalent money from the same or another source.

Before a district can receive moneys pursuant to this subdivision, the district must submit to the commissioner of education evidence that it has:

(1) complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917. For each school year, compliance with Minnesota Statutes, section 121.908, subdivision 3a, shall require the school district to prepare one budget including the amount available to the district pursuant to this subdivision and one budget which does not include these moneys. The budget of that school district for the 1989-1990 school year prepared according to Minnesota Statutes, section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1988-1989 budgets and shall not include any moneys appropriated in this subdivision;

(2) conducted a special education needs assessment and prepared a proposed service delivery plan according to Minnesota Statutes, sections 120.03 and 120.17; Public Law Number 94-142, an act of the 94th Congress of the United States cited as the "Education for All Handicapped Children Act of 1975"; and applicable state board of education rules; and

(3) compiled accurate daily pupil attendance records.

Prior to approving payment of any amount to a school district pursuant to this subdivision, the commissioner shall review and evaluate each affected district's compliance with clauses (1), (2), and (3), and any other applicable laws, and each affected district's need for the moneys. Each affected district's net unappropriated fund balance in all operating funds as of June 30 of the previous school year shall be taken into consideration.

Subd. 6. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAM AID.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1, there is appropriated:

\$588,400 _____1988,

\$588,300 _____1989.

The appropriation for aid for fiscal year 1988 includes \$88,300 for aid for fiscal year 1987 payable in fiscal year 1988 and \$500,100 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$88,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$500,100 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$588,300 for fiscal year 1988 and \$588,300 for fiscal year 1989.

Subd. 7. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For Indian post-secondary preparation grants, according to Minnesota Statutes, section 124.481, there is appropriated:

\$781,400 _____1988,

\$781,400 _____1989.

Subd. 8. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships, according to Minnesota Statutes, section 124.48, there is appropriated:

\$1,581,800 _____1988,

\$1,581,800 ____1989.

Any unexpended balance remaining in the first year does not cancel but is available for fiscal year 1989.

Subd. 9. [HEARING IMPAIRED SUPPORT SERVICES AID.] *For payment of support services for hearing impaired persons according to Minnesota Statutes, section 121.201, there is appropriated:*

\$60,000 ____1988,

\$60,000 ____1989.

The appropriations are based on aid entitlements of \$60,000 for fiscal year 1988 and \$60,000 for fiscal year 1989.

Subd. 10. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] *For aid to educational programs for pupils of limited English proficiency according to Minnesota Statutes, section 124.273, there is appropriated:*

\$3,011,100 ____1988,

\$3,126,300 ____1989.

The appropriation for aid for fiscal year 1988 includes \$430,800 for aid for fiscal year 1987 payable in fiscal year 1988 and \$2,580,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$455,300 for aid for fiscal year 1988 payable in fiscal year 1989 and \$2,671,000 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$3,035,600 for fiscal year 1988 and \$3,142,300 for fiscal year 1989.

Subd. 11. [RESIDENTIAL FACILITIES AID.] *For aid according to Minnesota Statutes, section 124.32, subdivision 5, there is appropriated:*

\$1,573,000 ____1988,

\$1,564,000 ____1989.

Subd. 12. [SECONDARY VOCATIONAL HANDICAPPED.] *For aid for secondary vocational education for handicapped pupils according to Minnesota Statutes, section 124.574, there is appropriated:*

\$4,526,400 ____1988,

\$4,744,400 ____1989.

The appropriation for aid for fiscal year 1988 includes \$543,600 for aid for fiscal year 1987 payable in fiscal year 1988 and \$3,982,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$702,800 for aid for fiscal year 1988 payable in fiscal year 1989 and \$4,041,600 for aid for 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$4,685,600 for fiscal year 1988 and \$4,754,800 for fiscal year 1989.

Subd. 13. [SPECIAL EDUCATION AID.] *For special education aid there is appropriated:*

\$150,402,900 ____1988,

\$155,698,300 _____1989.

The appropriation for aid for fiscal year 1988 includes \$21,811,800 for aid for fiscal year 1987 payable in fiscal year 1988 and \$128,591,100 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$23,072,500 for aid for fiscal year 1988 payable in fiscal year 1989 and \$132,625,800 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$151,663,600 for fiscal year 1988 and \$156,410,300 for fiscal year 1989.

Subd. 14. [SUMMER SCHOOL SPECIAL EDUCATION AID.] For special education aid for summer school programs there is appropriated:

\$5,582,100 _____1988,

\$5,650,100 _____1989.

The appropriation for 1988 is for 1987 summer school programs.

The appropriation for 1989 is for 1988 summer school programs.

Subd. 15. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services for handicapped children under age five and their families there is appropriated:

\$246,300 _____1988,

\$359,200 _____1989.

The appropriation for aid for fiscal year 1988 includes \$35,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$211,200 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$37,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$322,000 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$248,400 for fiscal year 1988 and \$378,800 for fiscal year 1989.

Subd. 16. [PRORATION.] Except as provided in Minnesota Statutes, section 124.14, subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated plus the amount of any transfers made according to Minnesota Statutes, section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any additional amount for these purposes.

Sec. 28. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF ECONOMIC SECURITY.] There is appropriated from the general fund to the department of economic security the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [PINE POINT UNEMPLOYMENT COMPENSATION.] For payment of the obligation of independent school district No. 309, Pine Point, for unemployment compensation there is appropriated:

\$32,000 _____1988.

The sum is available until June 30, 1989.

Subd. 3. [NETT LAKE UNEMPLOYMENT COMPENSATION.] For payment of the obligation of independent school district No. 707, Nett Lake, for unemployment compensation there is appropriated:

\$20,000 _____1988.

The sum is available until June 30, 1989.

Sec. 29. [REPEALER.]

Minnesota Statutes 1986, sections 120.17, subdivision 13, and 124.273, subdivision 2b, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Sections 1, 2, and 4 are effective July 1, 1988.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1986, section 121.88, subdivision 7, is amended to read:

Subd. 7. [PROGRAM APPROVAL.] To be eligible for handicapped adult program revenue, a program and budget must receive approval from the community education section in the department of education. Approval may be for one or two years. For programs offered cooperatively, the request for approval must include an agreement on the method by which local money is to be derived and distributed. ~~The department may not exceed the amount appropriated when approving programs and budgets.~~ A request for approval must include all of the following:

- (1) characteristics of the people to be served;
- (2) description of the program services and activities;
- (3) program budget and amount of aid requested;
- (4) participation by handicapped adults in developing the program;
- (5) assessment of the needs of handicapped adults; and
- (6) cooperative efforts with community organizations.

Sec. 2. Minnesota Statutes 1986, section 123.703, subdivision 3, is amended to read:

Subd. 3. [REPORT.] The state board of education, in cooperation with the state commissioner of health, shall report to the legislature by February 1 of each *odd-numbered* year on the results of the screening programs in accomplishing the purposes specified in section 123.701. The report shall include information on the rates of children's participation in screening programs, on districts' costs for implementing the various components of the screening program, and on any exemptions granted from screening requirements because of financial infeasibility.

Sec. 3. Minnesota Statutes 1986, section 123.705, is amended to read:

123.705 [HEALTH SCREENING AID.]

Subdivision 1. [AID AMOUNTS.] ~~The department of education state shall pay each school district for the cost of screening services provided pursuant according to sections 123.701 to 123.705. The payment shall not~~

exceed \$15.60 per child screened in fiscal year 1985; \$16.15 per child screened in fiscal year 1986 and an amount equal to \$8.15 per child screened in fiscal year 1987.

Sec. 4. Minnesota Statutes 1986, section 124.26, is amended by adding a subdivision to read:

Subd. 1b. [PROGRAM REQUIREMENTS.] An adult basic and continuing education program is a day or evening program offered by a district that is for people over 16 years of age who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate. Tuition and fees may not be charged for instruction subsidized under this section, except for a security deposit to assure return of materials, supplies, and equipment.

Sec. 5. Minnesota Statutes 1986, section 124.26, is amended by adding a subdivision to read:

Subd. 1c. [ADULT BASIC AND CONTINUING EDUCATION AID.] The state shall pay aid for adult basic and continuing education programs equal to 75 percent of the salary for each teacher, counselor, coordinator of volunteers, and non-licensed instructional staff. In addition, the state shall pay aid equal to 75 percent of the expenditures for benefits, contracted services, supplies, and materials. Expenditures for which the district receives federal aid shall not qualify for state aid.

Sec. 6. Minnesota Statutes 1986, section 124.271, subdivision 2b, is amended to read:

~~Subd. 2b. [AID; 1986, 1987, 1988 AND AFTER.] (1) Each fiscal year a district which is operating that operates a community education program in compliance with rules promulgated by the state board shall receive community education aid.~~

~~For fiscal year 1986, the aid shall be an amount equal to the difference obtained by subtracting~~

~~(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from~~

~~(b) the greater of~~

~~\$7,000, or~~

~~\$5.25 times the population of the district.~~

~~For fiscal year 1987, the aid shall be an amount equal to the difference obtained by subtracting~~

~~(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from~~

~~(b) the greater of~~

~~\$7,140, or~~

~~\$5.35 times the population of the district. For fiscal year 1988 and each year thereafter, the aid shall be an amount equal to the difference obtained by subtracting~~

~~(a) an amount equal to .8 mill times the adjusted assessed valuation used~~

to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

\$7,340, or

\$5.50 times the population of the district.

For fiscal year 1989 and each year thereafter, the aid shall be an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

\$7,670, or

\$5.75 times the population of the district.

(2) However, for any district which certifies less than the maximum permissible levy under the provisions of section 275.125, subdivision 8, ~~clause (4) paragraph (a)~~, the district's community education aid under clause (1) of this subdivision shall be reduced by multiplying the aid amount computed pursuant to clause (1) of this subdivision by the ratio of the district's actual levy under section 275.125, subdivision 8, ~~clause (4) paragraph (a)~~, to its maximum permissible levy under section 275.125, subdivision 8, ~~clause (4) paragraph (a)~~. For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, ~~clause (4) paragraph (a)~~, shall not reflect reductions made pursuant to section 275.125, subdivision 9.

Sec. 7. Minnesota Statutes 1986, section 124.271, subdivision 7, is amended to read:

Subd. 7. [HANDICAPPED ADULT PROGRAM AID.] A district or group of districts offering an approved program for handicapped adults shall receive aid equal to the lesser of ~~\$25,000~~ \$30,000 or one-half of the amount of the approved budget. A district or group of districts shall provide the remaining half from other public or private sources, the levy authorized in section 275.125, subdivision 8, ~~clause (4) paragraph (d)~~, or combinations of sources.

Sec. 8. Minnesota Statutes 1986, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION OF MAXIMUM REVENUE.] ~~For fiscal year 1986 the "maximum revenue" for early childhood family education programs for a school year means the amount of revenue equal to the product of five percent of the foundation aid formula allowance for the current school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year. For fiscal year 1987 and each year thereafter, the "maximum revenue" for early childhood family education programs for a school year means the amount of revenue equal to the product of five percent of the foundation aid formula allowance for the prior school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year.~~

Sec. 9. Minnesota Statutes 1986, section 275.125, subdivision 8, is

amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] ~~(1)~~ (a) Each year, a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

~~\$5.50~~ \$5.75 times the population of the district, or

~~\$7,340~~ \$7,670.

~~(2)~~ (b) In addition to the levy authorized in ~~clause (1) paragraph (a)~~, each year a district may levy an additional amount for community education programs equal to the difference obtained by subtracting

~~(a)~~ (1) the sum in fiscal year 1984 of

(i) the district's estimated maximum permissible revenue for fiscal year 1985 from community education aid under section 124.271, subdivision 2b, clause (1), and

(ii) the community education levy authorized in ~~clause (1) paragraph (a)~~ of this subdivision, from

~~(b)~~ (2) the sum in fiscal year 1983 of

(i) the district's maximum permissible revenue from community education aid under Minnesota Statutes 1984, section 124.271, subdivision 2, excluding any reductions from community education aid made pursuant to Laws 1981, Third Special Session chapter 2, article 2, section 2, clause (mm), and Laws 1982, Third Special Session chapter 1, article 3, section 6, and

(ii) the maximum community education levy authorized in this subdivision for the district for the levy made in 1981, payable in 1982, before any reduction in the levy pursuant to subdivision 9.

~~(3)~~ (c) A district having an approved adult basic and continuing education program, according to section 124.26, may levy an amount not to exceed the amount raised by .1 mill times the adjusted assessed valuation of the district for the preceding year.

~~(4)~~ (d) A district having an approved program and budget may levy for a handicapped adult program. The levy amount may not exceed the lesser of one-half of the amount of the ~~approved budget for the program actual expenditures for approved programs~~ for the fiscal year beginning in the calendar year after the levy is certified or ~~\$25,000~~ \$30,000 for one program. In the case of a program offered by a group of districts, the levy amount shall be divided among the districts according to the agreement submitted to the department. The proceeds of the levy shall be used only for a handicapped adult program ~~or, if the program is subsequently not offered, for community education programs. For programs not offered, the department of education shall reduce the community education levy by the amount levied the previous year for handicapped adult programs.~~

~~(5)~~ (e) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.88 and 129B.06 to 129B.09, and 121.882. A school district may levy pursuant to this subdivision only after it has filed a certificate of

compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.

(6) (f) The population of the district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Sec. 10. [1987 LEVY FOR HANDICAPPED ADULT PROGRAMS.]

Notwithstanding Minnesota Statutes 1986, section 275.125, subdivision 8, clause (4), in 1987 a school district may levy the amount by which the levy for handicapped adult programs for fiscal years 1986, 1987, and 1988 was reduced because of proration of program budgets according to Minnesota Statutes 1986, section 121.88.

Sec. 11. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [ADULT BASIC AND CONTINUING EDUCATION AID.] For adult basic and continuing education aid according to Minnesota Statutes, section 124.26, there is appropriated:

\$3,181,400 ... 1988,

\$4,126,500 ... 1989.

The amount appropriated for aid for fiscal year 1988 includes \$278,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$2,903,400 for aid for fiscal year 1988 payable in fiscal year 1988.

The amount appropriated for aid for fiscal year 1989 includes \$512,300 for aid for fiscal year 1988 payable in fiscal year 1989 and \$3,614,200 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$3,415,700 for fiscal year 1988 and \$4,252,000 for fiscal year 1989.

Subd. 3. [ADULT HANDICAPPED PROGRAM AID.] For aid for handicapped adult programs according to Minnesota Statutes, section 124.271, there is appropriated:

\$450,000 ... 1988,

\$550,000 ... 1989.

Any unexpended balance remaining from the appropriations in this subdivision for 1988 does not cancel and is available for the second year of the biennium.

Subd. 4. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124.271, there is appropriated:

\$2,153,100 ... 1988,

\$2,678,300 ... 1989.

The amount appropriated for aid for fiscal year 1988 includes \$260,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$1,893,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The amount appropriated for aid for fiscal year 1989 includes \$334,000 for aid for fiscal year 1988 payable in fiscal year 1989 and \$2,344,300 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$2,227,000 for fiscal year 1988 and \$2,758,000 for fiscal year 1989.

Subd. 5. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid according to Minnesota Statutes, section 124.2711, there is appropriated:

\$7,279,000 ... 1988,

\$8,236,700 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$870,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$6,409,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$1,130,900 for aid for fiscal year 1988 payable in fiscal year 1989 and \$7,105,800 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$7,539,900 for fiscal year 1988 and \$8,359,800 for fiscal year 1989.

Subd. 6. [HEALTH AND DEVELOPMENTAL SCREENING.] For health and developmental screening aid according to Minnesota Statutes, section 123.705, there is appropriated:

\$436,400 ... 1988,

\$429,400 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$65,800 for aid for fiscal year 1987 payable in fiscal year 1988 and \$370,600 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$65,400 for aid for fiscal year 1988 payable in fiscal year 1989 and \$364,000 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$436,000 for fiscal year 1988 and \$428,200 for fiscal year 1989.

Subd. 7. [PRORATION.] Except as provided in Minnesota Statutes, section 124.14, subdivision 7, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated plus the amount of any transfers made according to Minnesota Statutes, section 124.14, subdivision 7, is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any additional amount for these purposes.

Sec. 12. [REPEALER.]

Minnesota Statutes 1986, section 124.26, subdivisions 1 and 6, are repealed.

ARTICLE 5
STATE AGENCIES'
APPROPRIATIONS FOR EDUCATION

Section 1. TOTAL APPROPRIATIONS.

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "1988" and "1989," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1988, or June 30, 1989, respectively.

SUMMARY BY FUND

	1988	1989	TOTAL
General	\$ 23,915,800	\$ 23,447,600	\$ 47,363,400
Trunk Highway	\$ 20,700	\$ 20,700	\$ 41,400
Public Health	\$ 60,000	\$ 60,000	\$ 120,000
TOTAL	\$ 23,996,500	\$ 23,528,300	\$ 47,524,800

SUMMARY BY AGENCY - ALL FUNDS

Department of Education	\$ 21,740,300	\$ 20,803,800	\$ 42,544,100
Department of Employee Relations	\$ 50,000		\$ 50,000
Arts School	\$ 2,206,200	\$ 2,724,500	\$ 4,930,700

APPROPRIATIONS
Available for the Year
Ending June 30
1988 1989

Sec. 2. DEPARTMENT OF EDUCATION

Subdivision 1. Total

Appropriation	\$21,740,300	\$20,803,800
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Approved Complement

State - 1988 = 412.0, and 1989 = 412.0

Other = 10.5 each year

Federal = 152.4 each year

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the senate and house of representatives education committees. During the biennium, the commissioner of education may transfer money among the various object of expenditure cate-

gories and activities within each program, unless restricted by executive order.

The commissioner of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The commissioner must report material changes to the senate and house of representatives education committees.

The commissioner of education during the biennium may spend federal block grant money received under the Education Consolidation and Improvement Act of 1981, as amended, United States Code, title 20, chapter 51, as shown in the biennial budget. Changes may be made to accommodate adjustments in salary or other costs. The commissioner must report material changes to the senate and house of representatives education committees.

The commissioner of education shall develop an organizational management plan for the department of education for the purpose of implementing state education policies as established by the legislature. The plan must be contained within the existing department budget and complement. The plan must include (1) methods for effectively implementing legislative education policies; (2) methods of substantially increasing direct services to school district teachers, principals, superintendents, and school boards in meeting legislative requirements and the educational needs of students; and (3) methods of using regional organizations to increase direct services to districts.

The management analysis team of the department of administration shall evaluate the plan and report the findings and recommendations to the house of representatives and senate education committees by January 15, 1988.

The commissioner of education shall present the organizational management plan to the house of representatives and senate education committees for approval by January 15, 1988.

Subd. 2. Educational Services

1988

1989

\$ 9,977,600 \$ 9,109,300

\$20,700 the first year and \$20,700 the second year are from the trunk highway fund.

\$60,000 the first year and \$60,000 the second year are from the public health fund.

The commissioner of education shall provide for direct local technical assistance to districts in meeting the curriculum requirements specified in the planning, evaluating, and reporting process. In addition to existing curriculum services, the commissioner shall enter into performance contract agreements for general curriculum specialist services with educational cooperative service units or other regional educational service agencies. If more than one agency submits a proposal to provide services to school districts within an educational cooperative service unit region, the department shall encourage the agencies to develop a joint proposal. The commissioner shall evaluate the performance agreements annually. This assistance shall be provided in conjunction with the educational effectiveness delivery system. \$400,000 in each year is for this purpose.

\$135,000 each year is for exemplary teacher education grants by the board of teaching according to Minnesota Statutes, section 126.81.

\$167,300 each year is for staff development programs for administrators, principals, and assistant principals, and to support the school management assessment center at the University of Minnesota.

\$211,400 each year is for educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609.

\$478,900 each year is for contracts for regional educational effectiveness services according to Minnesota Statutes, section 121.609, subdivision 4.

\$100,000 each year is for teacher center grants by the board of teaching.

An advisory task force is established to

assist the board of teaching during fiscal years 1988 and 1989 in various aspects of teacher centers. The advisory task force consists of 15 persons appointed as follows: (1) two elementary, two secondary, and one special area teacher appointed by the Minnesota federation of teachers; (2) two elementary, two secondary, and one special area teacher appointed by the Minnesota education association; (3) one member appointed by the Minnesota school boards association; (4) one member representing the faculty of post-secondary colleges of education appointed by the higher education coordinating board; (5) one member appointed by the board of teaching; (6) one member appointed by the commissioner of education; and (7) one member appointed by the state board of education.

The board of teaching, through the advisory task force, shall prescribe the form and manner of applications for grants for teacher centers. Each application must include the approval of the teachers' exclusive representatives and the school boards of all participating districts.

Upon approval of an application by the advisory task force, the board of teaching shall award a planning grant of not more than \$75,000 for a teacher center. The grant shall be used to develop a final plan of operation for a teacher center. The advisory task force shall recommend the amount of a planning grant based on the number of teachers to be served by the center.

Each grant recipient shall provide information to the board of teaching about how the proceeds of the grant were used. A report about the use of the money shall be submitted by the board of teaching to the state board of education and the education committees of the legislature by January 1, 1988.

\$18,000 each year is for the state curriculum advisory committee according to Minnesota Statutes, section 123.742.

\$270,000 each year is for the assessment item bank according to Minnesota Statutes, section 126.67.

\$45,000 each year is for assurance of

mastery.

\$95,000 each year is for model learner expectations.

One professional complement is added in each year in the curriculum services section for research and development of learner outcomes.

\$421,100 for fiscal year 1988 and \$293,100 for fiscal year 1989 is for technology curriculum and integration services according to Minnesota Statutes, sections 129B.32 to 129B.40.

\$355,000 for fiscal year 1988 is for courseware integration centers according to Minnesota Statutes, section 129B.375.

\$190,000 for fiscal year 1988 is for purchase of principles of technology courseware according to Minnesota Statutes, section 129B.39.

\$25,000 for fiscal year 1988 is for technology information dissemination.

\$150,000 for fiscal year 1988 is for purchase of courseware package duplication rights according to Minnesota Statutes, section 129B.39.

\$75,400 each year is for the academic excellence foundation.

\$77,000 each year is for the office on transition services.

\$31,500 each year is for assistance to districts in planning, implementing, and evaluating early childhood family education programs.

\$37,500 for fiscal year 1988 is for the comprehensive arts planning program according to Minnesota Statutes, section 129B.21.

The commissioner shall combine the council on youth and the secondary vocational student organization center into the council on youth and student organizations. \$198,300 each year is for the purposes of the new council.

Two professional and one clerical complement are transferred from the special education section to the Faribault residential academies and resource center for

the purpose of establishing a resource center for hearing-impaired and visually-impaired students. \$125,000 is available each year for this purpose.

Beginning in fiscal year 1989, responsibility for the education research information service established by the council on quality education is transferred to the interagency resource and information center.

Subd. 3. Administration and Financial Services

1988	1989
\$5,372,300	\$5,322,100

The commissioner of education shall maintain no more than six total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, or executive assistant.

The commissioner of education shall consolidate within the state management assistance section all computation, analysis, payment, and data functions for aids and levies for special education, community education, and secondary vocational education. Each year's appropriation includes \$83,500 transferred from educational services for this purpose. Two complement each year are transferred from educational services for this purpose.

The state management assistance complement is increased by three as follows: one risk management position, one school bus safety coordinator, and one cost analysis position for education aids and levies. \$150,000 each year is for the increase in complement and \$75,000 each year for management assistance for school districts.

\$60,000 for fiscal year 1988 is for development of program cost analysis capability in the education aids and levies section and a study of program costs under the direction of the legislative commission on public education. Any unexpended balance does not cancel and is available for the second year.

Subd. 4. Faribault Residential Academies and Resource Center

1988	1989
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\$6,390,400

\$6,372,400

Sec. 3. DEPARTMENT OF EMPLOYEE
RELATIONS

Total Appropriations	\$ 50,000	\$
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This amount is to develop a plan to allow teachers and school boards the option of participating in the state health benefits program. The sum is available until June 30, 1989.

Sec. 4. SCHOOL AND RESOURCE
CENTER FOR THE ARTS

Total Appropriations	\$2,206,200	\$2,724,500
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Approved Complement

State - 1988 = 15, and 1989 = 21

Sec. 5. Minnesota Statutes 1986, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(a) Chosen by election or appointed to fill an elective office;

(b) Heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions and institutions specifically established by law in the unclassified service;

(c) Deputy and assistant agency heads, and one confidential secretary in the agencies listed in subdivision 1a;

(d) The confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(e) Intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(f) Employees in the offices of the governor and of the lieutenant governor, and one confidential employee for the governor in the office of the adjutant general;

(g) Employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(h) Presidents, vice presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants and student employees eligible under terms of the federal economic opportunity act work study program in the *school and resource center for the arts*, state universities and community colleges. This paragraph shall not be construed to include the custodial, clerical or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions.

- (i) Officers and enlisted persons in the national guard;
- (j) Attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;
- (k) Judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;
- (l) Members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;
- (m) Chaplains employed by the state;
- (n) Examination monitors and intermittent training instructors employed by the departments of employee relations and commerce;
- (o) Student workers; and
- (p) Employees unclassified pursuant to other statutory authority.

Sec. 6. Minnesota Statutes 1986, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; energy and economic development; finance; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; public welfare; revenue; transportation; and veterans affairs; the housing finance, state planning, and pollution control agencies; the state board of investment; the offices of the secretary of state, state auditor, and state treasurer; and the state board of vocational technical education; *and the school and resource center for the arts.*

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

- (a) the designation of the position would not be contrary to other law relating specifically to that agency;
- (b) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;
- (c) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;
- (d) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;
- (e) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;
- (f) the position would be at the level of division or bureau director or assistant to the agency head; and

(g) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 7. Minnesota Statutes 1986, section 129C.10, subdivision 1, is amended to read:

Subdivision 1. [GOVERNANCE.] The board of the Minnesota school ~~of and resource center for the arts and resource center~~ shall consist of 15 persons. The members of the board shall be appointed by the governor with the advice and consent of the senate. At least one member must be appointed from each congressional district.

Sec. 8. Minnesota Statutes 1986, section 129C.10, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the Minnesota school ~~of and resource center for the arts and resource center~~ and all its real and personal property. The powers shall include, but are not limited to, ~~the following: those listed in this subdivision.~~

(1) ~~to~~ (b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the school and resource center;

(2) ~~to~~ (c) The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance;

(3) ~~to~~ (d) The board may establish or coordinate evening, continuing education, extension, and summer programs through the resource center for teachers and pupils;

(4) ~~to~~ (e) The board may develop and pilot test an interdisciplinary education program. An academic curriculum must be offered with special programs in dance, literary arts, media arts, music, theater, and visual arts in both the popular and fine arts traditions;

(5) ~~to~~ (f) The board may determine the location for the Minnesota school ~~of and resource center for the arts and resource center~~ and any additional facilities related to the school, including the authority to lease a temporary facility;

(6) ~~to~~ (g) The board may plan for the enrollment of pupils to ensure statewide access and participation;

(7) ~~to~~ (h) The board may establish advisory committees as needed to advise the board on policies and issues; ~~and.~~

(8) ~~to~~ (i) The board may request the commissioner of education for assistance and services.

(j) The board may enter into contracts with other public and private agencies and institutions to provide residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational

instruction and services.

(k) The board may provide or contract for services and programs by and for the arts high school, including a school store, operating in connection with the school; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the arts high school.

(l) The board may provide for transportation of pupils to and from the school and resource center for the arts for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the school and resource center for the arts. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(m) The board may provide room and board for its pupils.

(n) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Sec. 9. Minnesota Statutes 1986, section 129C.10, is amended by adding a subdivision to read:

Subd. 3a. [ARTS HIGH SCHOOL FUND APPROPRIATION.] There is established in the state treasury an arts high school fund. All money collected by the board shall be deposited in the fund. Money in the fund, including interest earned, is annually appropriated to the board for the operation of its services and programs.

Sec. 10. Minnesota Statutes 1986, section 129C.10, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEES.] (a) (1) The board shall appoint a director of the school ~~of and resource center for the arts and resource center~~ who shall serve in the unclassified service.

(2) The board shall employ, upon recommendation of the director, a coordinator of the resource center who shall serve in the unclassified service.

(3) The board shall employ, upon recommendation of the director, up to six department chairs who shall serve in the unclassified service. The chairs shall be licensed teachers unless no licensure exists for the subject area or discipline for which the chair is hired.

(4) The board may employ other necessary employees, upon recommendation of the director.

(5) The board shall employ, upon recommendation of the director, an executive secretary for the director, who shall serve in the unclassified service.

(b) The employees hired under this subdivision and other necessary employees hired by the board shall be state employees in the executive branch.

Sec. 11. Minnesota Statutes 1986, section 129C.10, is amended by adding a subdivision to read:

Subd. 4a. [ADMISSION AND CURRICULUM REQUIREMENTS GENERALLY.] (a) The board may adopt rules for admission to and discharge from the school and rules regarding the operation of the school and resource center, including transportation of its pupils. Rules covering admission and discharge are governed by chapter 14. Rules regarding the operation of the school are not governed by chapter 14.

(b) Proceedings concerning admission to or discharge from the school, a pupil's program at the school, and a pupil's progress at the school are governed by the rules adopted by the board and are not contested cases governed by chapter 14.

(c) Notwithstanding section 120.10, subdivision 1, the board may require pupils to attend school more than 200 days during the school year.

Sec. 12. Minnesota Statutes 1986, section 129C.10, subdivision 5, is amended to read:

Subd. 5. [RESOURCE CENTER.] Beginning in the 1985-1986 school year, The resource center shall offer programs that are directed at improving arts education in elementary and secondary schools throughout the state. The programs offered shall include at least summer institutes offered to pupils in various regions of the state, in-service workshops for teachers, and leadership development programs for teachers. The board shall establish a resource center advisory council composed of elementary and secondary arts educators, representatives from post-secondary educational institutions, department of education, state arts board, regional arts councils, educational cooperative service units, school district administrators, parents, and other organizations involved in arts education. The advisory council shall include representatives from a variety of arts disciplines and from various areas of the state. The advisory council shall advise the board about the activities of the center. Programs offered through the resource center shall promote and develop arts education programs offered by school districts and arts organizations and shall assist school districts and arts organizations in developing innovative programs. The board may contract with non-profit arts organizations to provide programs through the resource center. The advisory council shall advise the board on contracts and programs related to the operation of the resource center.

Sec. 13. Minnesota Statutes 1986, section 129C.10, subdivision 6, is amended to read:

Subd. 6. [PUBLIC POST-SECONDARY INSTITUTIONS; PROVIDING SPACE.] Public post-secondary institutions shall provide space for programs offered by the Minnesota school of and resource center for the arts and resource center at no cost to the Minnesota school of and resource center for the arts and resource center to the extent that space is available at the public post-secondary institutions.

ARTICLE 6

OTHER DISTRICT AIDS AND LEVIES

Section 1. [124.244] [CAPITAL EXPENDITURE REVENUE.]

Subdivision 1. [REVENUE AMOUNT.] The capital expenditure revenue for each district equals \$153 times its actual pupil units counted according to section 124.17, subdivision 1, for the school year.

Subd. 2. [CAPITAL EXPENDITURE LEVY.] To obtain capital expenditure revenue, a district may levy an amount not to exceed five mills times the adjusted assessed valuation of the district for the preceding year.

Subd. 3. [CAPITAL EXPENDITURE AID.] A district's capital expenditure aid is the difference between the capital expenditure revenue and the capital expenditure levy. If a district does not levy the entire amount permitted, capital expenditure aid must be reduced in proportion to the actual amount levied.

Subd. 4. [USES OF REVENUE.] Capital expenditure revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;*
- (2) to acquire or construct buildings for school purposes, if approved by the commissioner of education according to applicable rules;*
- (3) to rent or lease buildings for school purposes;*
- (4) to equip, reequip, improve, and repair school sites, buildings and permanent attached fixtures;*
- (5) to eliminate barriers or increase access to school buildings by handicapped individuals;*
- (6) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;*
- (7) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;*
- (8) to clean up and dispose of polychlorinated biphenyls found in school buildings;*
- (9) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;*
- (10) for energy audits for school buildings and to make modifications if the audit indicates the costs can be recovered within ten years;*
- (11) to improve buildings that are leased according to section 123.36, subdivision 10;*
- (12) to pay special assessments levied against school property but not to pay assessments for service charges;*
- (13) to pay capital expenditure assessments of an educational cooperative service unit;*
- (14) to pay principal and interest on state loans for energy conservation according to section 116J.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298;*

(15) to purchase or lease computers and related materials, copying machines, and telecommunications equipment;

(16) to purchase or lease equipment for secondary vocational education programs or senior secondary industrial arts programs; and

(17) to purchase textbooks.

Sec. 2. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund, or another named fund, to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [ABATEMENT AID.] For abatement aid according to Minnesota Statutes, section 124.214, there is appropriated:

\$ 6,592,800 ... 1988,

\$ 6,592,800 ... 1989.

Subd. 3. [ARTS EDUCATION AID.] For arts education aid according to Minnesota Statutes, section 124.275, there is appropriated:

\$ 1,048,700 ... 1988.

Subd. 4. [CAPITAL EXPENDITURE AID.] For capital expenditure aid according to Minnesota Statutes, section 124.245, for fiscal year 1988 and section 1 for fiscal year 1989, there is appropriated:

\$ 473,600 ... 1988,

\$11,511,900 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$45,200 for aid for fiscal year 1987 payable in fiscal year 1988 and \$428,400 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$75,500 for aid for fiscal year 1988 payable in fiscal year 1989 and \$11,436,400 for aid for 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$503,900 for fiscal year 1988 and \$13,454,500 for fiscal year 1989.

Subd. 5. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE.] For hazardous substance capital expenditure aid according to Minnesota Statutes, section 124.245, there is appropriated:

\$ 50,600 ... 1988,

\$ 7,700 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$6,800 for aid for fiscal year 1987 payable in fiscal year 1988 and \$43,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$7,700 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$51,500 for fiscal year 1988.

Subd. 6. [CHEMICAL ABUSE PROGRAMS.] For aid for chemical abuse programs according to Minnesota Statutes, section 124.246, there is

appropriated:

\$ 1,023,700 ... 1988,

\$ 153,600 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$153,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$870,700 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$153,600 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$1,024,300 for fiscal year 1988.

Subd. 7. [GIFTED AND TALENTED AID.] For aid for gifted and talented education programs according to Minnesota Statutes, section 124.247, there is appropriated:

\$1,372,500 ... 1988,

\$ 205,900 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$205,700 for aid for fiscal year 1987 payable in fiscal year 1988 and \$1,166,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$205,900 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$1,372,700 for fiscal year 1988.

Subd. 8. [INTERDISTRICT COOPERATION AID.] For aid for inter-district cooperation according to Minnesota Statutes, section 124.272, there is appropriated:

\$2,306,000 ... 1988,

\$ 360,000 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$265,900 for aid for fiscal year 1987 payable in fiscal year 1988 and \$2,040,100 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$360,000 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$2,400,100 for fiscal year 1988.

Subd. 9. [MAXIMUM EFFORT SCHOOL LOAN FUND.] For the maximum effort school loan fund there is appropriated:

\$1,615,200 ... 1988,

\$2,025,100 ... 1989.

Subd. 10. [NONPUBLIC PUPIL AIDS.] For nonpublic pupil education aids according to Minnesota Statutes, sections 123.931 to 123.947, there is appropriated:

\$8,376,400 ... 1988,

\$9,050,600 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$1,087,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$7,289,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$1,286,300 for aid for fiscal year 1988 payable in fiscal year 1989 and \$7,764,300 for aid for 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$8,575,600 for fiscal year 1988 and \$9,134,400 for fiscal year 1989.

Subd. 11. [PLANNING, EVALUATION, AND REPORTING PROCESS AID.] For aid for the planning, evaluation, and reporting process according to Minnesota Statutes, section 124.274, there is appropriated:

\$1,014,300 ... 1988.

Subd. 12. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid according to Minnesota Statutes, section 124.646, and for food storage and transportation costs for USDA donated commodities there is appropriated:

\$4,625,000 ... 1988,

\$4,625,000 ... 1989.

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of fully-paid lunches served during that school year in order to meet the state revenue matching requirement of the USDA National School Lunch Program.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully-paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

Subd. 13. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid according to Minnesota Statutes, section 124.573, there is appropriated:

\$19,549,600 ... 1988,

\$ 2,925,300 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$2,972,300 for aid for fiscal year 1987 payable in fiscal year 1988 and \$16,577,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$2,925,300 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$19,502,600 for fiscal year 1988.

Subd. 14. [TOBACCO USE PREVENTION AID.] For tobacco use prevention aid according to Minnesota Statutes, section 124.252, there is appropriated from the public health fund:

\$632,900 ... 1988.

Sec. 3. [REPEALER.]

Subdivision 1. [JUNE 30, 1987.] Minnesota Statutes 1986, sections

275.125, subdivisions 11a, 11c, and 12, are repealed June 30, 1987.

Subd. 2. [JUNE 30, 1988.] Minnesota Statutes 1986, section 124.245, is repealed June 30, 1988.

Subd. 3. [EFFECT OF REPEALER.] According to Minnesota Statutes, section 645.35, the repeal of the sections listed in this section does not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids attributable to the 1987-1988 school year and payable in fiscal year 1989 under or by virtue of the sections repealed.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective for the 1988-1989 school year and thereafter.

ARTICLE 7

MISCELLANEOUS

Section 1. Minnesota Statutes 1986, section 121.11, is amended by adding a subdivision to read:

Subd. 16. [COURSES OFFERED IN SUMMER.] A school board may comply with curriculum rules of the state board by offering any elective secondary course during the summer.

Sec. 2. Minnesota Statutes 1986, section 121.912, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] Except as provided in this subdivision, sections 121.9121, 123.36, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner or to the unreserved account in the transportation fund. The levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred to the capital expenditure fund. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

Sec. 3. Minnesota Statutes 1986, section 121.912, is amended by adding a subdivision to read:

Subd. 5. [ACCOUNT TRANSFER FOR CERTAIN SEVERANCE PAY.] A school district may maintain in its unreserved severance pay account not more than 50 percent of the amount necessary to meet the obligations for the portion of severance pay that constitutes compensation for accumulated sick leave to be used for payment of premiums for group insurance provided for former employees by the district. The amount necessary shall be calculated according to standards established by the advisory council

on uniform financial accounting and reporting standards. If there is a deficit in any year in any reserved fund balance account, the district shall transfer the amount necessary to eliminate the deficit from the unreserved severance pay account to the reserved fund balance account.

Sec. 4. Minnesota Statutes 1986, section 121.932, subdivision 3, is amended to read:

Subd. 3. [EXEMPTION FROM CHAPTER 14.] Except as provided in section 121.931, subdivision 8, ~~the development of the data element dictionary pursuant to subdivision 1, and the~~ annual data acquisition calendar ~~pursuant to subdivision 2, shall be, and essential data elements are exempt~~ from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 14.38, subdivisions 5 to 9.

Sec. 5. Minnesota Statutes 1986, section 121.932, is amended by adding a subdivision to read:

Subd. 5. [ESSENTIAL DATA.] The department shall maintain a list of essential data elements which must be recorded and stored for each pupil, licensed and nonlicensed staff member, and educational program. Each school district shall send the essential data to the ESV regional computer center to which it belongs, where it shall be assembled and transmitted to the department in the form and format prescribed by the department.

Sec. 6. Minnesota Statutes 1986, section 121.934, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] An advisory council to the state board consisting of ~~11~~ 12 members ~~appointed by the governor is hereby established. All members except the member from the department of education shall be appointed by the governor. Section 15.059, subdivisions 2, 4, and 5, shall govern membership terms, compensation of members, removal of members, and the filling of membership vacancies shall be as provided in section 15.059. The governor is encouraged to solicit the suggestions of the state board, the governing boards of regional management information centers, and school boards in selecting members of the council.~~

Sec. 7. Minnesota Statutes 1986, section 121.934, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The council shall be composed of:

(a) four representatives of school districts, including one school district administrator from a rural school district, one school district administrator from an urban school district, one school board member from a rural school district, and one school board member from an urban school district;

(b) three persons employed in management positions in the private sector, at least two of whom are data processing managers or hold an equivalent position in the private sector;

(c) three persons employed in management positions in the public sector other than elementary, secondary, or vocational education, at least two of whom are data processing managers or hold an equivalent position in the public sector; ~~and~~

(d) one person from the general public; *and*

(e) *one person from the department of education appointed by the com-*

missioner of education.

Members selected pursuant to clauses (b) and (c) shall not be employees or board members of local school districts or the department of education. The council shall include at least one resident of each congressional district.

Sec. 8. Minnesota Statutes 1986, section 121.934, subdivision 6, is amended to read:

Subd. 6. [STAFF AND SUPPORT SERVICES.] ~~The state board shall employ with the concurrence of the council one professional individual, experienced in managing data processing services, who shall be in the unclassified civil service, who shall not be a member of the council, and who shall provide staff assistance to the council. The state board commissioner shall provide all necessary materials and assistance for the transaction of to transact the business of the council. The expenses of undertaking the duties in this section shall be paid for from appropriations made to the state board of education. The commissioner is not required to pay compensation or expenses of the council.~~

Sec. 9. Minnesota Statutes 1986, section 122.541, subdivision 2, is amended to read:

Subd. 2. A district entering into an agreement permitted in subdivision 1 shall:

(1) Continue to count its resident pupils who are educated in a cooperating district as resident pupils in the calculation of pupil units for all purposes, including the calculation of state aids and levy limitations. Notwithstanding section 124.18, subdivision 2, an agreement permitted by subdivision 1 shall provide for the tuition payments the cooperating districts determine are necessary and equitable to compensate each district for the instruction of nonresident pupils; and

(2) Continue to provide transportation and collect transportation aid for its resident pupils pursuant to sections 123.39, ~~124.222~~ and 124.223, and 124.225. This clause shall not be construed to prohibit a district from providing some or all transportation to its resident pupils by contracting with a district ~~which~~ that has entered the agreement. For purposes of aid calculations pursuant to section ~~124.222~~ 124.225, the commissioner may adjust the base cost per eligible pupil transported to reflect changes in costs resulting from an agreement which provides for a district to discontinue at least one grade.

Sec. 10. Minnesota Statutes 1986, section 123.35, is amended by adding a subdivision to read:

Subd. 16. [SCHOOL NURSE.] *A board of a district with 1,000 pupils or more must employ at least one full-time licensed school nurse. The board may contract with a public health agency for nursing services. The board shall not reduce the number of licensed school nurses that it employed during the 1986-1987 school year, except, if the enrollment of the district declines, the district may reduce the equivalent services of licensed school nurses proportionately.*

Sec. 11. Minnesota Statutes 1986, section 124.14, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION TRANSFERS.] *If a direct appropriation to the ~~commissioner~~ department of education for any education aids aid au-*

thorized in this chapter and chapters 121, 123, 124A, 125, 126, 129B, and 134 exceeds the amount required for payment of the corresponding aid entitlement, the commissioner of education may transfer the excess to any education aid or grant appropriation that is insufficient to meet the required payment, except that a deficiency in the direct appropriation for foundation aid must be met by use of the appropriation in section 124A.032. The commissioner shall determine the method for allocating Excess appropriations shall be allocated proportionately among aids or grants that have insufficient appropriations. The commissioner of finance shall make the necessary transfers among appropriations according to the determinations of the commissioner of education. The commissioner of education shall report appropriation transfers to the education committees of the legislature each year by January 15.

Sec. 12. Minnesota Statutes 1986, section 124.195, subdivision 8, is amended to read:

Subd. 8. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] The following aids shall be paid at 100 percent of the entitlement for the prior fiscal year: summer program aid according to section 124A.033; abatement aid according to section 124.214, subdivision 2; special education residential aid according to section 124.32, subdivision 5; special education summer school aid, according to section 124.32, subdivision 10; planning, evaluating, and reporting process aid according to section ~~123.7431~~ 124.274; and extended leave and part-time teacher aids according to chapters 354 and 354A.

Sec. 13. Minnesota Statutes 1986, section 124.273, subdivision 5, is amended to read:

Subd. 5. [NOTIFICATION; AID PAYMENTS.] The department shall inform each applicant district of the amount of aid it will receive pursuant to this section within a month after the application deadline, and the department shall pay the aid within 15 days after notifying the district that it will receive aid. Beginning with the 1982-1983 school year, 85 percent of the aid shall be paid within 15 days after the aid notification and the remaining aid to each district shall be paid on or before October 31 of the following school year.

Sec. 14. Minnesota Statutes 1986, section 124A.031, subdivision 4, is amended to read:

Subd. 4. [LOST REVENUE AID.] Each year, based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall determine the distribution to each school district of the amount of revenue lost as a result of the reduction in property taxes provided in section 124.2137. On or before July 15 of each year, the commissioner of revenue shall certify the amounts so determined to the department of education. The department of education shall pay each school district its distribution as part of the foundation aid payment to each district in accordance with the payment dates in ~~subdivision 4~~ section 124.195, as applicable.

Sec. 15. Minnesota Statutes 1986, section 125.03, subdivision 5, is amended to read:

Subd. 5. "Teachers" for the purpose of examination means persons applying for initial teaching licenses or persons applying for additional fields of licensure to provide direct instruction to pupils in prekindergarten, el-

ementary, secondary, and special education programs. It does not mean persons applying for licenses as supervisory or support personnel nor does it mean librarians, school social workers, school psychologists, audio-visual directors or coordinators, or media generalists or supervisors.

Sec. 16. Minnesota Statutes 1986, section 125.05, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] The authority to license teachers as defined in section 125.03, subdivision 1, is vested in the board of teaching except that the authority to license supervisory and support personnel as defined in section 125.03, subdivision 4, is vested in the state board of education. Licenses shall be issued to such persons as the board of teaching or the state board of education finds to be competent for their respective positions. For teachers, as defined in section 125.03, subdivision 5, competency includes, *for persons applying for initial licenses*, successful completion of an examination of academic knowledge in each field of licensure and, ~~for persons applying for initial licenses~~, an examination of skills in reading, writing, and mathematics. Qualifications of teachers and other professional employees except supervisory and support personnel shall be determined by the board of teaching under the rules which it promulgates. Licenses under the jurisdiction of the board of teaching shall be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education shall be issued through the licensing section of the department of education.

Sec. 17. Minnesota Statutes 1986, section 125.611, subdivision 11, is amended to read:

Subd. 11. Notwithstanding the provisions of ~~subdivisions~~ *subdivision 2, 3 and 7*, a teacher who has entered into an agreement for termination of services and withdrawal from active teaching service with an early retirement incentive may be employed as a substitute teacher after retirement.

Sec. 18. Minnesota Statutes 1986, section 125.611, subdivision 12, is amended to read:

Subd. 12. Any amount of unemployment insurance ~~which~~ *that* the teacher receives and for which the district is required to pay into the unemployment compensation fund pursuant to section 268.06, subdivision 25, ~~at any time after the teacher has entered into an agreement pursuant to subdivision 7,~~ may be deducted by the district from the amount of the teacher's early retirement incentive or recovered by the district from the teacher up to the amount of the early retirement incentive. ~~The district shall pay 50 percent of any amount so deducted or recovered to the department of education, and any amount so received by the department shall be deposited in the state treasury.~~

Sec. 19. Minnesota Statutes 1986, section 125.611, subdivision 13, is amended to read:

Subd. 13. [APPLICATIONS AFTER JUNE 30, 1984.] ~~The state shall not reimburse the district for any portion of an early retirement incentive for any applications submitted after June 30, 1984. Beginning on July 1, 1984,~~ A teacher meeting the requirements of subdivision 1 may apply to the school board of the employing district for a contract for termination of services, withdrawal from active teaching service, and payment of an early retirement incentive. This application shall be submitted on or before February 1 of the school year at the end of which the teacher wishes to retire.

A school board shall approve or deny the application within 30 days after it is received by the board. The amount of the early retirement incentive shall be agreed upon between the teacher and the school board. The early retirement incentive shall be paid by the employing district at the time and in the manner mutually agreed upon by a teacher and the board.

Sec. 20. [126.201] [ADMINISTRATION OF MEDICATION BY SCHOOL PERSONNEL.]

A licensed school nurse or, in the absence of the nurse, a principal or teacher may administer medication prescribed for a pupil under the conditions set forth in this section. Administration of medication by school personnel must only be done according to the written order of a licensed physician and written authorization of a parent. Medication to be administered must be brought to school in a container appropriately labeled by the pharmacy or physician. Medications that are not taken orally or that have the potential of dangerous side effects may be administered only by a licensed school nurse.

Sec. 21. Minnesota Statutes 1986, section 126.56, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL NEED.] Need for financial assistance shall be based on family income, family size, and special necessary expenditures of the family. The higher education coordinating board shall ~~determine~~ review the financial need of each pupil ~~based on to meet the actual charges made~~ costs of attending the summer program, as determined by the institution sponsoring the summer program ~~and~~. The board shall award scholarships within the limits of the appropriation for this section. If the amount appropriated is insufficient ~~to make a full award to each applicant~~, the board shall allocate the amount appropriated in the manner it determines. ~~Scholarships A scholarship shall not be less than \$100 or more than exceed \$1,000.~~

Sec. 22. Minnesota Statutes 1986, section 126.56, subdivision 6, is amended to read:

Subd. 6. [INFORMATION.] *The higher education coordinating board, in cooperation with the academic excellence foundation, shall assemble and distribute information about scholarships and eligible programs. It ~~may seek nonstate funds to perform its duties.~~*

Sec. 23. [126.63] [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE EXAMINATION FEES.]

The state shall pay \$30 of the examination fees for the international baccalaureate program and for the college board advanced placement program for public school pupils in the 11th and 12th grades. Each year by May 30 each school district shall report to the commissioner of education the number of pupils who take examinations by examination subject.

Sec. 24. Minnesota Statutes 1986, section 129B.39, is amended to read:

129B.39 [PURCHASE OF COURSEWARE PACKAGE DUPLICATION RIGHTS.]

Rights to duplication of courseware packages may be purchased, and volume purchase agreements may be established by the department of education, if the department determines that the courseware packages qualify as high quality according to section 129B.37, and if the courseware

packages are available to the state at a lower cost than if purchased by school districts individually. The department shall contract with any company that submits the lowest bid and that has the capability to duplicate and distribute courseware packages obtained by the department under this section. The materials shall be available to districts ~~without at cost except for, including~~ nominal costs of reproduction and distribution. *Money from the sale of courseware packages is annually appropriated to the department of education to purchase additional courseware packages according to this section.*

Sec. 25. Minnesota Statutes 1986, section 171.29, subdivision 2, is amended to read:

Subd. 2. (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$150 fee before the person's drivers license is reinstated to be credited as follows:

(1) 50 percent shall be credited to the trunk highway fund;

(2) 25 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account is appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any money which the counties currently receive under section 260.311, subdivision 5; and

(3) 25 percent shall be credited to a separate account ~~to be known as the alcohol impaired driver education account. Money in the account is appropriated to the commissioner of education for grants to develop alcohol impaired driver education programs in elementary, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. The commissioner of education shall report to the legislature by January 15, 1988, on the expenditure of grant funds under this clause.~~

Sec. 26. Laws 1986, First Special Session chapter 1, article 5, section 9, is amended to read:

Sec. 9. [TEMPORARY CHANGE IN PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS.]

If the commissioner of finance determines that modifications in the payment schedule are required to avoid state short-term borrowing, the commissioner of education shall modify payments to school districts according to this section. The modifications shall begin no sooner than September 1, 1986 1987, and shall remain in effect until no later than May 30, 1987 1989. In calculating the payment to a school district pursuant to Minnesota Statutes, section 124.195, subdivision 3, the commissioner may subtract the sum specified in that subdivision, plus an ~~additional~~ amount no greater than the following:

(1) the net cash balance in the district's four operating funds on June 30, 1986 of the preceding fiscal year; minus

(2) the product of \$150 times the number of actual pupil units in the

~~1985-1986 school~~ preceding fiscal year; minus

(3) the amount of payments made by the county treasurer during the preceding fiscal year ~~1986~~, pursuant to Minnesota Statutes, section 276.11, ~~which that~~ is considered revenue for the ~~1986-1987~~ current school year. However, no additional amount shall be subtracted if the total of the net ~~unappropriated~~ unreserved fund balances in the district's four operating funds on June 30, ~~1986~~ of the preceding fiscal year, is less than the product of \$350 times the number of actual pupil units in the ~~1985-1986 school~~ preceding fiscal year. The net cash balance shall include all cash and investments, less certificates of indebtedness outstanding, and orders not paid for want of funds.

A district may appeal the payment schedule established by this section according to the procedures established in *Minnesota Statutes*, section 7 124.195, subdivision 3a.

Sec. 27. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [AP AND IB EXAMINATION FEES.] For reimbursement of advanced placement and international baccalaureate examination fees there is appropriated:

\$100,000 ... 1988,

\$120,000 ... 1989.

Any remaining balance from fiscal year 1988 shall not cancel and shall be available for fiscal year 1989.

Subd. 3. [COUNCIL ON QUALITY EDUCATION.] For the council on quality education venture fund grants and dissemination according to Minnesota Statutes, sections 129B.01 to 129B.05, there is appropriated:

\$308,900 ... 1988,

\$ 43,200 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$63,900 for aid for fiscal year 1987 payable in fiscal year 1988 and \$245,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$43,000 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$288,200 for fiscal year 1988.

Subd. 4. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units there is appropriated:

\$748,000 ... 1988,

\$112,000 ... 1989.

The appropriation for aid for fiscal year 1988 includes \$112,200 for aid for fiscal year 1987 payable in fiscal year 1988 and \$635,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$112,000 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$748,000 for fiscal year 1988.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$68,000 per ECSU for fiscal year 1988; however, the ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight shall each receive \$136,000 for fiscal year 1988 for general operations.

Subd. 5. [EXTENDED LEAVES OF ABSENCE.] For the state's obligations according to Minnesota Statutes, sections 354.094 and 354A.091, there is appropriated:

\$196,900 ... 1988.

Subd. 6. [REGIONAL MANAGEMENT INFORMATION CENTERS.] For regional management information centers there is appropriated:

\$3,410,700 ... 1988.

Subd. 7. [COMPREHENSIVE ARTS PLANNING PROGRAM.] For grants for the comprehensive arts planning program according to Minnesota Statutes, section 129B.20, there is appropriated:

\$37,500 ... 1988.

Sec. 28. [APPROPRIATIONS.]

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] There is appropriated from the general fund to the higher education coordinating board the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [SUMMER PROGRAM SCHOLARSHIPS.] For scholarship awards for 1988 and 1989 summer programs according to Minnesota Statutes, section 126.56, there is appropriated:

\$213,700 ... 1988,

\$213,700 ... 1989.

Of this appropriation, the amount required may be used for the higher education coordinating board's costs of administering the program.

Sec. 29. [REPEALER.]

Minnesota Statutes 1986, sections 124A.031, subdivision 1; 125.611, subdivisions 8, 9, and 10; 354.66, subdivisions 4a and 9; 354A.094, subdivisions 4a and 9; and Laws 1985, First Special Session chapter 12, article 8, section 46, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Section 10 is effective July 1, 1988. Sections 21 and 22 are effective the day following final enactment.

ARTICLE 8

ACCESS TO EXCELLENCE

Section 1. Minnesota Statutes 1986, section 121.609, subdivision 4, is amended to read:

Subd. 4. [REGIONAL SERVICES.] The department of education shall contract with educational cooperative service units or other regional educational service agencies to provide assistance to the school districts in an educational cooperative service unit region in implementing educational effectiveness. In selecting an agency to provide assistance to the school districts, the department shall consider such factors as support of the proposal by the participating school districts and the extent to which the proposal provides for participation by school district staff. If more than one agency submits a proposal to provide services to school districts within an educational cooperative service unit region, the department shall encourage the agencies to develop a joint proposal. *Every other year, the department shall evaluate the performance of the required service providers and consider new proposals to provide regional services.*

Sec. 2. [122.91] [EDUCATION DISTRICT ESTABLISHMENT.]

Subdivision 1. [PURPOSE.] The purpose of an education district is to increase educational opportunities for pupils by increasing cooperation and coordination among school districts.

Subd. 2. [AGREEMENT.] School boards meeting the requirements of subdivision 3 may enter into a written agreement to establish an education district. The agreement and subsequent amendments must be adopted by majority vote of the full membership of each board.

Subd. 3. [REQUIREMENTS FOR FORMATION.] An education district must have one of the following at the time of formation:

- (1) at least five districts;*
- (2) at least 5,000 pupils in average daily membership; or*
- (3) at least 2,000 square miles.*

Subd. 4. [NOTICE AND HEARING.] Before entering into an agreement, the school board of each member district shall publish at least once in a newspaper of general circulation in the district a summary of the proposed agreement and its effect upon the district. The board shall conduct a public hearing on the proposed agreement not more than ten days after the notice and at least 30 days before entering into an agreement.

Subd. 5. [JOINDER AND WITHDRAWAL.] A process for a district to join or withdraw from an education district shall be included in the education district agreement.

Subd. 6. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] If requested, educational cooperative service units shall provide assistance to districts in establishing education districts. The assistance may include determination of appropriate boundaries of the education district and development of the agreement. The educational cooperative service units may provide any other services requested by the education district.

Sec. 3. [122.92] [EDUCATION DISTRICT BOARD.]

The education district board shall be composed of at least one repre-

sentative appointed by the school board of each member district. The representative shall serve at the pleasure of the appointing school board and may be recalled by a majority vote of the appointing school board. Each representative shall serve for the term that is specified in the agreement. The board shall select its officers from among its members and shall determine the terms of the officers. The board shall adopt by-laws for the conduct of its business.

Sec. 4. [122.93] [POWERS AND DUTIES OF THE BOARD.]

Subdivision 1. [COORDINATION.] An education district board shall coordinate the programs and services of the education district according to the terms of the written agreement. The board shall implement the agreement for delivering educational services needed in the education district.

Subd. 2. [RESEARCH AND DEVELOPMENT.] The board shall implement the portion of the agreement, set forth in section 5, subdivision 2, clause (2), relating to research, planning, and development.

Subd. 3. [PERSONNEL.] The board may employ personnel as necessary to provide and support the programs and services of the education district. Education district staff shall participate in retirement programs.

Subd. 4. [CONTRACTS.] The board may enter into contracts with school districts and other public and private agencies to provide services needed in the education district.

Subd. 5. [GENERAL LAW.] The board shall be governed, unless specifically provided otherwise, by laws applicable to independent school districts.

Subd. 6. [ADVISORY COUNCIL.] An advisory council, consisting of representatives from the program areas covered by the agreement, shall be appointed by the education district board.

Subd. 7. [REPORT TO MEMBERS.] The board shall submit a quarterly report to the member districts about the activities of the education district.

Sec. 5. [122.94] [EDUCATION DISTRICT AGREEMENT.]

Subdivision 1. [ESTABLISHMENT.] An education district board shall adopt a comprehensive agreement for continuous learning. The agreement must address methods to improve the educational opportunities available in the education district. It must be submitted for review by all educational cooperative service units serving the education district. The education district board shall review the agreement annually and propose necessary amendments to the member districts.

Subd. 2. [MANDATORY PROVISIONS.] The agreement must provide for the following:

(1) coordination of member district and education district programs for handicapped pupils, gifted and talented pupils, secondary vocational education, improved learning, community education, early childhood family education, career education, and low incidence academic programs;

(2) research, planning, and development functions, including acquiring and disseminating research information and developing methods to implement research, such as educational effectiveness programs and improving education based on educational research; and

(3) *methods to meet pupil needs for health services, library services, and counseling services.*

Subd. 3. [OPTIONAL PROVISIONS.] The agreement may contain the following:

- (1) methods for sharing administrative and management services;*
- (2) professional development programs;*
- (3) programs that use learning time available during the summer; or*
- (4) use of technology for education programs and management assistance.*

Subd. 4. [EXTENDED YEAR.] The agreement may provide opportunities for pupils to receive instruction throughout the entire year and for teachers to coordinate educational opportunities and provide instruction throughout the entire year. Pupils may receive instruction for more than or less than the daily number of hours required by the rules of the state board of education. However, the pupil must receive instruction each year for at least the total number of instructional hours required by statutes and rules. A teacher who is employed for the extended year may develop, in consultation with pupils and parents, individual educational programs for not more than 125 pupils.

Subd. 5. [ATTENDANCE IN OTHER DISTRICTS.] The agreement may provide for a pupil who is a resident of a member district to enroll in programs or courses offered by another member district or transfer to another member district. A pupil and parent shall consult with a career teacher, counselor, or principal before transferring to another district. The agreement shall specify procedures for reimbursement among the member districts. The district of residence shall count all resident pupils who enroll in programs or courses or transfer to another district as its pupils for the purpose of state aid and levy limitations. The agreement shall determine whether transportation is available for pupils enrolled in programs or courses or transferring to another district.

Sec. 6. [122.95] [TEACHING POSITIONS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "teacher" has the meaning given it in section 125.12, subdivision 1, except that it does not include a superintendent.

Subd. 2. [FILLING POSITIONS.] (a) When an education district board or a member board is filling a position resulting from implementation of the agreement, the board may offer the position to a teacher currently employed by a member district according to the exchange teacher provisions of section 125.13.

(b) If the position is not filled by a currently employed teacher, the board shall offer the position to an available teacher in the order of seniority in fields of licensure on a combined seniority list of all available teachers in the member districts. An available teacher is a teacher in a member district who:

(1) was placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11, not more than one year before the initial formation of an education district;

(2) was placed on unrequested leave of absence by a member district,

according to section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11, as a result of implementing the education district agreement, after the formation of the education district; or

(3) is placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11, in the same year the position is filled.

(c) If the position is not filled by an available teacher, the board shall offer the position to a teacher who was placed on unrequested leave of absence by a member district, according to section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11, for reasons unrelated to implementing the agreement.

(d) If no currently employed teacher, available teacher, or other teacher on unrequested leave of absence accepts the position, the board may fill the position with another teacher.

(e) Any teacher on unrequested leave of absence has a right to a position only as long as the teacher has a right to reinstatement under section 125.12, subdivision 6a or 6b, or 125.17, subdivision 11.

Subd. 3. [PROBATION AND TERMINATION.] Notwithstanding section 125.12, subdivision 3, a teacher who transfers employment from one member district to another member district does not have to serve a probationary period. A teacher who is terminated or discharged according to section 125.12, subdivision 6 or 8, has no right to any position.

Subd. 4. [DETERMINATION OF REASON FOR LEAVE.] At the time a member board places a teacher on unrequested leave of absence, according to section 125.12, subdivision 6a or 6b, the board shall make a determination whether the placement is a result of implementing the education district agreement. That determination shall be included in the notice of proposed placement, may be reviewed at a hearing upon request of the teacher, and shall be included in the notice of final action by the board. If the determination is not disputed by the teacher before June 1, the teacher shall be deemed to acquiesce to the board's determination.

Sec. 7. [122.96] [BONDS FOR EDUCATION DISTRICTS.]

Subdivision 1. [PURPOSE OF BONDS.] The education district board, acting on its own behalf, may issue bonds for the acquisition of secondary school facilities or for funding or refunding related outstanding bonds, warrants, orders, or certificates of indebtedness. The board shall comply with the provisions of chapter 475.

Subd. 2. [APPROVAL RESOLUTION.] The purpose and the amount of any borrowing shall first be approved by resolution of the board of the education district. When the resolution has been adopted by the board it shall be published once in a newspaper of general circulation in the education district.

Subd. 3. [ELECTION.] The education district board shall not sell and issue bonds for acquisition purposes until the question of their issuance has been submitted to the voters of the education district at a special election held in and for the education district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the board. The election shall be conducted and canvassed under the direction of the education district board in accordance with section 123.32, insofar as may be applicable.

If a majority of the total number of votes cast on the question within the education district is in favor of the question, the board may proceed with the sale and the issuance of the bonds.

Subd. 4. [OBLIGATION FOR PAYMENT.] The full faith, credit, and unlimited taxing powers of the education district shall be pledged to the payment of all bonds and certificates of indebtedness. None of the obligations shall be included in the net debt, as defined by section 475.51, subdivision 4, of any member school district.

Subd. 5. [TAX LEVIES.] The education district board, upon awarding a contract for the sale of the bonds, shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause the taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the education district.

Subd. 6. [TAX-EXEMPT SECURITIES.] The bonds are authorized securities within the provisions of section 50.14, and shall be deemed instruments of a public governmental agency.

Sec. 8. Minnesota Statutes 1986, section 123.34, subdivision 9, is amended to read:

Subd. 9. [SUPERINTENDENT.] All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. Notwithstanding the provisions of sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on seniority or order of employment in any district. When two or more school boards have a written agreement to purchase or share the services of a superintendent, the boards may select a superintendent from any of the districts to perform the services without regard to that superintendent's relative seniority or order of employment among the superintendents in all of the districts. Unless otherwise provided in the superintendent's contract, a superintendent who is not selected to perform the services may exercise any rights provided by section 125.12. The superintendent of a district shall perform the following:

(a) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(b) recommend to the board employment and dismissal of teachers;

(c) superintend school grading practices and examinations for promotions;

(d) make reports required by the commissioner of education; and

(e) perform other duties prescribed by the board.

Sec. 9. [126.661] [PER DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 9 to 14 and section 126.67 the following terms have the meanings given them.

Subd. 2. [CURRICULUM.] "Curriculum" means written plans for providing learning experiences that lead to the acquisition of knowledge, skills,

and attitudes.

Subd. 3. [LEARNER OUTCOME.] "Learner outcome" means a specific educational goal of the curriculum.

Subd. 4. [INSTRUCTION.] "Instruction" means methods of providing learning experiences that facilitate pupil progress in attaining outcomes.

Subd. 5. [ESSENTIAL LEARNER OUTCOMES.] "Essential learner outcomes" means the specific basic learning experiences that must be provided for all students.

Subd. 6. [PER PROCESS.] "Planning, evaluating, and reporting process" or "PER process" means a process, described in sections 9 to 14 and 126.67, to establish a cycle for curriculum identification, implementation, review, and improvement that is reported to the community and the state.

Sec. 10. [126.662] [PER FINDINGS.]

To ensure equity in education programs for all pupils, the legislature finds that a process is needed to facilitate decisions by school boards and communities concerning education curriculum planning, evaluation for curriculum, instruction improvement, and determining the services that can or should be provided by institutions, such as the family, private or public organizations and agencies, in addition to being provided by public education.

Sec. 11. [126.663] [PER CURRICULUM ACCOUNTABILITY AND IMPROVEMENT PROCESS.]

Subdivision 1. [STATE PROCESS.] The state board, with the advice of the state curriculum advisory committee, shall adopt a state PER process and standard procedures for district planning, evaluating, and reporting processes and reporting.

Subd. 2. [MODEL STATE CORE CURRICULUM.] The state board shall adopt a set of learner outcomes that it considers to be essential for each subject area. The department of education, in cooperation with the state curriculum advisory committee, shall develop a validated research-based process to identify a set of learner outcomes that are essential for each subject area.

Subd. 3. [MODEL LEARNER OUTCOMES.] The department shall develop and maintain sets of learner outcomes in state board identified subject areas that it considers to be model learner outcomes. The department shall make the sets available for use by a district at the option of the district. The sets shall be for pupils in kindergarten to grade 12. The department shall consult with each of the public post-secondary systems and with the higher education coordinating board in developing model learner outcomes appropriate for entry into post-secondary institutions.

Sec. 12. [126.664] [TECHNICAL ASSISTANCE.]

The commissioner of education shall make technical assistance for planning and evaluation available to school districts. The department shall collect the annual reports from districts, as provided in section 14, subdivision 4, and shall make these reports available, upon request, to any person. If requested, the department shall provide technical assistance to a district developing methods for measuring group or individual pupil progress.

Sec. 13. [126.665] [STATE CURRICULUM ADVISORY COMMITTEE.]

The commissioner shall appoint a state curriculum advisory committee of 11 members to advise the state board and the department on the PER process. Nine members shall be from each of the educational cooperative service units and two members shall be at-large. The committee shall include representatives from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a district curriculum advisory committee. The state committee shall provide information and recommendations about at least the following:

- (1) department procedures for reviewing reports and disseminating information;*
- (2) exemplary PER processes;*
- (3) recommendations for improving the PER process; and*
- (4) developing a process for identifying and attaining essential learner outcomes.*

By February 1 of each year, the commissioner, in cooperation with the state curriculum advisory committee, shall prepare a report for the education committees of the legislature. The report shall include the recommendations of the state curriculum advisory committee.

Sec. 14. [126.666] [SCHOOL DISTRICT PROCESS.]

Subdivision 1. [ADOPTING POLICIES.] Each school board shall adopt a written PER policy that includes the following:

- (1) district curriculum goals;*
- (2) learner outcomes for each subject area at each grade level that include the essential learner outcomes adopted by the state board under section 11, subdivision 2;*
- (3) a process for evaluating each student's progress toward attaining learner outcomes and for identifying strengths and weaknesses of the curriculum;*
- (4) a system for periodically reviewing all curriculum;*
- (5) curriculum and instruction improvement plans; and*
- (6) an instruction plan that includes education effectiveness processes developed according to section 121.608 and integration of curriculum and technology developed under section 129B.33.*

At least every three years, in formulating the policy, the school board shall consider integrating consumer and economic literacy education into elementary and secondary education. The school board is encouraged to adopt the learner outcomes for consumer education developed by the department of education.

Subd. 2. [CURRICULUM ADVISORY COMMITTEE.] Each school board shall establish a curriculum advisory committee to permit active community participation in all phases of the PER process. The advisory committee shall represent the district and include principals, teachers, parents, support staff, and other community representatives. Whenever possible, parents and other community representatives shall comprise at least two-

thirds of the advisory group. The curriculum advisory committee shall develop comprehensive integrated standards of excellence in learning programs. The standards must recognize and incorporate community education, improved learning, and early childhood family education components, as well as other components traditionally required for accreditation. The committee shall make recommendations to the board about the programs enumerated in article 1, section 8, that the committee determines should be offered. The recommendations shall be based on district needs and priorities.

Subd. 3. [BUILDING TEAM.] A team may be established at each school building to develop and implement an education effectiveness plan to improve curriculum and instruction. The team shall advise the board and the advisory committee about the development of an instruction improvement plan that aligns curriculum, assessment of student progress, and instruction.

Subd. 4. [REPORT.] By October 1 of each year, the school board shall adopt a report that includes the following:

- (1) learner outcomes adopted for that year;*
- (2) results of local assessment data, and any additional test data;*
- (3) the annual school district improvement plans; and*
- (4) information about progress that has been made toward the improvement plans that were previously adopted by the board.*

The school board shall publish the report in the local newspaper with the largest circulation in the district or by mail. The report shall be available for inspection by the public. A copy of the report shall be sent to the commissioner of education by October 15 of each year.

Subd. 5. [BIENNIAL EVALUATION; ASSESSMENT PROGRAM.] At least once every two years the report shall include an evaluation of the testing programs, according to the following:

- (1) written objectives of the curriculum;*
- (2) names of tests and grade levels tested;*
- (3) use of test results; and*
- (4) implementation of assurance of mastery program.*

Sec. 15. Minnesota Statutes 1986, section 126.67, is amended by adding a subdivision to read:

Subd. 2b. [DISTRICT ASSESSMENTS.] As part of the PER process, each year a district shall, in at least three grades, conduct assessments among at least a sample of pupils, for each subject area in that year of the curriculum review cycle. The district's curriculum review cycle for communication, mathematics, science, and social studies shall not extend beyond five years. Assessments may not be conducted in the same curriculum area during two consecutive years. The district may use tests from the assessment item bank, the local assessment program developed by the department, or other tests. As they become available, districts shall use state developed measures to assure state progress toward the state core curriculum. Funds are provided for districts which choose to use the local assessment program or the assessment item bank.

Sec. 16. Minnesota Statutes 1986, section 126.67, subdivision 3a, is

amended to read:

Subd. 3a. [ASSURANCE OF MASTERY.] Each school board shall adopt a policy establishing a process to assure individual pupil mastery in communications and mathematics. This process shall include at least the following:

(1) procedures, which may include multiple or separate criteria, for the evaluation and identification of nonspecial education pupils and pupils with limited English proficiency who are not making sufficient progress in the mastery of communications and mathematics;

(2) procedures for implementation in grades kindergarten to 12, ~~beginning in the 1986-1987 school year,~~ and requiring evaluation of progress toward mastery at least once during grades K to 3, once during grades 4 to 6, once during grades 7 to 9, and once during grades 10 to 12;

(3) procedures for parent conferences to establish an individualized remediation or modified instruction plan for each pupil who is not making sufficient progress toward mastery of communication or mathematic skills; and

(4) procedures which shall consider and address the special needs of handicapped pupils and pupils with limited English proficiency.

Sec. 17. Minnesota Statutes 1986, section 126.67, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL TESTING.] The department upon written agreement with ~~local~~ school districts may perform additional testing and evaluation of students. The department may collect a reasonable fee not to exceed the actual cost of services. *The department may also sell products and services as a part of the assessment item bank program to public and private entities outside of the state. Money from the sale of these products and services is annually appropriated to the department for the item bank.*

Sec. 18. [129B.52] [AREA LEARNING CENTER ORGANIZATION.]

Subdivision 1. [GOVERNANCE.] A school district may establish an area learning center either by itself or in cooperation with other districts, an ECSU, an intermediate school district, public and private secondary and post-secondary institutions, public agencies, businesses, and foundations. Except for a district located in a city of the first class, a center must serve the geographic area of at least two districts.

Subd. 2. [ACCESS TO SERVICES.] A center shall have access to the district's regular education programs, technology facilities, and staff. It may contract with individuals or post-secondary institutions. It shall seek the involvement of community education programs, post-secondary institutions, community resources, businesses, and other federal, state, and local public agencies.

Subd. 3. [NONRESIDENT PUPILS.] A pupil who does not reside in the district may attend a center without consent of the school board of the district of residence. All nonresident pupils must be assessed by the center to determine if the pupil is eligible.

Sec. 19. [129B.53] [CENTER PROGRAMS AND SERVICES.]

Subdivision 1. [PROGRAM FOCUS.] The programs and services of a

center must focus on academic and learning skills, trade and vocational skills, work experience, and transition services.

Subd. 2. [PEOPLE TO BE SERVED.] A center shall provide programs for secondary pupils and adults. Secondary pupils to be served are those who are chemically dependent, not likely to graduate from high school, need assistance in vocational and basic skills, can benefit from employment experiences, and need assistance in transition from school to employment. Adults to be served are dislocated homemakers and workers and others who need basic educational and social services. In addition to offering programs, the center shall coordinate the use of other available educational services, social services, and post-secondary institutions in the community. The center may also provide programs for elementary and secondary pupils who are not attending the center to assist them in completing high school.

Subd. 3. [RULES EXEMPTION.] Notwithstanding any law to the contrary, the center programs must be available throughout the entire year. Pupils in a center may receive instruction for more than or less than the daily number of hours required by the rules of the state board of education. However, a pupil must receive instruction each year for at least the total number of instructional hours required by statutes and rules. A center may petition the state board under Minnesota Rules, part 3500.1000, for exemption from other rules.

Subd. 4. [GRADUATION.] Upon successful completion of the center program, a pupil is entitled to receive a high school diploma. The pupil may elect to receive a diploma from either the district of residence or the district in which the center is located.

Sec. 20. [129B.54] [RESOURCE CENTER FOR OTHER PROGRAMS.]

An area learning center must serve as a resource for other districts, educational, community, and business organizations. The center may charge a fee for these services. The following services shall be provided for a region or the state:

- (1) information and research for alternative programs;*
- (2) regional or state workshops on awareness, identification, programs, and support for these pupils; and*
- (3) recommendations for staff qualifications to ensure the most qualified staff can be selected for the programs.*

Sec. 21. [129B.55] [CENTER FUNDING.]

Subdivision 1. [OUTSIDE SOURCES.] A center may accept:

- (1) resources and services from post-secondary institutions serving center pupils;*
- (2) resources from job training partnership act programs, including funding for jobs skills training for various groups and the percentage reserved for education;*
- (3) resources from the department of human services and county welfare funding; or*
- (4) private resources, foundation grants, gifts, corporate contributions, and other grants.*

Subd. 2. [FOUNDATION REVENUE.] For each nonresident pupil at-

tending the center, the district of residence shall pay tuition to the district in which the center is located. The tuition shall be the nonresident district's foundation and tier revenue or general education revenue that is attributable to the pupil.

Sec. 22. [EXPENSE REIMBURSEMENT.]

The members of an education district may apply to the state board of education not later than October 1, 1988, for reimbursement of initial expenses incurred in forming an education district. Reimbursement for all the members of a single education district may not exceed \$250,000. Expenses may include legal fees for preparing an agreement, publication costs, and other necessary costs. Personnel expenses shall be limited to reimbursement for travel. The state board shall establish guidelines to determine the expenses that are necessary. The state board shall approve reimbursements within the limits of the appropriation. At least half of the amount appropriated shall be reserved for districts located outside of the seven-county metropolitan area.

Sec. 23. [PLANNING GRANTS FOR FISCAL YEARS 1988 AND 1989.]

Subdivision 1. [EXISTING PROGRAMS.] Up to 20 planning grants of \$5,000 may be awarded for fiscal year 1988 for existing alternative programs. The grants are to prepare a plan for an existing program to become an area learning center by expanding or redesigning its services.

Subd. 2. [ELIGIBILITY REQUIREMENTS.] To qualify for a planning grant, an existing program must have the following:

- (1) an educational program that includes at least some of the programs in section 19, subdivision 2;*
- (2) outreach activities; and*
- (3) an established policy of accepting nonresident pupils.*

Subd. 3. [GRANT AWARDS.] The commissioner of education shall award planning grants based on short descriptions of applicants' current and proposed programs. Grant recipients must be geographically disbursed throughout the state.

Subd. 4. [PLANS.] A grant recipient shall submit a plan to the commissioner by January 1, 1988. The plan must include:

- (1) the variety of people to be served;*
- (2) alternative approaches to services;*
- (3) interagency cooperation;*
- (4) community, business, parent, and pupil involvement;*
- (5) methods to identify potential dropouts;*
- (6) outreach activities;*
- (7) needs assessment of community services;*
- (8) sources of funding;*
- (9) services for jobs and employability skills;*
- (10) commitments from cooperating agencies, businesses, and others;*
- (11) resource services to be provided to other programs and agencies;*

- (12) *criteria for evaluation, including measuring learner outcomes;*
- (13) *methods by which the area learning center will provide practical expertise and leadership for other centers; and*
- (14) *how the program will attempt to meet the requirements.*

Sec. 24. [1988 SELECTION OF EXEMPLARY CENTERS.]

Based on the plans, the commissioner of education shall select four sites to be designated exemplary area learning centers. The sites must be geographically distributed throughout the state. The commissioner shall award each site a grant of \$50,000.

Sec. 25. [1989 AND 1990 EVALUATION.]

The commissioner of education shall provide for independent evaluation of the program and cost of the area learning centers during fiscal years 1989 and 1990. A preliminary report shall be submitted to the legislature by February 1, 1989. The final report shall be submitted by February 1, 1990. Both reports must provide information about:

- (1) *whether the programs were implemented according to the plan;*
- (2) *the success of the programs;*
- (3) *the financial and other resources available to and used by the centers;*
- (4) *cooperation and coordination among agencies;*
- (5) *programs that were offered; and*
- (6) *the cost of the programs.*

Sec. 26. [1988-1989 GRANTS FOR TEACHER CENTERS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "teacher" has the meaning given it in section 179A.03, subdivision 2.

Subd. 2. [ESTABLISHMENT.] During the biennium, a teacher center may be established by one or more school boards and the exclusive representatives of the teachers. A grant from the board of teaching may be used to plan the center. The teacher center shall serve at least ten districts or 3,000 teachers.

Subd. 3. [POLICY BOARD MEMBERSHIP.] Representatives of exclusive representatives and representatives of the school boards shall mutually determine the composition of the policy board according to the guidelines in this subdivision. A majority of the policy board must be teachers. The number of policy board members from each participating district must be in proportion to the number of teachers in each district. The board shall be composed of elementary, secondary, and special area teachers, parents, and representatives of school boards, post-secondary education, and either business or labor. At least one teacher from each participating district shall be a member of the board.

Subd. 4. [BOARD POWERS AND DUTIES.] The board shall formulate policy, designate a fiscal agent, control the budget, expend funds to accomplish the purposes of the center, contract for technical and other assistance, and perform other managerial or supervisory activities consistent with the rules of the state board of education. The board may employ staff or contract for consulting services.

Subd. 5. [CENTER FUNCTIONS.] A teacher center shall perform func-

tions according to this subdivision. The center shall assist teachers, diagnose learning needs, experiment with the use of multiple instructional approaches, assess pupil outcomes, assess staff development needs and plans, and teach school personnel about effective pedagogical approaches. The center shall develop and produce curricula and curricular materials designed to meet the educational needs of pupils being served by applying educational research and new and improved methods, practices, and techniques. The center shall provide programs to improve the skills of teachers to meet the special educational needs of pupils. The center shall provide programs to familiarize teachers with developments in curriculum formulation and educational research, including how research can be used to improve teaching skills. The center shall facilitate sharing of resources, ideas, methods, and approaches directly related to classroom instruction and improve teachers' familiarity with current teaching materials and products for use in their classrooms. The center shall provide in-service programs.

Sec. 27. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [EDUCATION DISTRICT EXPENSE REIMBURSEMENT.] For reimbursement of district expenses in forming an education district there is appropriated:

\$1,500,000 ... 1988.

The appropriation for fiscal year 1988 shall not cancel but shall be available until June 30, 1989.

Subd. 3. [CENTER PLANNING GRANTS.] For area learning center planning grants there is appropriated:

\$100,000 ... 1988.

Subd. 4. [EXEMPLARY SITES FOR AREA LEARNING CENTERS.] For grants for exemplary sites for area learning centers there is appropriated:

\$200,000 ... 1989.

Subd. 5. [INDEPENDENT EVALUATION.] For independent evaluation of area learning centers there is appropriated:

\$20,000 ... 1989.

Sec. 28. [REPEALER.]

Minnesota Statutes 1986, sections 121.20, 126.65, 126.66, and 126.67, subdivisions 1, 1a, 2a, 5b, and 9, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment.

ARTICLE 9

LIBRARIES

Section 1. Minnesota Statutes 1986, section 134.10, is amended to read:
134.10 [BOARD VACANCIES; COMPENSATION.]

The library board president shall report vacancies in the board to the council or the board of county commissioners. The council or board of county commissioners shall fill the vacancies by appointment for the unexpired term. Library board members shall receive no compensation for their services but may be reimbursed for actual and necessary traveling expenses incurred in the discharge of library board duties and activities or a per diem allowance according to section 375.47 in place of the expenses.

Sec. 2. [134.341] [COUNTY FINANCIAL SUPPORT.]

To ensure the availability of public library service to all people, every county shall provide financial support for public library services at no less than minimum amounts as specified in sections 134.33 and 134.34 and shall participate in the regional public library system to which it is assigned by the state board of education under section 134.34, subdivision 3. Each county board of commissioners shall appoint at least one county resident to serve as a representative on the regional public library system board and may appoint more than one representative under terms and conditions of the regional public library system contract.

Sec. 3. [APPROPRIATION.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants pursuant to sections 134.32 to 134.35 for the provision of library service there is appropriated:

\$4,899,700 ... 1988,

\$4,974,800 ... 1989.

The appropriation for 1988 includes \$671,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$4,228,600 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for 1989 includes \$746,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$4,228,600 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$4,974,800 for fiscal year 1988 and \$4,974,800 for fiscal year 1989.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants pursuant to sections 134.353 and 134.354 to multicounty, multitype library systems there is appropriated:

\$216,800 ... 1988,

\$221,500 ... 1989.

The appropriation for 1988 includes \$28,500 for aid for fiscal year 1987 payable in fiscal year 1988 and \$188,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for 1989 includes \$33,200 for fiscal year 1988 payable in fiscal year 1989 and \$188,300 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$221,500 for fiscal year 1988 and \$221,500 for fiscal year 1989.

Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to education; providing for aids for education and the distributions of tax revenues; providing for certain powers and duties of school boards, the state board of education, the commissioner of education, and others; establishing general education revenue that is composed of basic, compensatory education, training and experience, and sparsity revenue; combining certain categorical aids; providing special instruction and services for handicapped children from birth; making certain modifications to the school of the arts and resource center; establishing education districts and area learning centers; modifying requirements for school district planning, evaluating, and reporting; requiring counties to participate in regional public library systems; appropriating money; amending Minnesota Statutes 1986, sections 43A.08, subdivisions 1, and 1a; 120.03, subdivision 1; 120.17, subdivisions 1, 2, 3, 3a, 3b, 5, 7a, 12, and by adding subdivisions; 121.11, by adding a subdivision; 121.609, subdivision 4; 121.88, subdivision 7; 121.912, subdivision 1, and by adding a subdivision; 121.932, subdivision 3; and by adding a subdivision; 121.934, subdivisions 1, 2, and 6; 122.541, subdivision 2; 123.34, subdivision 9; 123.35, by adding a subdivision; 123.39, subdivision 1; 123.703, subdivision 3; 123.705; 124.14, subdivision 7; 124.17, subdivision 1, and by adding a subdivision; 124.175; 124.195, subdivision 8; 124.2162, by adding a subdivision; 124.223; 124.225, subdivisions 1, 4b, 7b, 8a, 8i, and 10; 124.26, by adding subdivisions; 124.271, subdivisions 2b, and 7; 124.2711, subdivision 1; 124.273, subdivision 5; 124A.02, subdivisions 9, and 16; 124A.031, subdivision 4; 124A.21; 125.03, subdivision 5; 125.05, subdivision 1; 125.611, subdivisions 11, 12, and 13; 126.54, subdivision 1; 126.56, subdivisions 3, and 6; 126.67, subdivisions 3a, and 6, and by adding a subdivision; 128A.01; 128A.02, subdivisions 2, and 4; 129B.39; 129B.43, subdivisions 1, and 4; 129C.10, subdivisions 1, 3, 4, 5, 6, and by adding subdivisions; 134.10; 136D.27; 136D.74, subdivision 2; 136D.87; 171.29, subdivision 2; 275.125, subdivisions 4, 5, and 8; and Laws 1986, First Special Session chapter 1, article 5, section 9; proposing coding for new law in Minnesota Statutes, chapters 122, 124, 124A, 126, 128A, 129B, and 134; repealing Minnesota Statutes 1986, sections 120.17, subdivision 13; 121.20; 121.935, subdivision 5; 123.3514, subdivision 9; 124.17, subdivisions 1a, and 2d; 124.185; 124.2161; 124.2162; 124.2163; 124.225, subdivision 1a; 124.245; 124.246; 124.247; 124.252; 124.26, subdivisions 1, and 6; 124.272; 124.273, subdivision 2b; 124.274; 124.275; 124.573; 124.65; 124.66; 124A.01; 124A.02, subdivisions 2, 5, 6, 7, 9, 10, 11, 12, 13, and 14; 124A.03, subdivisions 1, 1a, 3, 4, and 6; 124A.031, subdivision 1; 124A.033; 124A.035, subdivision 1; 124A.04; 124A.06, subdivisions 1, 1a, 1b, 2, 3a, and 4; 124A.08, subdivisions 1, 2, 3a, 4, and 5; 124A.10, subdivisions 1, 2, 3a, and 4; 124A.12, subdivisions 1, 2, 3a, and 4; 124A.14, subdivisions 1, 2, 3, 4, 5, 5a, and 6; 124A.16; 124A.20, subdivisions 1, 2, and 3; 124A.21; 125.611, subdivisions 8, 9, and 10; 126.031, subdivision 2; 126.264, subdivision 3; 126.267; 126.268, subdivision 2; 126.60; 126.62; 126.64; 126.65; 126.66; 126.67, subdivisions 1, 1a, 2a, 5b, and 9; 126.70; 126.71; 126.72; 126.80; 126.81; 129B.01; 129B.02; 129B.04; 129B.05; 129B.17; 129B.20; 129B.21; 129B.35; 129B.43,

subdivisions 2, 3, and 6; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; 129B.67; 275.125, subdivisions 3, 6a, 8a, 11a, 11c, and 12; 354.66, subdivisions 4a and 9; 354A.094, subdivisions 4a and 9; and Laws 1985, First Special Session chapter 12, article 8, section 46.”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1267: A bill for an act relating to energy; authorizing loans to cities and counties for energy conservation investments and authorizing repayment of those loans; authorizing issuance of bonds; appropriating money; amending Minnesota Statutes 1986, sections 116J.37; 275.50, subdivision 5; 471.65; and 475.51, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Amend the title as follows:

Page 1, line 2, after “cities” insert “, towns.”

Page 1, line 4, delete “; authorizing”

Page 1, line 5, delete “issuance of bonds; appropriating money”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 510 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
510	617				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 809 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
809	1265				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 809 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 809 and insert the language after the enacting clause of S.F. No. 1265, the first engrossment; further, delete the title of H.F. No. 809 and insert the title of S.F. No. 1265, the first engrossment.

And when so amended H.F. No. 809 will be identical to S.F. No. 1265, and further recommends that H.F. No. 809 be given its second reading and substituted for S.F. No. 1265, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 818: A bill for an act relating to environment; providing criminal penalties for violation of laws and rules relating to hazardous waste; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, sections 115.071, subdivision 2; 115B.20, subdivisions 2, 3, and 4; and 609.531; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 115.071, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL PENALTIES.] (a) [VIOLATIONS OF LAWS; ORDERS; PERMITS.] (1) Except as provided in ~~subdivisions 2a and 2b~~ *section 3*, any person who willfully or negligently violates any provision of this chapter or chapter 116, or any standard, rule, variance, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency thereunder, which violation is not included in clause (2), shall upon conviction be guilty of a misdemeanor.

(2) Any person who willfully or negligently violates any effluent standard and limitation or water quality standard adopted by the agency, any National Pollutant Discharge Elimination System permit or any term or condition thereof, any duty to permit or carry out any recording, reporting, monitoring, sampling, information entry, access, copying, or other inspection or investigation requirement as provided under applicable provisions of this chapter and, with respect to the pollution of waters of the state, chapter 116, or any National Pollutant Discharge Elimination System filing requirement, shall upon conviction be punished by a fine of not less than \$2,500 in the event of a willful violation or not less than \$300 in the event of a negligent violation. In any case the penalty shall not be more than \$40,000 per day of violation or by imprisonment for not more than one

year, or both. If the conviction is for conduct committed after a first conviction of such person under this subdivision, punishment shall be by fine of not more than \$50,000 per day of violation, or by imprisonment for not more than two years, or both.

(b) [INFORMATION AND MONITORING.] Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this chapter and, with respect to the pollution of the waters of the state, chapter 116, or standards, rules, orders, stipulation agreements, schedule of compliance or permits pursuant hereto, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards, rules, variances, orders, stipulation agreements, schedules of compliance, or permits pursuant thereto, shall upon conviction, be punished by a fine of not more than \$20,000 per day of violation, or by imprisonment for not more than six months, or both.

(c) [DUTY OF LAW ENFORCEMENT OFFICIALS.] It shall be the duty of all county attorneys, sheriffs and other peace officers, and other officers having authority in the enforcement of the general criminal laws to take all action to the extent of their authority, respectively, that may be necessary or proper for the enforcement of said provisions, rules, standards, orders, stipulation agreements, variances, schedule of compliance, or permits.

Sec. 2. Minnesota Statutes 1986, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation in connection with a designated offense and includes, but is not limited to, motor vehicles, trailers, snowmobiles, airplanes, and vessels. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Primary container" means a fundamental receptacle other than a conveyance device used to store or transport property.

(c) "Weapon used" means weapons used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(d) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(e) "Contraband property" means property which is illegal to possess under Minnesota law.

(f) "Appropriate agency" means either the bureau of criminal apprehension, Minnesota state patrol, county sheriffs and their deputies, or city police departments.

(g) "Designated offense" includes:

(1) For weapons used: any violation of this chapter;

(2) For all other purposes: violation of, or an attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322, subdi-

vision 1 or 2; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.521; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; section 3, subdivisions 3, 4, and 5; 609.687; 609.825; 609.86; 609.88; 609.89; or 617.246, when the violation constitutes a felony.

(h) "Communications device or component" means a device or system used to facilitate in any manner the creation, storage, dissemination, or transmission of data in connection with a designated offense and includes computers and computer-related components as defined in section 609.87 and any other device or system that by means of electric, electronic or magnetic impulses may be used to facilitate in any manner the creation, storage, dissemination, or transmission of data.

Sec. 3. [609.671] [HAZARDOUS WASTE; CRIMINAL PENALTIES.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Agency" means the pollution control agency.

(b) "Deliver" or "delivery" means the transfer of possession of hazardous waste, with or without consideration.

(c) "Dispose" or "disposal" has the meaning given it in section 115A.03, subdivision 9.

(d) "Hazardous waste" means any waste identified as hazardous under the authority of section 116.07, subdivision 4, except for those wastes exempted under Minnesota Rules, part 7045.0120, and wastes generated under Minnesota Rules, part 7045.0213 or 7045.0304.

(e) "Permit" means a permit issued by the pollution control agency or interim status for a treatment, storage, or disposal facility for hazardous waste that qualifies under the agency rules.

Subd. 2. [PROOF OF KNOWING STATE OF MIND.] (a) Knowledge possessed by a person other than the defendant but not by the defendant may not be attributed to the defendant. In proving a defendant's actual knowledge, circumstantial evidence may be used, including evidence that the defendant took affirmative steps to shield the defendant from relevant information.

(b) Proof of a defendant's reason to know may not consist solely of the fact that the defendant held a certain job or position of management responsibility. If evidence of the defendant's job or position is offered, it must be corroborated by evidence of defendant's reason to know. Corroborating evidence must include evidence that the defendant had information regarding the offense for which the defendant is charged, that the information pertained to hazardous waste management practices directly under the defendant's control or within the defendant's supervisory responsibilities, and that the information would cause a reasonable and prudent person in the defendant's position to learn the actual facts.

Subd. 3. [FELONY PENALTY FOR KNOWING ENDANGERMENT.]

(a) A person is guilty of a felony if the person:

(1) knowingly, or with reason to know, transports, treats, stores, or disposes of hazardous waste in violation of subdivision 4 or 5; and

(2) at the time of the violation knowingly places, or has reason to know that the person's conduct places, another person in imminent danger of death, great bodily harm, or substantial bodily harm.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than ten years, or to pay a fine of not more than \$100,000, or both, except that a defendant that is an organization may be sentenced to pay a fine of not more than \$1,000,000.

Subd. 4. [FELONY PENALTY FOR UNLAWFUL DISPOSAL.] A person who knowingly, or with reason to know, disposes of hazardous waste or arranges for the disposal of hazardous waste at a location other than one authorized by the pollution control agency or the United States Environmental Protection Agency, or in violation of any material term or condition of a hazardous waste facility permit, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to pay a fine of not more than \$50,000, or both.

Subd. 5. [FELONY PENALTY FOR UNLAWFUL TREATMENT, STORAGE, TRANSPORTATION, OR DELIVERY; FALSE STATEMENTS.] (a) A person is guilty of a felony who knowingly, or with reason to know, does any of the following:

(1) delivers hazardous waste to any person other than a person who is authorized to receive the waste under rules adopted under section 116.07, subdivision 4, or under United States Code, title 42, sections 9601 to 9675;

(2) treats or stores hazardous waste without a permit if a permit is required, or in violation of a material term or condition of a permit held by the person, unless:

(i) the person notifies the agency prior to the time a permit would be required that the person will be treating or storing waste without a permit; or

(ii) for a violation of a material term or condition of a permit, the person immediately notifies the agency issuing the permit of the circumstances of the violation as soon as the person becomes aware of the violation;

(3) transports hazardous waste to any location other than a facility that is authorized to receive, treat, store, or dispose of the hazardous waste under rules adopted under section 116.07, subdivision 4, or under United States Code, title 42, sections 9601 to 9675;

(4) transports hazardous waste without a manifest as required by the rules under section 116.07, subdivision 4, and section 221.172;

(5) transports hazardous waste without a license required for the transportation of hazardous waste by chapter 221;

(6) makes a false material statement or representation, or a material omission, in an application for a permit or license required by chapter 116 or 221 to treat, transport, store, or dispose of hazardous waste; or

(7) makes a false material statement or representation, or a material omission, in or on a label, manifest, record, report, or other document filed, maintained, or used for the purpose of compliance with chapter 116 or 221 in connection with the generation, transportation, disposal, treatment, or storage of hazardous waste.

(b) A person convicted under this subdivision may be sentenced to im-

prisonment for not more than three years, or to pay a fine of not more than \$25,000, or both. A person convicted for a second or subsequent offense may be sentenced to imprisonment for not more than five years, or to pay a fine of not more than \$50,000, or both.

Subd. 6. [NEGLIGENT VIOLATION AS GROSS MISDEMEANOR.] A person who commits any of the violations set forth in subdivision 4 or 5 as a result of the person's gross negligence is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year, or to pay a fine of not more than \$15,000, or both.

Subd. 7. [AGGREGATION.] When two or more offenses in violation of subdivision 4 are committed by the same person in two or more counties within a two-year period, the offenses may be aggregated and the accused may be prosecuted in any county in which one of the offenses was committed.

An individual is not eligible to receive a reward if the individual is a peace officer, an employee of the agency or county engaged in enforcement of hazardous waste regulations, an employee of the waste management board, or an individual engaged in providing technical assistance to persons managing hazardous waste under a technical assistance program supported by a grant of state funds.

Sec. 4. Minnesota Statutes 1986, section 628.26, is amended to read:

628.26 [LIMITATIONS.]

(a) Indictments or complaints for murder may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for violation of section 609.42, subdivision 1, clause (1) or (2) shall be found or made and filed in the proper court within six years after the commission of the offense.

(c) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense.

(d) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (3)(d) shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) *Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 3 shall be found or made and filed in the proper court within five years after the commission of the offense.*

(f) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense; but the time during which the defendant shall not be an inhabitant of, or usually resident within, this state, shall not constitute any part of the limitations imposed by this section.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b, are repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1987, and apply to violations

occurring on or after August 1, 1987."

Delete the title and insert:

"A bill for an act relating to environment; providing criminal penalties for violation of laws and rules relating to hazardous waste; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, sections 115.071, subdivision 2; 609.531, subdivision 1; and 628.26; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 388, 582, 1041, 1190, 1322, 29, 634 and 1484 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 557, 923, 1416, 1223, 575, 510 and 809 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Belanger moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 29. The motion prevailed.

Mr. Solon moved that the name of Mr. Kroening be added as a co-author to S.F. No. 1152. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1197. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1212. The motion prevailed.

Mr. Davis moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1244. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1245. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1248. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1252. The motion prevailed.

Mr. Bertram moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1254. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1289. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1312. The motion prevailed.

Mr. Metzen moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1325. The motion prevailed.

Mr. Knaak moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1342. The motion prevailed.

Mr. Dicklich moved that the names of Mr. Johnson, D.J. and Mrs. Adkins be added as co-authors to S.F. No. 1365. The motion prevailed.

Mr. Benson moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1451. The motion prevailed.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 59: A Senate resolution congratulating the Wildcats girls basketball team from New London-Spicer High School for their fourth place finish in the 1987 State High School Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Pehler introduced—

Senate Resolution No. 60: A Senate resolution congratulating the Huskies women's basketball team from St. Cloud State University for winning third place in the North Central Conference.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 9 be taken from the table and referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Willet moved that H.F. No. 332 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 388 now on General Orders. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Peterson, R.W.; Frank; Merriam and Laidig introduced—

S.F. No. 1491: A bill for an act relating to courts; authorizing additional district court judges for the tenth judicial district; amending Minnesota Statutes 1986, section 2.722, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Peterson, R.W. introduced—

S.F. No. 1492: A bill for an act relating to education; providing for capital improvements at the Cambridge Community College Center; providing for the issuance of state building bonds.

Referred to the Committee on Finance.

Mr. DeCramer introduced—

S.F. No. 1493: A bill for an act relating to state land; providing for the transfer of a parcel.

Referred to the Committee on Environment and Natural Resources.

Mr. Novak introduced—

S.F. No. 1494: A bill for an act relating to metropolitan government; adding the chair of the transit commission to membership on the metropolitan financial reporting and management advisory committee; amending Minnesota Statutes 1986, section 473.1623, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mr. Novak and Ms. Reichgott introduced—

S.F. No. 1495: A bill for an act relating to wild animals; directing a report to the legislature on raptor population; appropriating funds.

Referred to the Committee on Environment and Natural Resources.

Messrs. Beckman, Vickerman, Ms. Piper, Messrs. Frederickson, D.J. and Morse introduced—

S.F. No. 1496: A bill for an act relating to taxation; increasing the value of commercial-industrial property that is assessed at a lower ratio; amending Minnesota Statutes 1986, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dahl introduced—

S.F. No. 1497: A bill for an act relating to water pollution; providing for grants and loans for the construction and rehabilitation of wastewater treatment facilities and systems; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1986, sections 116.16, subdivision 5; 116.167; 116.18, subdivisions 2a, 3a, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

MEMBERS EXCUSED

Mr. Wegscheid was excused from the Session of today.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 23, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-SEVENTH DAY

St. Paul, Minnesota, Thursday, April 23, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Peg Chamberlin.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 21, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1987 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
457		37	April 20	April 21
	134	38	April 20	April 21
	312	39	April 20	April 21
	838	40	April 20	April 21

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 136, 725 and 1067.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 22, 1987

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 554:

H.F. No. 554: A bill for an act relating to natural resources; changing certain provisions relating to state park motor vehicle permits; amending Minnesota Statutes 1986, section 85.05, subdivision 2.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Rukavina, Munger and Thiede have been appointed as such committee on the part of the House.

House File No. 554 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 22, 1987

Mr. Pehler moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 554, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 638, 706 and 1141.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 22, 1987

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 490, 1147, 1355, 830 and 1266.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 22, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 638: A bill for an act relating to elections; requiring election judges to inform voters of certain laws; providing for selection of a party in certain primary elections; amending Minnesota Statutes 1986, sections 204C.13, subdivision 2; and 206.80.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 550, now on General Orders.

H.F. No. 706: A bill for an act relating to juveniles; clarifying certain recent changes to the juvenile court act; clarifying the hearing and records procedures of the juvenile court; providing for the enforcement of juvenile court restitution orders; permitting administrative docketing of certain unpaid county reimbursements; clarifying certain crime victim notification and protection laws; amending Minnesota Statutes 1986, sections 260.155, subdivisions 1 and 1a; 260.156; 260.161; 260.185, by adding a subdivision; 548.091, subdivision 1; 595.02, subdivision 4; 609.115, subdivision 1; 609.3471; 611A.031; and 611A.035; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1986, sections 609.115, subdivisions 1b and 1c; and 636.08.

Referred to the Committee on Judiciary.

H.F. No. 1141: A bill for an act relating to the city of Champlin; permitting the city to use unexpended public improvement funds for a low-income special assessment grant program.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1087, now on General Orders.

H.F. No. 490: A bill for an act relating to elections; increasing the size of the board of education of special school district No. 1 of the city of Minneapolis to nine members providing for six members to be elected by districts; requiring compliance with certain campaign disclosure provisions; amending Minnesota Statutes 1986, sections 383B.041; 383B.042, subdivisions 5 and 9; 383B.053, subdivision 1; and 383B.058; and Laws 1959, chapter 462, section 3, subdivision 1, as amended and renumbered.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1101.

H.F. No. 1147: A bill for an act relating to public employment; state university and community college supplemental retirement plan; reducing

the age for the redemption of investment shares; investment options; defining terms and conditions of public employment; allowing expanded payment of certain accumulated sick leave; amending Minnesota Statutes 1986, sections 136.81, subdivision 3; 136.82, subdivision 1; 179A.03, subdivision 19; and 465.72, subdivision 2.

Referred to the Committee on Governmental Operations.

H.F. No. 1355: A bill for an act relating to the city of Minneapolis; giving the city certain powers pertaining to conventions and tourism activities; providing for the use of certain tax revenues; amending Laws 1986, chapter 396, section 4, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 830: A bill for an act relating to state energy contracts; imposing additional requirements on bidders for state energy efficiency installment purchase contracts; amending Minnesota Statutes 1986, section 16B.16, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 206, now on General Orders.

H.F. No. 1266: A bill for an act relating to Hennepin county; providing bonding authority for library construction and betterment; amending Minnesota Statutes 1986, section 383B.245.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1188: A bill for an act relating to traffic regulations; providing for the operation by certain police departments and sheriff's offices of specially marked vehicles for highway traffic law enforcement; amending Minnesota Statutes 1986, section 169.98, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1986, section 169.98, is amended by adding a subdivision to read:

Subd. 2a. The chief of police of a home rule or statutory city, and the sheriff of a county, may authorize within the jurisdiction the use of specially marked police or sheriff's vehicles for primary use in the enforcement of highway traffic laws and ordinances when in the judgment of the chief of police or sheriff the use of specially marked vehicles will contribute to the safety of the traveling public. A specially marked vehicle is a vehicle that is marked only with the shield of the city or county and the name of the proper authority on the right front door of the vehicle. The number of specially marked vehicles owned by a police department of a city of the first class may not exceed ten percent of the total number of vehicles used

by that police department in traffic law enforcement, and a city or county that uses fewer than 11 vehicles in traffic law enforcement may not own more than one specially marked vehicle. A specially marked vehicle may be operated only by a uniformed officer and must be equipped and operated to indicate clearly to the driver of a vehicle signalled to stop that the specially marked vehicle is being operated by a police department or sheriff's office."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

H.F. No. 1390: A bill for an act relating to utilities; providing for representation of small business by attorney general in certain proceedings relating to utility rates, service, and other matters; amending Minnesota Statutes 1986, section 8.33.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1309: A bill for an act relating to children; creating an office for children in the state planning agency; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116K.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, delete "An" and insert "The"

Page 1, line 18, delete "is created" and delete "to" and insert "shall"

Page 1, line 21, delete "agencies" and insert "departments"

Page 2, line 6, delete the first "and" and after "families" insert ", and other appropriate councils and commissions"

Page 2, line 21, delete "and"

Page 2, line 23, before the period, insert "; and

(7) continually assess options and alternative models for coordination of policies, programs, and services for Minnesota children"

Page 2, line 27, delete "shall" and insert "must"

Page 2, line 34, delete "compliment shall be" and insert "complement is"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 924: A bill for an act relating to human services; creating the office of ombudsman for older Minnesotans; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

"Section 1. [256.974] [OFFICE OF OMBUDSMAN FOR OLDER MINNESOTANS; LOCAL PROGRAMS.]

The ombudsman for older Minnesotans serves in the classified service under section 256.01, subdivision 7, in an office within the Minnesota board on aging that incorporates the long-term care ombudsman program required by the Older Americans Act, Public Law 98-456, United States Code, title 42, section 3027(a)(12), and established within the Minnesota board on aging. The Minnesota board on aging may make grants to local programs or area agencies on aging for the provision of ombudsman services to clients in county or multicounty areas. Individuals providing local ombudsman services must be qualified to perform the duties required by section 3."

Page 2, line 2, delete "(a)" and insert "(1)"

Page 2, line 3, delete "(b)" and insert "(2)"

Page 2, line 16, delete everything after "The" and insert "ombudsman shall:"

Page 2, line 17, delete "to"

Page 3, line 2, delete "Any" and insert "A"

Page 3, line 3, delete "pursuant to" and insert "under"

Page 3, line 4, delete "his or her" and insert "the person's"

Page 3, lines 10 and 11, delete "shall be" and insert "is"

Page 3, lines 11, 13, 21, 27, and 32, delete "office" and insert "ombudsman"

Page 3, lines 14 and 15, delete "or acute care facility"

Page 3, line 16, after "(2)" insert "enter any acute care facility without notice during normal business hours;

(3)"

Page 3, line 18, delete "(3)" and insert "(4)"

Page 3, line 21, delete "shall have" and insert "has"

Page 3, line 23, delete "office's" and insert "ombudsman's"

Page 3, line 27, delete "must" and insert "shall"

Page 4, delete section 5 and insert:

"Sec. 5. [256.9744] [OFFICE DATA.]

Subdivision 1. [CLASSIFICATION.] Except as provided in this section, data maintained by the office under sections 1 to 6 are private data on individuals or nonpublic data as defined in section 13.02, subdivision 9 or 12, and must be maintained in accordance with the requirements of Public Law 98-459, United States Code, title 42, section 3027(a)(12)(D).

Subd. 2. [RELEASE.] Data maintained by the office that does not relate to the identity of a complainant or a resident of a long-term facility may

be released at the discretion of the ombudsman responsible for maintaining the data. Data relating to the identity of a complainant or a resident of a long-term facility may be released only with the consent of the complainant or resident or by court order.

Page 4, line 18, delete "shall" and insert "must"

Page 4, line 23, delete "shall be as provided in" and insert "are governed by"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

H.F. No. 354: A bill for an act relating to state government; providing for a job class entitled chiropractor in the state civil service; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 468: A bill for an act relating to state government; appropriating money to fund a nonprofit institute for invention and innovation; proposing coding for new law in Minnesota Statutes, chapter 138.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [INVENTION/INNOVATION CENTER; GRANT AWARD.]

Subdivision 1. [ELIGIBLE CORPORATIONS.] The Minnesota historical society shall award a grant to a nonprofit corporation incorporated under Minnesota Statutes, chapter 317, that meets the requirements specified in this section. The grant shall be used to establish an invention/innovation center and support system that shall administer programs throughout the state.

Subd. 2. [INVENTION/INNOVATION CENTER PLAN.] In order to be considered for a grant award, a corporation must submit a comprehensive invention/innovation center plan to the Minnesota historical society that includes the following:

- (1) the objectives of the corporation for the invention/innovation center;*
- (2) the specific activities or means by which the corporation intends to pursue or implement the objectives;*
- (3) the extent to which the specific activities will encourage and assist in the creation, development, and expansion of businesses located in Minnesota and will provide employment opportunities;*
- (4) a statement of the intended outcomes to be achieved by implementation of the plan and the estimated time over which they will occur;*
- (5) a financing program and budget that identifies the financial resources*

necessary to implement the plan; and

(6) any other information that the Minnesota historical society may require.

Subd. 3. [ANNUAL FINANCIAL AUDIT.] At the end of each calendar year beginning in 1988, the legislative auditor shall conduct a financial audit to review the spending of state funds under this act. Before spending any state funds to implement an invention/innovation center plan, the corporation must consult with the legislative auditor to determine appropriate accounting methods and principles that will assist the legislative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission.

Subd. 4. [ANNUAL REPORT.] A corporation that receives a grant under this section must provide a detailed annual report on the invention/innovation center plan being implemented. The report must describe the status of the plan implementation and analyze whether the plan objectives are being met. The report must be submitted to the Minnesota historical society and to the legislature by June 30 of each year, as provided in Minnesota Statutes, section 3.195.

Sec. 2. [APPROPRIATION.]

§_____ is appropriated from the general fund to the Minnesota historical society for the purposes specified in section 1, to be available until June 30, 1989."

Delete the title and insert:

"A bill for an act relating to state government; providing for a grant to establish an invention/innovation center and support system; appropriating money."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1454: A bill for an act relating to small business; authorizing the bureau of small business within the department of energy and economic development to engage in certain collaborative activities with small business development centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 1, line 19, delete "116J.682" and insert "116J.681"

Page 2, line 14, delete "2" and insert "1"

Page 2, line 16, delete ", 2, and 3" and insert "and 2"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1404: A bill for an act relating to local government; providing the Lake county housing and redevelopment authority with certain port authority powers.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, after "458.192," insert "*subdivision 10,*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1223: A bill for an act relating to state departments and agencies; creating a commission for the quincentennial of the Hispanic presence in the western hemisphere.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 8 to 10 and insert:

"Subdivision 1. [MEMBERSHIP] The Minnesota Hispanic quincentennial commission consists of seven members, as follows:"

Page 1, line 11, delete "*one member of the governor's staff*" and insert "*three members knowledgeable in Hispanic history and culture,*"

Page 1, delete lines 13 to 16

Page 1, line 17, delete "(4)" and insert "(2)"

Page 1, line 19, delete "(5)" and insert "(3)"

Page 1, line 21, delete "(6)" and insert "(4)"

Page 1, line 23, delete "(7)" and insert "(5)"

Page 2, line 8, delete "*shall have power to*" and insert "*may*"

Page 2, line 9, delete "*shall*" and insert "*must*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1296: A bill for an act relating to Gillette Children's Hospital; clarifying the hospital's exemption from certain tax provisions; amending Minnesota Statutes 1986, section 250.05, by adding subdivisions.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1441: A bill for an act relating to taxation; property; allowing the county board to grant a reduction in property taxes on nonhomestead property that is accidentally destroyed; amending Minnesota Statutes 1986, section 273.123, subdivision 7.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 760: A bill for an act relating to taxation; providing for conveyance of certain tax-forfeited land to its previous owner.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 852: A bill for an act relating to taxes; exempting from gasoline excise tax propane fuel for vehicles operating under permit; amending Minnesota Statutes 1986, sections 296.01, subdivision 25; 296.02, subdivision 1a; 296.025, subdivision 1a; 296.026; and 296.028.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 955: A bill for an act relating to port authority powers for the city of Roseville; amending Laws 1985, chapter 301, section 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 748: A bill for an act relating to local improvements; authorizing the levy of special assessments for highway sound barriers; amending Minnesota Statutes 1986, sections 429.011, by adding a subdivision; and 429.021, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1009 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1009	1108				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1009 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1009 and insert the language after the enacting clause of S.F. No. 1108, the first engrossment; further, delete the title of H.F. No. 1009 and insert the title of S.F. No. 1108, the first engrossment.

And when so amended H.F. No. 1009 will be identical to S.F. No. 1108, and further recommends that H.F. No. 1009 be given its second reading and substituted for S.F. No. 1108, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 947 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
947	940				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 947 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 947 and insert the language after the enacting clause of S.F. No. 940, the first engrossment; further, delete the title of H.F. No. 947 and insert the title of S.F. No. 940, the first engrossment.

And when so amended H.F. No. 947 will be identical to S.F. No. 940, and further recommends that H.F. No. 947 be given its second reading and substituted for S.F. No. 940, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1170 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1170		1165			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1170 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1170 and insert the language after the enacting clause of S.F. No. 1165, the first engrossment; further, delete the title of H.F. No. 1170 and insert the title of S.F. No. 1165, the first engrossment.

And when so amended H.F. No. 1170 will be identical to S.F. No. 1165, and further recommends that H.F. No. 1170 be given its second reading and substituted for S.F. No. 1165, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1267 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1267		1206			

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 31 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
31		176			

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 332 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
332	388				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 332 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 332 and insert the language after the enacting clause of S.F. No. 388, the first engrossment; further, delete the title of H.F. No. 332 and insert the title of S.F. No. 388, the first engrossment.

And when so amended H.F. No. 332 will be identical to S.F. No. 388, and further recommends that H.F. No. 332 be given its second reading and substituted for S.F. No. 388, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1120 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1120	1484				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1120 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1120 and insert the language after the enacting clause of S.F. No. 1484, the first engrossment; further, delete the title of H.F. No. 1120 and insert the title of S.F. No. 1484, the first engrossment.

And when so amended H.F. No. 1120 will be identical to S.F. No. 1484, and further recommends that H.F. No. 1120 be given its second reading and substituted for S.F. No. 1484, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1234: A bill for an act relating to agriculture; appropriating money for control of pseudorabies in swine herds.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Pehler from the Committee on Education, to which was re-referred

S.F. No. 1082: A bill for an act relating to special school district No. 1, Minneapolis; requiring a subsidy be paid to Minneapolis retired teachers for health insurance; authorizing a levy; repealing Minnesota Statutes 1986, section 62E.081.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1426: A bill for an act relating to insurance; clarifying the authority of school districts to self-insure for property and casualty coverage; amending Minnesota Statutes 1986, section 471.98, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1: A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; appropriating money; amending Minnesota Statutes 1986, sections 16A.80, subdivision 2a; 41A.01; 41A.02, subdivisions 3, 4, 6, 11, and by adding subdivisions; 41A.05, subdivisions 1 and 2; 116.16, subdivisions 2, 5, 9, and by adding subdivisions; 116.18, subdivisions 2a and 3a; 116J.36, subdivisions 2, 3b, 3c, 8, 8a, and 11; 116J.37, subdivision 1; 116J.955, subdivisions 1 and 2; 116L.03, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; and 462.398; Laws 1983, chapter 334, section 7; proposing coding for new law in Minnesota Statutes, chapters 41A; 93; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; repealing Minnesota Statutes 1986, sections 41A.06, subdivision 2; 116.167; 116J.951; 116J.961; 116J.965; 116M.01; 116M.02; 116M.03; 116M.04; 116M.05; 116M.06; 116M.07; 116M.08; 116M.09; 116M.10; 116M.11; 116M.12; 116M.13; 472.11, subdivisions 3, 5, 6, 7, 8, and 9; 472.12,

subdivisions 2, 3, and 4; 472.125; and 472.13, subdivisions 2, 3, and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 8, insert:

"Subd. 4. [LOCAL GOVERNMENTAL UNIT.] "Local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area, a county when the project is located in an unincorporated area, or an American Indian tribal council when the project is located within a federally recognized American Indian reservation or community."

Renumber the subdivisions in sequence

Page 3, line 21, after "board's" insert "staff and"

Page 4, line 11, after "award" insert "up to \$500,000 in"

Page 5, line 20, delete "\$_____" and insert "\$1,000,000"

Page 7, line 5, delete everything after the period

Page 7, delete lines 6 to 11

Page 7, after line 31, insert:

"Subd. 9. [LOCAL GOVERNMENTAL UNIT LOANS.] A local governmental unit may receive a revolving loan under this section if the local governmental unit has established a local-revolving loan fund and can provide at least an equal match to the loan received from a regional organization. The maximum revolving loan available to a local governmental unit under this section is \$50,000. The money loaned to a local governmental unit by a regional organization must be matched by the local revolving loan fund and used to provide loans to businesses to promote local economic development. One-half of the money loaned to a local governmental unit under this section by a regional organization must be repaid into the regional organization's revolving loan fund. One-half of the money may be retained by the local governmental unit's revolving loan fund for further distribution by the local governmental unit."

Page 7, delete lines 32 to 34 and insert:

"Subd. 10. [REGIONAL COOPERATION.] An organization that receives challenge grant funds shall cooperate with other regional organizations, including regional development commissions, community development corporations, community action agencies, and the Minnesota small business development centers and satellites, in carrying out challenge grant program responsibilities."

Renumber the subdivisions in sequence

Page 8, line 14, delete "'503'"

Page 11, after line 3, insert:

"Sec. 10. [APPROPRIATION.]

\$300,000 is appropriated from the general fund to the commissioner of energy and economic development to be used to provide grants to regional organizations selected under section 7 to administer the regional revolving loan program."

Page 14, line 7, delete "dollar-for-dollar"

Page 14, line 18, delete "state" and insert "department of commerce or the department of public service"

Page 14, line 36, after "may" insert "require the commissioner of finance to"

Page 15, line 1, delete "Money in"

Page 15, delete line 2

Page 15, line 3, delete everything before "Money"

Page 15, line 6, delete "may" and insert "is appropriated to the corporation to"

Page 17, line 1, delete "\$_____" and insert "\$10,000,000" and after "fund" insert "for transfer"

Page 17, line 2, delete everything after "Minnesota"

Page 17, line 3, delete everything before the period and insert "fund"

Page 19, line 26, delete "exempt" and insert "waive the federal planning requirement for"

Page 19, line 27, delete everything after "1,500"

Page 19, delete lines 28 to 30

Page 19, line 31, delete everything before the period and insert "by rules"

Page 20, lines 31 and 33, delete "agency" and insert "state pollution control director"

Page 24, line 15, delete the second "and" and insert ". The department of energy and economic development"

Page 25, lines 7 and 17, delete "authority" and insert "department of energy and economic development"

Page 25, line 14, delete "municipal" and insert "municipalities"

Page 25, line 27, delete "ACCOUNT" and insert "FUNDS"

Page 25, line 32, delete everything after "works" and insert "and other purposes specified under section 116.16, subdivision 2, paragraphs (6), (7), and (8)."

Page 25, delete lines 33 to 36

Page 28, line 24, delete "and"

Pages 28 to 30, delete section 15

Page 30, line 15, delete "446A.09" and insert "446A.08"

Pages 31 to 36, delete sections 17 to 21

Page 36, line 12, delete "446A.15" and insert "446A.09"

Page 37, after line 1, insert:

"Sec. 19. [STATE INDEPENDENT GRANTS PROGRAM.]

(a) The state pollution control agency may award independent grants for projects for 50 percent or, if the population of the municipality is 25,000

or less, 80 percent of the eligible cost of construction. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

(b) Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year.

(c) A municipality that applies for a state independent grant to be reimbursed for a project must receive an additional five percent of the total eligible cost of construction beyond the normal percentage to which the municipality is entitled under paragraph (a)."

Page 37, line 3, after the period, insert "Section 19 is repealed July 1, 1988."

Page 37, line 5, delete "2," and delete "6," and delete everything after "13," and insert "and 18 are"

Page 37, line 6, after the period, insert "Section 19 is effective the day following final enactment."

Renumber the sections of article 3 in sequence

Page 39, line 31, delete "\$_____" and insert "\$2,000,000"

Page 39, line 36, delete "\$_____" and insert "\$500,000"

Page 40, line 1, delete "\$_____" and insert "\$500,000"

Page 40, line 8, delete "a" and insert "for the diversification of the state's mineral economy through"

Page 40, line 9, delete "commitment to" and insert "support of" and after "exploration" insert a comma

Page 40, line 10, delete everything after "commercialization"

Page 40, line 11, delete everything before the period

Page 40, line 14, delete "provide planning and assistance" and insert "plan"

Page 40, line 33, after the semicolon, insert "and"

Page 40, line 34, delete "provide for" and insert "promote" and delete "; and" and insert a period

Page 40, delete lines 35 and 36 and insert:

"The plan must also include a two-year plan that establishes funding priorities for the minerals programs under subdivision 3. The funding priorities must be updated every two years."

Page 41, lines 17 and 18, delete "recommendations for funding priorities of the mineral diversification plan" and insert "the two-year funding priority plan required under subdivision 2"

Page 41, line 29, delete "and"

Page 41, line 30, after "programs" insert ", the main street program, the Minnesota community improvement program, the governor's design

team, the Minnesota beautiful program, and the enterprise zone program”

Page 42, after line 8, insert:

“Subd. 2. [GENERAL COMPLEMENT AUTHORITY.] The community development division may combine all related state and federal complement positions into general complement positions, to carry out the responsibilities under subdivision 1. The number of general complement positions must not exceed the aggregate number of all state and federal positions that are to be combined. Records of the actual number of employee hours charged to each state and federal account must be maintained for each general complement position.”

Page 42, line 32, after “2” insert “, 4,”

Page 49, after line 19, insert:

“Sec. 21. [DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT; REORGANIZATION.]

Subdivision 1. [FINANCIAL MANAGEMENT DIVISION.] The financial management division of the department of energy and economic development is abolished. Incumbents of the division are transferred as provided in subdivision 2, paragraph (a), to the community development division of the department of energy and economic development. All employee benefits and classifications of the transferred incumbents are maintained.

Subd. 2. [COMMUNITY DEVELOPMENT DIVISION.] (a) The community development division of the department of energy and economic development is increased by a complement of 17. Four positions must be assigned to the Minnesota development program. Thirteen positions must be assigned to the Minnesota public facilities authority.

(b) The community development division of the department of energy and economic development is increased by a complement of five, to serve in the unclassified service under the rural development board.

Subd. 3. [BUSINESS FINANCE SPECIALIST POSITIONS.] Six business finance positions in the project management office of the department of energy and economic development are abolished.”

Page 49, line 21, delete “\$_____” and insert “\$1,000,000”

Page 49, line 30, delete “\$_____” and insert “\$1,750,000”

Page 50, line 3, delete “\$_____” and insert “\$250,000”

Renumber the sections of article 5 in sequence

Page 50, line 28, delete “*rural small business*” and insert “*economic*”

Page 51, line 15, delete “*extensive*”

Page 51, line 31, after “*products,*” delete “*or*”

Page 51, line 33, after “*fish*” insert “, or (4) *real or personal property used or useful in connection with a new or expanding business, that is not used for the production of livestock, other than poultry, or for the production of crops, plants, or milk*”

Page 52, line 2, after the period, insert “*The land in clause (2) does not include land used for the growing or raising of crops or the grazing of livestock other than poultry.*”

Page 52, line 17, after "means" insert ": (1)"

Page 52, lines 20 and 21, delete ", as amended from time to time" and insert "; or (2) a business eligible to receive assistance under section 12"

Page 53, delete section 9 and insert:

"Sec. 9. [41A.022] [MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY; SUCCESSOR STATUS.]

The board is the legal successor in all respects of the Minnesota energy and economic development authority under the general bond resolution for the Minnesota small business development loan program, as amended and restated by the authority on September 24, 1986. All bonds, resolutions, contracts, and liabilities of the Minnesota energy and economic development authority relating to the Minnesota small business development loan program are the bonds, resolutions, contracts, and liabilities of the Minnesota development board."

Page 53, line 36, after "fees" insert "without regard to chapter 14 and section 16A.128"

Page 54, line 6, after "business" insert "development"

Page 54, line 20, delete "RURAL"

Page 55, after line 32, insert:

"Subd. 3. [LOAN CRITERIA.] *A business is not eligible to receive assistance under this section unless the board passes a resolution designating the business as being in need of special assistance. The resolution shall include findings that the designation and receipt of the special assistance is of exceptional benefit to the state in that at least three of the following criteria are met:*

(1) in order to expand or remain in Minnesota, the business has demonstrated that it is unable to obtain suitable financing from other sources;

(2) special assistance will enable a business not currently located in Minnesota to locate a facility within Minnesota which directly increases the number of jobs within the state;

(3) the business will create or retain significant numbers of jobs within a community in Minnesota;

(4) the business has a significant potential for growth and jobs or economic activities within Minnesota within the ensuing five-year period; and

(5) the business will maintain a significant level of productivity within Minnesota within the ensuing five-year period.

Subd. 4. [LOCAL GOVERNMENTAL UNIT SPONSOR; RESOLUTION.] *A business applying for a loan must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located. For purposes of this paragraph, "local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area, a county when the project is located in an unincorporated area, or an American Indian tribal council when the project is located within a federally recognized American Indian reservation or community."*

Page 56, line 12, after "may" insert "maintain or"

Page 56, line 13, strike "funds" and insert "accounts" and before "or" insert "trustee accounts, special guaranty fund accounts."

Page 56, line 15, strike the period

Page 56, line 19, after the stricken "program" insert ". The board may enter into pledge and escrow agreements or indentures in trust with a trustee for the purpose of maintaining the accounts" and reinstate the stricken period

Page 58, delete section 17

Page 58, line 21, delete "established in article 3, section 10"

Page 58, line 34, after "county," insert "home rule charter or statutory"

Page 59, line 29, after "provide" insert "district heating system" and strike "for planning related"

Page 59, line 30, strike everything before the period and insert "certified by the department of public service as eligible to receive planning grants"

Page 60, line 11, after "provide" insert "qualified energy improvement"

Page 60, line 12, strike everything after "municipalities"

Page 60, line 13, strike everything before the period and insert "certified by the department of public service as eligible to receive planning grants"

Page 60, line 25, delete "authority" and insert "director of the public service department" and reinstate the stricken "and submit to the"

Page 60, line 26, reinstate the stricken "authority" and after "separate" insert "priority"

Page 60, lines 28 and 30, after "The" insert "priority" and strike "shall contain"

Page 60, lines 29 and 31, strike everything before "subdivisions" and insert "must be based on the requirements under"

Page 60, line 32, strike everything after the period

Page 60, line 33, strike "transmitted to the commissioner of finance."

Page 60, line 34, after "and" insert "the authority shall"

Page 60, line 36, strike "authority" and insert "director of the public service department"

Page 61, lines 6, 17, and 19, delete "authority" and insert "department of public service"

Page 61, line 10, after "board" insert ", the authority,"

Page 61, line 18, after the period, insert "The authority shall adopt permanent rules and may adopt emergency rules for the administration of programs under this section."

Page 62, after line 7, insert:

"Sec. 9. Minnesota Statutes 1986, section 116J.37, is amended by adding a subdivision to read:

Subd. 8. [TECHNICAL SUPPORT.] The department of public service shall prepare and submit to the authority the technical evaluation of all applicants under this section."

Page 65, line 10, delete "FINANCE" and insert "ENERGY AND ECONOMIC DEVELOPMENT"

Page 65, line 13, delete "finance" and insert "energy and economic development"

Page 65, line 16, delete "and" and after "program" insert "; the tourism loan program created under section 116M.07; the energy loan insurance program under section 116M.11; the energy development fund program under section 116M.12; and the Minnesota fund program under sections 472.11 to 472.13. Loan repayments, earnings, releases from insurance reserve accounts, and other income from the programs specified in this subdivision must be deposited in the greater Minnesota fund"

Page 65, line 18, before "The" insert "(a)"

Page 65, line 20, delete everything after "7c;"

Page 65, line 21, delete everything before "the"

Page 65, line 22, delete "the energy loan"

Page 65, line 23, delete everything before "the"

Page 65, line 25, after "116J.36" insert "; the waste tire recycling loan and grant program under section 116M.07, subdivision 3; and all other programs under the Minnesota energy and economic development authority not provided for in this section"

Page 65, line 27, delete "established in article 3, section 10"

Page 65, line 28, before "Section" insert:

"(b) Except as otherwise provided in this paragraph," and after the period, insert "The commissioners of energy and economic development and public service shall determine which classified and unclassified positions associated with the responsibilities of the planning grant programs under section 116J.36 and the school energy loan program under section 116J.37 are transferred to the department of public service and which positions are transferred to the community development division of energy and economic development, in order to carry out the purposes of sections 2, 3, 4, 5, 6, and 7."

Page 65, lines 33 and 34, delete "established in article 1, section 2"

Page 66, delete lines 1 to 13 and insert "DEVELOPMENT BOARD.] The responsibilities under the general bond resolution for the Minnesota small business development loan program, as amended and restated by the authority on September 24, 1986, are transferred from the Minnesota energy and economic development authority to the Minnesota development board. Except as otherwise provided in article 5, section 21, section 15.039 applies to the transfer of responsibilities. To carry out the purposes specified in article 6, section 9, the board may exercise all powers granted to the Minnesota energy and economic development authority under Minnesota Statutes 1986, sections 116M.06, 116M.07, and 116M.08."

Page 66, line 16, delete "FINANCE" and insert "ENERGY AND ECONOMIC DEVELOPMENT"

Page 66, line 17, after "business" insert "development" and after "program" insert "specified"

Page 66, line 18, delete "116M.07, subdivision 2" and insert "11, sub-

division 4"

Page 66, lines 20 and 27, delete "*finance*" and insert "*energy and economic development*"

Page 66, line 23, delete "13" and insert "14"

Page 66, line 25, delete "13" and insert "14, *except for the programs specified in this subdivision,*"

Page 66, line 32, delete everything before the period and insert "116J.36 and 116J.37"

Page 67, line 1, delete "*established in article 3, section 10*"

Page 67, line 2, delete "FUND" and insert "AND ENERGY FUNDS"

Page 67, line 4, after "4," insert "*and the energy fund created in section 116M.105,*"

Page 67, lines 6 and 7, delete "*created in article 2, section 7*"

Page 67, lines 10 and 14, after "*business*" insert "*development*"

Page 67, line 11, delete "*under section 116M.07, subdivision 2*" and insert "*specified under section 11, subdivision 4*"

Page 67, line 13, delete "*finance*" and insert "*energy and economic development*"

Page 67, lines 14 and 15, delete "*under section 116M.07, subdivision 2*" and insert "*specified under section 11, subdivision 4*"

Page 67, line 16, delete everything before "to"

Page 67, line 17, delete "*with*" and insert "*in*"

Renumber the sections of article 7 in sequence

Page 67, after line 23, insert:

"ARTICLE 8

URBAN REVITALIZATION PROGRAMS

Section 1. Minnesota Statutes 1986, section 281.17, is amended to read:
281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22, (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a), or (c) seasonal recreational land as defined in section 273.13, subdivision 27, paragraph (a), or subdivision 22, paragraph (c), in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for all homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in section 4 and sold to the state at a tax judgment sale shall be two years from the date of sale. The period of redemption for all other lands in a targeted neighborhood as defined in section 4 and sold to the state at a tax judgment sale shall be one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Sec. 2. Minnesota Statutes 1986, section 462.445, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 462.415 to 462.705 (but not the power to levy and collect taxes or special assessments except as provided in sections 462.515 to 462.545 with respect to redevelopment projects only) including the following powers in addition to others granted in these sections:

(1) To sue and be sued; to have a seal, which shall be judicially noticed, and to alter the same at pleasure; to have perpetual succession; and to make, and from time to time to amend and repeal, rules and regulations not inconsistent with these sections;

(2) To employ an executive director, technical experts, and such officers, agents, and employees, permanent and temporary, as it may require, and determine their qualifications, duties, and compensation; for such legal services as it may require, to call upon the chief law officer of the municipality or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies, in its area of operation, such local public bodies, if requested, to make such services available;

(3) To delegate to one or more of its agents or employees such powers or duties as it may deem proper;

(4) Within its area of operation to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) Subject to the provisions of section 462.511, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute such leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take such action, as may be necessary or convenient to carry out the purposes of these sections;

(6) Within its area of operation to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by Minnesota Statutes 1945, chapter 117, and any amendments thereof or supplements thereto, to acquire real property which it may deem necessary for its purposes under these sections, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 462.425 or found to exist by section 462.415, subdivision 5, or is necessary to carry out a redevelopment project as defined in section 462.421, subdivision 13;

(7) Within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) of this subdivision, including by the exercise of the power of eminent domain, in the manner provided by chapter 117, and without the adoption of a resolution provided for in subdivision 1, clause (6), real property, and to demolish, remove, rehabilitate or reconstruct the buildings and improvements

or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill and construct foundations or otherwise prepare the site for improvements, and to dispose of said property pursuant to section 462.525, provided that the provisions of section 462.525 requiring conformance to an urban renewal plan shall not apply, and to finance such activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 462.545 or by means of contributions from the municipality provided for in section 462.581, clause (9), or by any combination of such means; provided that, real property with buildings or improvements thereon shall only be acquired when the buildings or improvements are substandard; and provided further that the exercise of the power of eminent domain under this clause shall be limited to real property which contains buildings and improvements which are vacated and substandard. For the purpose of this subparagraph, substandard buildings or improvements mean *hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community.*

(8) Within its area of operation to determine the level of income constituting low or moderate family income. Such income level shall be that level below which there is not available within the area of operation a substantial supply of decent, safe and sanitary housing provided by private enterprise without subsidy at prices or rents within the financial means of persons and families of such incomes. The authority may establish various income levels for various family sizes. In making its determination the authority may consider income levels which may be established by the federal housing administration or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use such determination as a basis for the maximum amount of income for admissions to housing development projects owned or operated by it;

(9) To provide in federally assisted projects such relocation payments and assistance as may be necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto.

Sec. 3. [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of sections 3 to 10, the following terms have the meanings given in this section.

Subd. 2. [CITY.] "City" means the city of Minneapolis or the city of Saint Paul. For each city, any port authority, housing and redevelopment authority or other agency or instrumentality, the jurisdiction of which is the territory of the city, is included within the meaning of city.

Subd. 3. [CITY COUNCIL.] "City council" means either the city council of Minneapolis or the city council of Saint Paul.

Subd. 4. [CITY MATCHING FUNDS.] "City matching funds" means the funds of a city specified in a revitalization and financing program to be expended to implement a revitalization program. The sources of city matching funds may include:

(1) funds from the general fund or any special fund of a city used to implement a revitalization program;

(2) funds paid or repaid to a city from the proceeds of any grant that a city has received from the federal government, any profit or nonprofit corporation, or any other entity or individual, that are to be used to implement a revitalization program;

(3) tax increments received by a city under sections 273.71 to 273.78 or other law, if eligible, to be expended in the targeted neighborhood;

(4) the greater of the fair market value or the cost to the city of acquiring land, buildings, equipment, or other real or personal property that a city contributes, grants, or loans to a profit or nonprofit corporation, or other entity or individual in connection with the implementation of a revitalization program;

(5) city funds to be used to install, reinstall, repair, or improve the infrastructure facilities of a targeted neighborhood;

(6) funds contributed by a city to pay issuance costs or to otherwise provide financial support for revenue bonds or obligations issued by a city for a project or program related to the implementation of a revitalization program;

(7) funds derived from fees received by a city in connection with its community development activities that are to be used in implementing a revitalization program.

City matching funds do not include:

(1) any city funds used to provide a service or exercise a function that is ordinarily provided throughout the city unless an increased level of the service or function is to be provided in a targeted neighborhood in accordance with a revitalization program;

(2) the proceeds of any revenue bonds issued by the city under chapter 458, 462C, 472, or 474; or

(3) any administrative expenses that are incurred in connection with the planning or implementation of sections 4 to 9.

Subd. 5. [LOST UNIT.] "Lost unit" means a rental housing unit that is lost as a result of revitalization activities because it is demolished, converted to an owner-occupied unit which is not a cooperative, converted to a nonresidential use, or if the gross rent to be charged exceeds 125 percent of the gross rent charged for the unit six months prior to the start of rehabilitation.

Subd. 6. [TARGETED NEIGHBORHOOD.] "Targeted neighborhood" means an area including one or more census tracts as determined and measured by the bureau of census of the United States Department of Commerce that meet the criteria of section 4, subdivision 2, and any additional area designated under section 4, subdivision 3.

Subd. 7. [TARGETED NEIGHBORHOOD FUNDS.] "Targeted neighborhood funds" means the funds designated in the revitalization program to be used to implement the revitalization program.

Subd. 8. [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM.] "Targeted neighborhood revitalization and financing program," "revitalization program," or "program" means the

targeted neighborhood revitalization and financing program adopted in accordance with section 5.

Sec. 4. [DESIGNATION OF TARGETED NEIGHBORHOODS.]

Subdivision 1. [CITY AUTHORITY.] A city may by resolution designate targeted neighborhoods within its borders after adopting detailed findings that the designated neighborhoods meet the eligibility requirements set forth in subdivision 2 or 3.

Subd. 2. [ELIGIBILITY REQUIREMENTS FOR TARGETED NEIGHBORHOODS.] An area within a city is eligible for designation as a targeted neighborhood if the area meets two of the following three requirements:

(a) The area had an unemployment rate that was twice the unemployment rate for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the 1980 federal decennial census.

(b) The median household income in the area was equal to or less than 50 percent of the median household income for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the 1980 federal decennial census.

(c) The area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this clause if (1) 25 percent or more of the residential dwelling units are in substandard condition as determined by the city; or (2) 70 percent or more of the residential dwelling units in the area were built before 1940 as determined by the 1980 federal decennial census.

Subd. 3. [ADDITIONAL AREA ELIGIBLE FOR INCLUSION IN TARGETED NEIGHBORHOOD.] The city may add to the area designated as a targeted neighborhood under subdivision 2 additional area extending up to four contiguous city blocks in all directions from the designated targeted neighborhood. For the purpose of this subdivision, "city block" shall have the meaning determined by the city.

Sec. 5. [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM REQUIREMENTS.]

Subdivision 1. [COMPREHENSIVE REVITALIZATION AND FINANCING PROGRAM.] For each targeted neighborhood for which a city requests state financial assistance under section 6, the city must prepare a comprehensive revitalization and financing program that includes the following:

(1) the revitalization objectives of the city for the targeted neighborhood;

(2) the specific activities or means by which the city intends to pursue and implement the revitalization objectives;

(3) the extent to which the activities identified in clause (2) will benefit low and moderate income families, will alleviate the blighted condition of the targeted neighborhood, or otherwise assist in the revitalization of the targeted neighborhood;

(4) a statement of the intended outcomes to be achieved by implementation of the revitalization program, how the outcomes will be measured both qualitatively and quantitatively, and the estimated time over which they will occur; and

(5) a financing program and budget that identifies the financial resources

necessary to implement the revitalization program. The financing program and budget must include the following items:

- (i) the estimated total cost to implement the revitalization program;
- (ii) the estimated cost to implement each activity in the revitalization program identified in clause (2);
- (iii) the estimated amount of financial resources that will be available from all sources other than from the appropriation available under section 6 to implement the revitalization program;
- (iv) the estimated amount of the appropriation available under section 6 that will be necessary to implement the revitalization program;
- (v) a description of the activities identified in the revitalization program for which the state appropriation will be used and the time or times at which the state appropriation will be committed or expended; and
- (vi) a statement of how the city intends to meet the requirement for a financial contribution matching the state appropriation from city matching funds in accordance with section 6, subdivision 3.

Subd. 2. [TARGETED NEIGHBORHOOD PARTICIPATION IN REVITALIZATION PROGRAM DEVELOPMENT.] The city must develop a process to consult the residents in the targeted neighborhood concerning the development, drafting, and implementation of the revitalization program. The process may include the establishment of an advisory board in each city. The process must include at least one public hearing.

Subd. 3. [PRELIMINARY CITY REVIEW; STATE AGENCY REVIEW.] Before adoption of the revitalization program under subdivision 4, the city must submit a draft program to the department of energy and economic development, and the Minnesota housing finance agency for their comment. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Any comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.

Subd. 4. [CITY APPROVAL.] The city may adopt the revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days prior to the date of the hearing.

Subd. 5. [PROGRAM CERTIFICATION.] A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the community development division of the department of energy and economic development together with a copy of the program. A copy of the program must also be provided to the Minnesota housing finance agency.

Subd. 6. [REVITALIZATION PROGRAM MODIFICATION.] The revitalization program may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under subdivision 5, it must

implement the revitalization program approval and certification process of subdivisions 2 to 5 for the proposed modification.

Sec. 6. [DISBURSEMENT; CITY MATCHING FUNDS; DRAWDOWN; USES OF STATE FUNDS.]

Subdivision 1. [DISBURSEMENT OF STATE FUNDS.] Upon receipt from a city of the certification that a revitalization program has been adopted or modified, the community development division of the department of energy and economic development must, within 30 days, disburse to the city the amount of state funds identified as necessary to implement the revitalization program or program modification. State funds may be disbursed to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded. Once the state funds have been disbursed to the city, they shall become targeted neighborhood funds for use by the city in accordance with an adopted revitalization program and subject only to the restrictions on their use contained in sections 3 to 10.

Subd. 2. [FUND DISBURSEMENT.] A city may receive a part of the appropriations made available that is the proportion that the population of that city bears to the combined population of Minneapolis and Saint Paul. One city may agree to reduce its entitlement amount so that the other may receive an amount in excess of its entitlement amount. The population of each city for the purposes of this subdivision shall be determined according to the most recent estimates available to the community development division of the department of energy and economic development. Any interest earned by a city from funds disbursed to the city must be rebated to the community development division of the department of energy and economic development annually unless the revitalization program identifies the interest as necessary to implement the revitalization program and the requirement for city matching funds is satisfied with respect to the interest.

Subd. 3. [CITY MATCHING FUNDS; DRAWDOWN OF STATE FUNDS; RESTRICTION ON USE OF STATE FUNDS.] A city may expend state funds only if the revitalization program identifies city matching funds to be used to implement the program in an amount equal to the state appropriation. A city must keep the state funds in a segregated fund for accounting purposes. No state funds shall be used to pay the general administrative expenses of a city that are incurred in connection with the planning or implementation of sections 3 to 10.

Sec. 7. [CITY POWERS AND ELIGIBLE USES OF TARGETED NEIGHBORHOOD FUNDS.]

Subdivision 1. [CONSOLIDATION OF EXISTING POWERS IN TARGETED NEIGHBORHOODS.] A city may exercise any of its corporate powers within a targeted neighborhood including, but not limited to, all of the powers enumerated and granted by chapters 458, 462, 462C, 472, 472A, and 474. For the purposes of chapter 458, a targeted neighborhood shall be considered an industrial development district. A city may exercise the powers of chapter 458 in conjunction with, and in addition to, exercising the powers granted by chapters 462 and 462C in order to promote and assist housing construction and rehabilitation within a targeted neighborhood. For the purposes of section 462C.02, subdivision 9, a targeted neighborhood shall be considered a "targeted area."

Subd. 2. [GRANTS AND LOANS.] In addition to the authority granted by other law, a city may make grants and loans to individuals, for-profit and nonprofit corporations, and other organizations to implement a revitalization program. The grants and loans shall contain the terms concerning use of funds, repayment, and other conditions the city deems proper to implement a revitalization program.

Subd. 3. [ELIGIBLE USES OF TARGETED NEIGHBORHOOD FUNDS.] The city may expend targeted neighborhood funds for any purpose authorized by subdivision 1 or 2. Any use of targeted neighborhood funds must be authorized by a revitalization program.

Sec. 8. [HAZARDOUS BUILDING PENALTY.]

A city may assess a penalty equal to one percent of the assessed value of a building located in a targeted neighborhood defined in section 4 that the city determined to be hazardous as defined in section 463.15, subdivision 3. If the owner of the building has not paid the penalty and fixed the property within 30 days after receiving notice of the penalty, the penalty shall be considered delinquent and is increased by 25 percent each 60 days the penalty is not paid and the property remains hazardous. For the purposes of this section, a penalty which is delinquent shall be considered as a delinquent property tax and subject to Minnesota Statutes, chapters 279, 280, and 281, in the same manner as delinquent property taxes.

Sec. 9. [ANNUAL AUDIT AND REPORT.]

Subdivision 1. [ANNUAL FINANCIAL AUDIT.] In 1988 and subsequent years, at the end of each calendar year, the legislative auditor shall conduct a financial audit to review the spending of state funds under sections 3 to 10. Before spending any state funds to implement a revitalization program, the city must consult with the legislative auditor to determine appropriate accounting methods and principles that will assist the legislative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission, the state planning agency, the department of energy and economic development, and the Minnesota housing finance agency.

Subd. 2. [ANNUAL REPORT.] A city that begins to implement a revitalization program in any calendar year must, by March 1 of the succeeding calendar year, provide a detailed report on the revitalization program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 5, subdivision 1, clause (4), are being achieved. The report must include at least the following:

(a) The number of housing units removed, created, lost, replaced, relocated, and assisted as a result of the program. The level of rent of the units and the income of the households affected must be included in the report.

(b) The number and type of commercial establishments removed, created, and assisted as a result of a revitalization program. The report must include information regarding the number of new jobs created by category, whether the jobs are full time or part time, and the salary or wage levels of both new and expanded jobs in the affected commercial establishments.

(c) A description of a statement of the cost of the public improvement projects that are part of the program and the number of jobs created per

each \$20,000 of funds expended on commercial projects and applicable public improvement projects.

(d) The increase in the assessed valuation for the city as a result of the assistance to commercial and housing assistance.

(e) The amount of private investment that is a result of the use of public funds in a targeted neighborhood.

The report must be submitted to the department of energy and economic development, the Minnesota housing finance agency, and the legislative audit commission, and must be available to the public.

Sec. 10. [APPROPRIATION; DISTRIBUTION.]

\$16,000,000 is appropriated from the general fund to the commissioner of energy and economic development for disbursement to the cities of Minneapolis and Saint Paul as provided in section 6, to be available until June 30, 1989.

Sec. 11. [REPEALER.]

Laws 1969, chapters 833 and 984, are repealed.

Sec. 12. [EFFECTIVE DATE; LOCAL APPROVAL.]

Sections 3 to 10 are effective for the city of Minneapolis the day after compliance with section 645.021, subdivision 3, by the governing body of the city of Minneapolis.

Sections 3 to 10 are effective for the city of Saint Paul the day after compliance with section 645.021, subdivision 3, by the governing body of the city of Saint Paul.

ARTICLE 9

IRON RANGE RESOURCES AND REHABILITATION

Section 1. [NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT FUND.]

Subdivision 1. [APPROPRIATION.] \$7,000,000 is appropriated from the general fund to the commissioner of iron range resources and rehabilitation. The amount appropriated under this section shall not cancel but shall remain available until expended.

Subd. 2. [PURPOSE OF EXPENDITURES.] The money appropriated in this section may be used for projects and programs for which technological and economic feasibility have been demonstrated and that have the following purposes:

(1) creating and maintaining productive, permanent, skilled employment, including employment in technologically innovative businesses; and

(2) encouraging diversification of the economy and promoting the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism.

Subd. 3. [USE OF MONEY.] The money appropriated under this section may be used to provide loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan shall be no less than the lesser of (1)

eight percent or (2) the rate of interest set by the Minnesota development board for comparable small business development loans at that time.

Money appropriated in this section shall be expended only in or for the benefit of the tax relief area defined in Minnesota Statutes, section 273.134.

Subd. 4. [PROJECT APPROVAL.] The board shall by August 1, 1987, and each year thereafter prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including description of the projects, plans, and cost estimates. These projects shall not be approved by the board unless it finds that:

(1) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;

(2) the prospective benefits of the expenditure exceed the anticipated costs; and

(3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

To be proposed by the board, a project must be approved by at least eight iron range resources and rehabilitation board members and the commissioner of iron range resources and rehabilitation. The list of projects shall be submitted to the legislative advisory commission for its review. The list with the recommendation of the legislative advisory commission shall be submitted to the governor, who shall, by November 15 of each year, approve or disapprove, or return for further consideration, each project. The money for a project may be expended only upon approval of the project by the governor.

The board may submit supplemental projects for approval at any time. Supplemental projects must be submitted to the members of the legislative advisory commission for their review and recommendations of further review. If a recommendation is not provided within ten days, no further review by the legislative advisory commission is required, and the governor shall approve or disapprove each project or return it for further consideration. If the recommendation by any member is for further review, the governor shall submit the request to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.

Subd. 5. [ADVISORY COMMITTEES.] Before submission to the board of a proposal for a project for expenditure of money appropriated under this section, the commissioner of iron range resources and rehabilitation shall appoint a technical advisory committee consisting of at least seven persons who are knowledgeable in areas related to the objectives of the proposal. If the project involves investment in a scientific research proposal, at least four of the committee members must be knowledgeable in the specific scientific research area relating to the project. Members of the committees shall be compensated as provided in Minnesota Statutes, section 15.059, subdivision 3. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee.

Subd. 6. [USE OF REPAYMENTS AND EARNINGS.] Principal and interest received in repayment of loans made pursuant to this section shall be deposited in the state treasury. These receipts are appropriated to the board for the purposes of this section.

Sec. 2. Minnesota Statutes 1986, section 298.292, is amended to read:
298.292 [POLICY.]

Subdivision 1. [PURPOSES.] The legislature is cognizant of the severe economic dislocations and widespread unemployment that result when a single industry on which an area is largely dependent, experiences a drastic reduction in activity. The northeast Minnesota economic protection trust fund is hereby created to be devoted to economic rehabilitation and diversification of industrial enterprises where these conditions ensue as the result of the decline of such a single industry. Priority shall be given to using the northeast Minnesota economic protection trust fund for the following purposes:

(a) (1) projects and programs that are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses;

(b) (2) projects and programs to encourage diversification of the economy and to promote the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism; and

(c) (3) projects and programs for which technological and economic feasibility have been demonstrated.

(d) Subd. 2. [USE OF FUNDS.] Money in the northeast Minnesota economic protection trust fund may be used for the following purposes:

(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan shall be no less than the lesser of (1) eight percent or (2) the rate of interest set by the Minnesota development board for comparable small business development loans at that time;

(e) funding (2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211; and

(f) (3) to pay in periodic payments or in a lump sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources; and

(4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No such investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the northeast Minnesota economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related (1) to the entity in which the investment is made or (2) to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the

limitations under this clause, the amount of investments made by an investor other than the northeast Minnesota economic protection trust fund shall be the sum of all investments made in the venture capital fund or enterprise during the period beginning one year prior to the date of the investment by the northeast Minnesota economic protection trust fund.

Money from the trust fund shall be expended only in or for the benefit of the tax relief area defined in section 273.134.

Sec. 3. Minnesota Statutes 1986, section 298.296, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURE OF FUNDS.] Before January 1, 2002, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust. On and after January 1, 2002, funds may be expended on projects and for administration from any assets of the trust. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

Principal and interest received in repayment of loans made pursuant to this section, *and earnings on other investments made pursuant to section 298.292, subdivision 2, clause (4)*, shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment.

Amend the title as follows:

Page 1, line 17, after "authority;" insert "providing a program for revitalization of the cities of St. Paul and Minneapolis; creating a program for funding economic development projects in the taconite tax relief area; permitting investment of earnings of the northeast Minnesota economic protection trust in venture capital enterprises;"

Page 1, line 24, after the first "1" insert ", and by adding a subdivision"

Page 1, line 25, after "2;" insert "281.17; 298.292; 298.296, subdivision 2;"

Page 1, line 29, delete "and" and after "462.398;" insert "and 462.445, subdivision 1;"

Page 1, lines 34 and 35, delete "41A.06, subdivision 2;"

Page 1, line 39, delete the second "and"

Page 1, line 40, after "4" insert "; and Laws 1969, chapters 833 and 984"

And when so amended the bill do pass and be re-referred to the Com-

mittee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 478: A bill for an act relating to insurance; requiring notification of group life or health coverage changes; imposing certain bond or securities requirements on workers compensation self-insurers; eliminating mandatory temporary insurance agent licenses; requiring those who solicit insurance to act as agent for the insured; regulating surplus lines insurance; regulating rates and forms; regulating insurance plan administrators; regulating the renewal, nonrenewal, and cancellation of commercial liability and property insurance policies; providing continued group life coverage upon termination or layoff; requiring an assignment of reinsurance rights upon insolvency; providing for the establishment and operation of the insurance guaranty association and the life and health guaranty association; regulating accident and health insurance; providing for the extraterritorial application of coverages; prohibiting duplicate coverages; requiring the treatment of pregnancy-related conditions in the same manner as other illnesses; mandating certain coverages; clarifying coverage for handicapped dependents; providing continued group accident and health coverage upon termination or layoff; requiring coverage of current spouse and children; imposing surety bond requirements on certain health benefit plans; regulating Medicare supplement plan premium refunds; authorizing the renewal of certain long-term health policies; providing for the establishment and operation of the comprehensive health association and the joint underwriting association; providing comprehensive health insurance coverage for certain employees not eligible for Medicare; regulating fraternal benefit associations; regulating automobile insurance; limiting the cancellation of fire insurance binders and policies; providing for administration of the FAIR plan; requiring accident prevention course premium reductions; limiting the grounds for cancellation or reduction in limits during the policy period; extending basic economic loss benefit protection; requiring coverages for former spouses; regulating collision damage waiver fees; specifying membership on the assigned claims bureau; extending no-fault benefits to pedestrians who are struck by motorcycles; regulating township mutual insurance companies; authorizing investments in certain insurers; regulating trade practices; requiring life and health insurers to substantiate the underwriting standards they use; providing assigned risk plan coverage for certain vehicles used by the handicapped; regulating motor vehicle repairs; granting immunity from liability for volunteer coaches, managers, and officials; prescribing penalties; amending Minnesota Statutes 1986, sections 45.024, subdivision 2; 60A.17, subdivisions 2c, 11, and 13; 60A.196; 60A.197; 60A.198, subdivision 3; 60A.23, subdivision 8; 60A.30; 60B.44, subdivisions 1, 4, 5, and 9; 60C.03, subdivision 8; 60C.08, subdivision 1; 60C.09; 60C.10, by adding a subdivision; 61B.05, subdivision 1; 62A.01; 62A.02, subdivision 2; 62A.03, by adding a subdivision; 62A.041; 62A.043, by adding a subdivision; 62A.141; 62A.146; 62A.17; 62A.21; 62A.43, subdivision 2; 62A.48, by adding a subdivision; 62E.10, subdivision 2; 62E.14, by adding a subdivision; 62H.04; 62I.02, by adding a subdivision; 62I.03, subdivision 5; 62I.04; 62I.16, subdivisions 3 and 4; 64B.11, subdivision 4; 64B.27; 65A.01, subdivision 3a; 65A.03, subdivision 1; 65A.10; 65A.29, by adding a subdivision; 65A.35, subdivision 5; 65B.03, subdivision 1; 65B.1311; 65B.15, subdivision 1; 65B.16; 65B.21, subdivision 2; 65B.28; 65B.46; 65B.63, subdivision 1; 67A.05, subdivision 2; 67A.06; 67A.231; 70A.04, subdivision 2; 70A.08, subdivision 3; 72A.20, subdi-

visions 11, 12a, and by adding a subdivision; 72A.51, subdivision 2; and 169.045, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 60A; 61A; 62A; 62E; 65B; and 604; repealing Minnesota Statutes 1986, sections 62F.04, subdivision 1a; 62I.02, subdivision 3; 67A.43, subdivision 3; and 466.07, subdivision 4; and Minnesota Rules, parts 2700.2400 to 2700.2440.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 16A.133, subdivision 1, is amended to read:

Subdivision 1. [CREDIT UNION; ORGANIZATION; COMPANY.] An agency head may, with the written request of an employee, deduct from the pay of the employee a requested amount to be paid to any state employees' credit union, or the Minnesota benefit association, or to any organization contemplated by section 179A.06, of which the employee is a member, or to a company that has contracted to insure the employee for the medical costs of cancer or intensive care. If an employee is a member of more than one such credit union or more than one such organization, or is insured by more than one company, only one credit union and one organization and one company may be paid money by payroll deduction from the employee's pay. No deduction may be made from the salary of an employee for payment to a credit union or organization or company unless 100 employees request deductions for payment to the credit union or organization or company. The 100 employee minimum does not apply to credit unions and organizations which received authorized payroll deduction payments on June 5, 1971.

Sec. 2. Minnesota Statutes 1986, section 43A.27, is amended by adding a subdivision to read:

Subd. 6. [FOOD SERVICE EMPLOYEES.] *Employees of a contracted food service operation employed at Bemidji state university, St. Cloud state university, or Southwest state university, if the employer and the representative of employees, defined under section 179.01, subdivision 5, agree, may elect to enroll themselves and their dependents at their own or their employer's expense in the appropriate life insurance, hospital, medical, and dental benefits, and optional coverages at the time, in the manner, and under the conditions of eligibility the commissioner prescribes and otherwise approves.*

Sec. 3. Minnesota Statutes 1986, section 45.024, subdivision 2, is amended to read:

Subd. 2. [DELEGATION.] The commissioner of commerce may delegate to ~~one or more of the a deputy commissioners~~ *commissioner, assistant commissioner, or director* the exercise of the commissioner's statutory powers and duties, including the authority to decide and issue final orders in contested cases, rulemaking proceedings, and other hearings held under chapter 14.

Sec. 4. [60A.084] [NOTIFICATION ON GROUP POLICIES.]

An employer providing life or health benefits may not change benefits, limit coverage, or otherwise restrict participation until the certificate holder or enrollee has been notified of any changes, limitations, or re-

strictions. Notice in a format which meets the requirements of the Employee Retirement Income Security Act, 29 U.S.C.A., sections 1001 to 1461, is satisfactory for compliance with this section.

Sec. 5. Minnesota Statutes 1986, section 60A.17, subdivision 1a, is amended to read:

Subd. 1a. [LICENSE APPLICATION.] (a) [PROCEDURE.] An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9) at the time the agent becomes licensed. The application and appointment shall be on forms prescribed by the commissioner.

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

(b) [RESIDENT AGENT.] The commissioner shall issue a resident insurance agent's license to a qualified resident of this state as follows:

(1) a person may qualify as a resident of this state if that person resides in this state or the principal place of business of that person is maintained in this state. Application for a license claiming residency in this state for licensing purposes, shall constitute an election of residency in this state. Any license issued upon an application claiming residency in this state shall be void if the licensee, while holding a resident license in this state, also holds, or makes application for, a resident license in, or thereafter claims to be a resident of, any other state or jurisdiction or if the licensee ceases to be a resident of this state; provided, however, if the applicant is a resident of a community or trade area, the border of which is contiguous with the state line of this state, the applicant may qualify for a resident license in this state and at the same time hold a resident license from the contiguous state;

(2) the commissioner shall subject each applicant who is a natural person to a written examination as to the applicant's competence to act as an insurance agent. The examination shall be held at a reasonable time and place designated by the commissioner;

(3) the examination shall be approved for use by the commissioner and shall test the applicant's knowledge of the lines of insurance, policies, and transactions to be handled under the class of license applied for, of the duties and responsibilities of the licensee, and pertinent insurance laws of this state;

(4) the examination shall be given only after the applicant has completed a program of classroom studies in a school, which shall *not* include a school ~~conducted by an admitted insurer~~ *sponsored by, offered by, or affiliated with an insurance company or its agents; except that this limitation does not preclude a bona fide professional association of agents, not acting on behalf of an insurer, from offering courses.* The course of study shall consist

of 30 hours of classroom study devoted to the basic fundamentals of insurance for those seeking a Minnesota license for the first time, 15 hours devoted to specific life and health topics for those seeking a life and health license, and 15 hours devoted to specific property and casualty topics for those seeking a property and casualty license. The program of studies or study course shall have been approved by the commissioner in order to qualify under this clause. If the applicant has been previously licensed for the particular line of insurance in the state of Minnesota, the requirement of a program of studies or a study course shall be waived. A certification of compliance by the organization offering the course shall accompany the applicant's license application. This program of studies in a school or a study course shall not apply to farm property perils and farm liability applicants, or to agents writing such other lines of insurance as the commissioner may exempt from examination by order;

(5) the applicant must pass the examination with a grade determined by the commissioner to indicate satisfactory knowledge and understanding of the class or classes of insurance for which the applicant seeks qualification. The commissioner shall inform the applicant as to whether or not the applicant has passed;

(6) an applicant who has failed to pass an examination may take subsequent examinations. Examination fees for subsequent examinations shall not be waived; and

(7) any applicant for a license covering the same class or classes of insurance for which the applicant was licensed under a similar license in this state, other than a temporary license, within the three years preceding the date of the application shall be exempt from the requirement of a written examination, unless the previous license was revoked or suspended by the commissioner. An applicant whose license is not renewed under subdivision 20 is exempt from the requirement of a written examination.

(c) [NONRESIDENT AGENT.] The commissioner shall issue a nonresident insurance agent's license to a qualified person who is a resident of another state or country as follows:

(1) A person may qualify for a license under this section as a nonresident only if that person holds a license in another state, province of Canada, or other foreign country which, in the opinion of the commissioner, qualifies that person for the same activity as that for which a license is sought;

(2) The commissioner shall not issue a license to any nonresident applicant until that person files with the commissioner a designation of the commissioner and the commissioner's successors in office as the applicant's true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of any interested person arising out of the applicant's insurance business in this state. This designation shall constitute an agreement that this service of process is of the same legal force and validity as personal service of process in this state upon that applicant.

Service of process upon any licensee in any action or proceeding commenced in any court of competent jurisdiction of this state may be made by serving the commissioner with appropriate copies of the process along with payment of the fee pursuant to section 60A.14, subdivision 1, paragraph (c), clause (4). The commissioner shall forward a copy of the process by registered or certified mail to the licensee at the last known address of

record or principal place of business of the licensee; and

(3) A nonresident license shall terminate automatically when the resident license for that class of license in the state, province, or foreign country in which the licensee is a resident is terminated for any reason.

(d) [DENIAL.] (1) If the commissioner finds that an applicant for a resident or nonresident license has not fully met the requirements for licensing, the commissioner shall refuse to issue the license and shall promptly give written notice to both the applicant and the appointing insurer of the denial, stating the grounds for the denial. All fees which accompanied the application and appointment shall be deemed earned and shall not be refundable.

(2) The commissioner may also deny issuance of a license for any cause that would subject the license of a licensee to suspension or revocation. If a license is denied pursuant to this clause, the provisions of subdivision 6c, paragraph (c) apply.

(3) The applicant may make a written demand upon the commissioner for a hearing within 30 days of the denial of a license to determine whether the reasons stated for the denial were lawful. The hearing shall be held pursuant to chapter 14.

(e) [TERM.] All licenses issued pursuant to this section shall remain in force until voluntarily terminated by the licensee, not renewed as prescribed in subdivision 1d, or until suspended or revoked by the commissioner. A voluntary termination shall occur when the license is surrendered to the commissioner with the request that it be terminated or when the licensee dies, or when the licensee is dissolved or its existence is terminated. In the case of a nonresident license, a voluntary termination shall also occur upon the happening of the event described in paragraph (c), clause (3).

Every licensed agent shall notify the commissioner within 30 days of any change of name, address, or information contained in the application.

(f) [SUBSEQUENT APPOINTMENTS.] A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided, that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9). The notice of appointment shall be on a form prescribed by the commissioner.

(g) [AMENDMENT OF LICENSE.] An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section 60A.14, subdivision 1, paragraph (c).

An applicant who surrenders an insurance license pursuant to this clause retains licensed status until an amended license is received.

(h) [EXCEPTIONS.] The following are exempt from the general licensing requirements prescribed by this section:

(1) agents of township mutuals who are exempted pursuant to subdivision 1b;

(2) fraternal beneficiary association representatives exempted pursuant to subdivision 1c;

(3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer; provided that a licensed agent must participate in the sale of any such insurance;

(4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided, that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications therefor;

(5) employees of a creditor who enroll debtors for life or accident and health insurance; provided the employees receive no commission or fee therefor; **and**

(6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums; **and**

(7) *rental vehicle companies and their employees in connection with the offer of rental vehicle personal accident insurance under section 72A.125.*

Sec. 6. Minnesota Statutes 1986, section 60A.17, subdivision 2c, is amended to read:

Subd. 2c. [~~MANDATORY TEMPORARY LICENSES.~~] The commissioner ~~shall~~ *may* grant a temporary insurance agent's license to a person who has ~~submitted an application for a resident license which is accepted by the commissioner and who has~~ successfully completed the examination, if any, required by the commissioner. The temporary license ~~shall~~ *may* be granted ~~no later than as of~~ the date upon which the applicant receives written notice from the commissioner that ~~the application for resident license has been accepted by the commissioner and that~~ the person has passed any required examination. A temporary license will permit the applicant to act as an insurance agent for the original appointing insurer for the class of business specified therein until the earlier of (a) receipt by the applicant of the resident license, or (b) the expiration of 90 days from the date on which the temporary license was granted.

Sec. 7. Minnesota Statutes 1986, section 60A.17, subdivision 11, is amended to read:

Subd. 11. [~~LIFE COMPANY AGENTS INSURER'S AGENT.~~] Any person who ~~shall solicit an application for~~ *solicits* insurance ~~upon the life of another shall, in any controversy between the assured or the assured's beneficiary and the company issuing any policy upon such application, be regarded as is~~ the agent of the ~~company insurer~~ and not the agent of the assured *insured*.

Sec. 8. Minnesota Statutes 1986, section 60A.17, subdivision 13, is amended to read:

Subd. 13. [AGENTS; VARIABLE CONTRACTS.] (a) [LICENSE REQUIRED.] No person shall sell or offer for sale a contract on a variable basis unless prior to making any solicitation or sale the person has obtained from the commissioner a license therefor. The license shall only be granted, upon the written requisition of an insurer, to a qualified person who holds a current license authorizing the person to solicit and sell life insurance and annuity contracts in this state. To become qualified, a person shall complete a written application on a form prescribed by the commissioner and shall take and pass an examination prescribed by the commissioner. ~~Prior to the taking of the examination, or upon reexamination, the applicant shall transmit to the commissioner, by money order or cashiers check payable to the state treasurer, an examination fee of \$10.~~

(b) [EXCEPTIONS.] (1) Any regularly salaried officer or employee of a licensed insurer may, without license or other qualification, act on behalf of that licensed insurer in the negotiation of a contract on a variable basis, provided that a licensed agent must participate in the sale of any contract.

(2) Any person who, on July 1, 1969, holds a valid license authorizing the person to solicit and sell life insurance and annuity contracts and who also holds a valid license issued by the department of commerce authorizing the person to sell or offer for sale contracts on a variable basis shall be issued a license by the commissioner of commerce upon application therefor and payment of a \$2 fee, which license shall expire on May 31, 1970, unless renewed by an insurer as provided in paragraph (a).

(3) Any person who holds a valid license to solicit and sell life insurance and annuity contracts may solicit and sell contracts on a variable basis without acquiring a license under this subdivision if the contract is based on an account which is excluded from the definition of investment company under the Investment Company Act of 1940, United States Code, title 15, section 80a-3(11).

(c) [RULES.] The commissioner may by rules waive or modify any of the foregoing requirements or prescribe additional requirements deemed necessary for the proper sale and solicitation of contracts on a variable basis.

Sec. 9. Minnesota Statutes 1986, section 60A.1701, subdivision 7, is amended to read:

Subd. 7. [CRITERIA FOR COURSE ACCREDITATION.] (a) The commissioner may accredit a course only to the extent it is designed to impart substantive and procedural knowledge of the insurance field. The burden of demonstrating that the course satisfies this requirement is on the individual or organization seeking accreditation. The commissioner shall approve any educational program approved by Minnesota Continuing Legal Education relating to the insurance field.

(b) The commissioner may not accredit a course:

- (1) that is designed to prepare students for a license examination;
- (2) in mechanical office or business skills, including typing, speedreading, use of calculators, or other machines or equipment;
- (3) in sales promotion, including meetings held in conjunction with the

general business of the licensed agent; or

(4) in motivation, the art of selling, psychology, or time management;

(5) *unless the student attends classroom instruction conducted by an instructor approved by the department of commerce;*

(6) *which can be completed by the student at home or outside the classroom without the supervision of an instructor approved by the department of commerce.*

Sec. 10. Minnesota Statutes 1986, section 60A.1701, subdivision 8, is amended to read:

Subd. 8. [MINIMUM EDUCATION REQUIREMENT.] Each person subject to this section shall complete annually a minimum of 20 credit hours of courses accredited by the commissioner. Any person teaching or lecturing at an accredited course qualifies for 1-1/2 times the number of credit hours that would be granted to a person completing the accredited course. ~~Credit hours over 20 earned in any one year may be carried forward for the following two years. The commissioner may recognize accredited courses completed in 1983, 1984, or 1985 for the minimum education requirement for 1985. No more than ten credit hours per year may be credited to a person for courses sponsored by, offered by, or affiliated with an insurance company or its agents. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency.~~

Sec. 11. Minnesota Statutes 1986, section 60A.196, is amended to read:

60A.196 [DEFINITIONS.]

Unless the context otherwise requires, the following terms have the meanings given them for the purposes of sections 60A.195 to 60A.209:

(a) "Surplus lines insurance" means insurance placed with an insurer permitted to transact the business of insurance in this state only pursuant to sections 60A.195 to 60A.209.

(b) "Eligible surplus lines insurer" means an insurer recognized as eligible to write insurance business under sections 60A.195 to 60A.209 but not licensed by any other Minnesota law to transact the business of insurance.

(c) "Ineligible surplus lines insurer" means an insurer not recognized as an eligible surplus lines insurer pursuant to sections 60A.195 to 60A.209 and not licensed by any other Minnesota law to transact the business of insurance. *"Ineligible surplus insurer" includes a risk retention group as defined under the Liability Risk Retention Act, Public Law Number 99-563.*

(d) "Surplus lines licensee" or "licensee" means a person licensed under sections 60A.195 to 60A.209 to place insurance with an eligible or ineligible surplus lines insurer.

(e) "Association" means an association registered under section 60A.208.

(f) "Alien insurer" means any insurer which is incorporated or otherwise organized outside of the United States.

(g) "Insurance laws" means chapters 60 to 79 inclusive.

Sec. 12. Minnesota Statutes 1986, section 60A.197, is amended to read:

60A.197 [RATES AND FORMS.]

(a) Rates used by eligible and ineligible surplus lines insurers shall not be subject to the insurance laws except that a rate shall not be *excessive, inadequate, or unfairly discriminatory and shall be subject to sections 70A.04, 70A.05, and 70A.11.*

(b) Forms used by eligible and ineligible surplus lines insurers pursuant to sections 60A.195 to 60A.209 ~~shall not be~~ are subject to the ~~insurance laws, except that a section 70A.08, subdivision 3.~~ *If a rate service organization has not adopted a form for a particular type of insured, or if the commissioner has not restricted approval to the form adopted by the rate service organization, then forms used by surplus lines insurers are not subject to section 70A.08, subdivision 3. No policy shall not may contain language which misrepresents the true nature of the policy or class of policies. Except as otherwise required in this section, forms used by surplus lines insurers under sections 60A.192 to 60A.195 are not subject to the insurance laws.*

Sec. 13. Minnesota Statutes 1986, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as a ~~resident~~ *an agent* in this state pursuant to other law may obtain a surplus lines license by doing the following:

(a) filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 60A.195 to 60A.209;

(b) maintaining a ~~resident agent~~ *an agent's* license in this state;

(c) delivering to the commissioner a financial guarantee bond from a surety acceptable to the commissioner for the greater of the following:

(1) \$5,000; or

(2) the largest semiannual surplus lines premium tax liability incurred by the applicant in the immediately preceding five years; and

(d) agreeing to file with the commissioner of revenue no later than February 15 and August 15 annually, a sworn statement of the charges for insurance procured or placed and the amounts returned on the insurance canceled under the license for the preceding six-month period ending December 31 and June 30 respectively, and at the time of the filing of this statement, paying the commissioner a tax on premiums equal to three percent of the total written premiums less cancellations; and

(e) annually paying a fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (11).

Sec. 14. [60A.2095] [CONSTRUCTION.]

Nothing in sections 60A.195 to 60A.209 shall be construed to permit the state to impose requirements beyond those granted by the Liability Risk Retention Act, Public Law Number 99-563.

Sec. 15. Minnesota Statutes 1986, section 60A.23, subdivision 8, is amended to read:

Subd. 8. [SELF-INSURANCE OR INSURANCE PLAN ADMINISTRATORS; WHO ARE VENDORS OF RISK MANAGEMENT SERVICES.]

(1) [SCOPE.] This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self-insurance or insurance plan. This subdivision does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits; or (e) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement between an employer, or group or association of employers, and a union or unions.

(2) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance or insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance or insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance or insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance, as an employee fringe benefit, or a plan providing liability coverage for any other risk or hazard, which is or is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance or insurance plan for an employer.

(3) [LICENSE.] No vendor of risk management services or entity administering a self-insurance or insurance plan may transact this business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee is \$100. All licenses are for a period of two years.

(4) [REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.] To assure that self-insurance or insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering insurance or self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering insurance or self-insurance plans, and insurance or self-insurance plans

established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30.

(5) [RULE MAKING AUTHORITY.] To carry out the purposes of this subdivision, the commissioner may adopt rules, including emergency rules, pursuant to sections 14.01 to ~~14.70~~ 14.69. These rules may:

(a) establish reporting requirements for administrators of *insurance or self-insurance plans*;

(b) establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of *insurance or self-insurance plans*;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities administering *insurance or self-insurance plans*; or

(d) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 16. Minnesota Statutes 1986, section 60A.29, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] The purpose of this section is to authorize the establishment of trust funds for the purpose of indemnifying nonprofit beneficiary organizations and their officers, directors, and agents for financial loss due to the imposition of legal liability *or for damage or destruction of property*, and to regulate the operation of trust funds established under this section.

Sec. 17. Minnesota Statutes 1986, section 60A.29, subdivision 5, is amended to read:

Subd. 5. [INELIGIBLE RISKS.] No trust fund established under this section shall indemnify any beneficiary for ~~property loss~~, liabilities incurred under the workers' compensation act, or for benefits provided to employees pursuant to any medical, dental, life, or disability income protection plan.

Sec. 18. Minnesota Statutes 1986, section 60A.29, subdivision 16, is amended to read:

Subd. 16. [REINSURANCE.] Authorized trust funds may insure or reinsure their obligations and liabilities with:

(1) insurance companies authorized to do business in Minnesota, pursuant to section 60A.06, ~~or with~~;

(2) *insurance* companies similarly authorized in any other state of the United States;

(3) *insurance companies not authorized in Minnesota or any other state if the unauthorized insurance company establishes reinsurance security in favor of the ceding trust fund conforming to the general rules for allowance of reinsurance credits stated in the Financial Condition Examiners Handbook adopted by the National Association of Insurance Commissioners; or*

(4) *other trust funds organized under this section or under similar laws of any other state if the reinsuring trust fund establishes reinsurance security as specified in clause (3) in favor of the ceding trust fund.*

Sec. 19. Minnesota Statutes 1986, section 60A.29, is amended by adding

a subdivision to read:

Subd. 22. [FOREIGN TRUST FUNDS.] A trust fund organized and existing under the laws of another state for the sole purpose of indemnifying nonprofit beneficiary organizations and their officers, directors, and agents for financial loss due to the imposition of legal liability or for damage or destruction of property, as provided in subdivisions 2 and 4, may apply to the commissioner for authority to operate within this state, provided that:

(1) the trust fund has been continuously in operation for a period of not less than five years prior to the date it applies for authorization under this subdivision, during which period it must have issued only nonassessable indemnification agreements to its beneficiaries, and during each of those years the trust fund received not less than \$1,000,000 in contributions from beneficiaries for protections afforded by the trust fund;

(2) the trust fund has been authorized by and is subject to regulation and examination by the department of insurance of its domiciliary state;

(3) the trust fund must file with the commissioner its trust agreement, bylaws or plan of operation, schedule of benefits, forms of indemnification agreements, and contribution schedules applicable to beneficiaries in this state;

(4) the trust fund must be governed by a board of not fewer than five trustees, all of whom must be elected by the beneficiaries of the trust fund, and none of whom may receive compensation for service as a trustee;

(5) the trust fund has, as of the last day of the calendar year immediately prior to its application for authority, a net fund balance surplus of not less than \$1,000,000, as evidenced by its financial statements certified by an independent certified public accountant in accordance with generally accepted accounting principles consistently applied; and

(6) the trust fund must, upon and at all times after authorization by the commissioner, maintain a registered office within this state.

Sec. 20. Minnesota Statutes 1986, section 60A.29, is amended by adding a subdivision to read:

Subd. 23. [STANDARDS FOR AUTHORIZATION.] Within 60 days after receipt of the documents specified under subdivision 22 and supporting evidence which establishes compliance with the standards set forth under that subdivision, the commissioner shall grant to the trust fund a certificate of authority to conduct operations in this state. The operations in this state are subject to the limitations and standards set forth in subdivisions 4 to 22 of this section. In the event an authorized foreign trust fund violates one of those subdivisions or the rules of the commissioner applicable to foreign trust funds, the commissioner may suspend or revoke the certificate of authority.

Sec. 21. Minnesota Statutes 1986, section 60A.29, is amended by adding a subdivision to read:

Subd. 24. [RULES.] The commissioner may adopt rules to enforce and administer requirements of sections 19 and 20.

Sec. 22. Minnesota Statutes 1986, section 60A.30, is amended to read:
60A.30 [RENEWAL OF INSURANCE POLICY WITH ALTERED

RATES.]

If an insurance company licensed to do business in this state offers or purports to offer to renew any commercial liability and/or property insurance policy at less favorable terms as to the dollar amount of coverage or deductibles, higher rates, and/or higher rating plan, the new terms, the new rates and/or rating plan may take effect on the renewal date of the policy if the insurer has sent to the policyholder notice of the new terms, new rates and/or rating plan at least ~~30~~ 60 days prior to the expiration date. If the insurer has not so notified the policyholder, the policyholder may elect to cancel the renewal policy within the ~~30-day~~ 60-day period after receipt of the notice. Earned premium for the period of coverage, if any, shall be calculated pro rata upon the prior rate. This subdivision does not apply to ocean marine insurance, accident and health insurance, and reinsurance.

This section does not apply if the change relates to guide "a" rates or excess rates also known as "consent to rates."

Sec. 23. Minnesota Statutes 1986, section 60A.31, is amended to read:

60A.31 [MIDTERM CANCELLATION WORKER'S COMPENSATION INSURANCE.]

In addition to the requirements of Minnesota Statutes 1984, section 176.185, subdivision 1, ~~no~~ a policy of insurance issued to cover the liability to pay compensation under Minnesota Statutes 1984, chapter 176, shall be ~~canceled by the insurer within the policy period unless the insurer has also complied with the requirements of such rules as the commissioner of commerce may adopt in regard to the cancellation of commercial liability and/or commercial property insurance policies comply with sections 60A.30 and 60A.35 to 60A.38.~~

Sec. 24. [60A.35] [SCOPE.]

Except as specifically limited in section 60A.30, sections 24 to 27 apply to all commercial liability and/or property insurance policies issued by companies licensed to do business in this state except ocean marine insurance, accident and health insurance, excess insurance, surplus lines insurance, and reinsurance.

Sec. 25. [60A.36] [MIDTERM CANCELLATION.]

Subdivision 1. [REASON FOR CANCELLATION.] No insurer may cancel a policy of commercial liability and/or property insurance during the term of the policy, except for one or more of the following reasons:

- (1) nonpayment of premium;*
- (2) misrepresentation or fraud made by or with the knowledge of the insured in obtaining the policy or in pursuing a claim under the policy;*
- (3) actions by the insured that have substantially increased or substantially changed the risk insured;*
- (4) refusal of the insured to eliminate known conditions that increase the potential for loss after notification by the insurer that the condition must be removed;*
- (5) substantial change in the risk assumed, except to the extent that the insurer should reasonably have foreseen the change or contemplated the risk in writing the contract;*

(6) loss of reinsurance by the insurer which provided coverage to the insurer for a significant amount of the underlying risk insured. A notice of cancellation under this clause shall advise the policyholder that the policyholder has ten days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within five business days after receipt of the appeal;

(7) a determination by the commissioner that the continuation of the policy could place the insurer in violation of the insurance laws of this state; or

(8) nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing the insurance. This provision for cancellation for failure to pay dues does not apply to persons who are retired at 62 years of age or older or who are disabled according to social security standards.

Subd. 2. [NOTICE.] Cancellation under subdivision 1, clauses (2) to (8), shall not be effective before 60 days after notice to the policyholder. The notice of cancellation shall contain a specific reason for cancellation as provided in subdivision 1.

A policy shall not be canceled for nonpayment of premium pursuant to subdivision 1, clause (1), unless the insurer, at least ten days before the effective cancellation date, has given notice to the policyholder of the amount of premium due and the due date. The notice shall state the effect of nonpayment by the due date. No cancellation for nonpayment of premium shall be effective if payment of the amount due is made before the effective date in the notice.

Subd. 3. [NEW POLICIES.] Subdivisions 1 and 2 do not apply to any insurance policy that has not been previously renewed if the policy has been in effect less than 90 days at the time the notice of cancellation is mailed or delivered. No cancellation under this subdivision is effective until at least ten days after the written notice to the policyholder.

Subd. 4. [LONGER TERM POLICIES.] A policy may be issued for a term longer than one year or for an indefinite term with a clause providing for cancellation by the insurer for the reasons stated in subdivision 1 by giving notice as required by subdivision 2 at least 60 days before any anniversary date.

Sec. 26. [60A.37] [NONRENEWAL.]

Subdivision 1. [NOTICE REQUIRED.] At least 60 days before the date of expiration provided in the policy, a notice of intention not to renew the policy beyond the agreed expiration date must be made to the policyholder by the insurer. If the notice is not given at least 60 days before the date of expiration provided in the policy, the policy shall continue in force until 60 days after a notice of intent not to renew is received by the policyholder.

Subd. 2. [EXCEPTIONS.] This section does not apply if the policyholder has insured elsewhere, has accepted replacement coverage, or has requested or agreed to nonrenewal.

Sec. 27. [60A.38] [INTERPRETATION AND PENALTIES.]

Subdivision 1. [SECTIONS NOT EXCLUSIVE.] Sections 24 to 27 are not exclusive, and the commissioner may also consider other provisions of Minnesota law to be applicable to the circumstances or situations addressed by sections 24 to 27. The rights provided by sections 24 to 27 are in addition to and do not prejudice any other rights the policyholder may have at common law, under statute, or rules.

Subd. 2. [PENALTIES.] A violation of any provisions of sections 24 to 27 shall be deemed to be an unfair trade practice in the business of insurance and shall subject the violator to the penalties provided by sections 72A.17 to 72A.32 in addition to any other penalty provided by law.

Subd. 3. [NOTICES REQUIRED.] All notices required by sections 24 to 27 shall only be made by first class mail addressed to the policyholder's last known address or by delivery to the policyholder's last known address. Notice by first class mail is effective upon deposit in the United States mail. In addition to giving notice to the policyholder, the insurer must also give notice to the agent of record, if any, in the manner specified for the policyholder.

Sec. 28. Minnesota Statutes 1986, section 60B.44, subdivision 1, is amended to read:

Subdivision 1. [DEDUCTIBLE PROVISION.] The distribution of claims from the insurer's estate shall be in the order stated in this section with a descending degree of preference for each subdivision. ~~The first \$50 of the amount allowed on each claim in the classes under subdivisions 3 to 7 shall be deducted from the claim and included in the class under subdivision 9. Claims may not be cumulated by assignment to avoid application of the \$50 deductible provision. Subject to the \$50 deductible provision,~~ Every claim in each class shall be paid in full or adequate funds retained for the payment before the members of the next class receive any payment. No subclasses shall be established within any class.

Sec. 29. Minnesota Statutes 1986, section 60B.44, subdivision 4, is amended to read:

Subd. 4. [LOSS CLAIMS; INCLUDING CLAIMS NOT COVERED BY A GUARANTY ASSOCIATION.] All claims under policies or contracts of coverage for losses incurred including third party claims, and all claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property which are not under policies or contracts, ~~except the first \$200 of losses otherwise payable to any claimant under this subdivision.~~ All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. ~~Claims may not be cumulated by assignment to avoid application of the \$200 deductible provision.~~ That portion of any loss for which indemnification is provided by other benefits or advantages recovered or recoverable by the claimant shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment made by an employer to an employee shall be treated as a gratuity. *Claims not covered by a guaranty association are loss claims. If any portion of a claim is covered by a reinsurance treaty or similar contractual obligation, that claim shall be entitled to a pro rata share, based upon the relationship the claim amount bears to all claims payable under the treaty or contract, of the proceeds received under that treaty or contractual obligation.*

Claims receiving pro rata payments shall not, as to any remaining unpaid portion of their claim, be treated in a different manner than if no such payment had been received.

Sec. 30. Minnesota Statutes 1986, section 60B.44, subdivision 5, is amended to read:

Subd. 5. [UNEARNED PREMIUMS AND SMALL LOSS CLAIMS.] Claims under nonassessable policies or contracts of coverage for unearned premiums or subscription rates or other refunds ~~and the first \$200 of loss excepted by the deductible provision in subdivision 4.~~

Sec. 31. Minnesota Statutes 1986, section 60B.44, subdivision 9, is amended to read:

Subd. 9. [MISCELLANEOUS SUBORDINATED CLAIMS.] The remaining claims or portions of claims not already paid, with interest as in subdivision 8.

(a) ~~The first \$50 of each claim in the classes under subdivisions 3 to 7 subordinated under this section;~~

~~(b)~~ Claims under section 60B.39, subdivision 2;

~~(c)~~ Claims subordinated by section 60B.61;

~~(d)~~ *(c)* Except to the extent excused or otherwise permitted pursuant to section 60B.37, claims filed late;

~~(e)~~ *(d)* Portions of claims subordinated under subdivision 6; and

~~(f)~~ *(e)* Claims or portions of claims payment of which is provided by other benefits or advantages recovered or recoverable by the claimant.

Sec. 32. Minnesota Statutes 1986, section 60C.08, subdivision 1, is amended to read:

Subdivision 1. The board of directors of the association shall consist of nine persons. *Two of the directors shall be public members and seven shall be insurer members. The public members shall be appointed by the commissioner. Public members may include licensed insurance agents. The insurer members of the board shall be selected by association members subject to the approval of the commissioner. Vacancies on the board shall be filled for the remaining period of the term in the same manner as initial appointments. The term of appointment for all members is two years.*

Sec. 33. Minnesota Statutes 1986, section 60C.09, is amended to read:
60C.09 [COVERED CLAIMS.]

Subdivision 1. [DEFINITION.] A covered claim is any unpaid claim, including one for unearned premium, which:

(a) *(1)* Arises out of and is within the coverage of an insurance policy issued by a member insurer if the insurer becomes an insolvent insurer after April 30, 1979; or

(2) *Would be within the coverage of an extended reporting endorsement to a claims-made insurance policy if insolvency had not prevented the member insurer from fulfilling its obligation to issue the endorsement, if:*

(i) *the claims-made policy contained a provision affording the insured the right to purchase a reporting endorsement;*

(ii) coverage will be no greater than if a reporting endorsement had been issued;

(iii) the insured has not purchased other insurance which applies to the claim; and

(iv) the insured's deductible under the policy is increased by an amount equal to the premium for the reporting endorsement, as provided in the insured's claims-made policy, or if not so provided, then as established by a rate service organization.

(b) Arises out of a class of business which is not excepted from the scope of Laws 1971, chapter 145 by section 60C.02; and

(c) Is made by:

(i) A policyholder, or an insured beneficiary under a policy, who, at the time of the insured event, was a resident of this state; or

(ii) A person designated in the policy as having an insurable interest in or related to property situated in this state at the time of the insured event; or

(iii) An obligee or creditor under any surety bond, who, at the time of default by the principal debtor or obligor, was a resident of this state; or

(iv) A third party claimant under a liability policy or surety bond, if: (a) the insured or the third party claimant was a resident of this state at the time of the insured event; (b) the claim is for bodily or personal injuries suffered in this state by a person who when injured was a resident of this state; or (c) the claim is for damages to real property situated in this state at the time of damage; or

(v) A direct or indirect assignee of a person who except for the assignment might have claimed under (i), (ii) or (iii).

For purposes of paragraph (c), item (i), unit owners of condominiums, townhouses, or cooperatives are considered as having an insurable interest.

A covered claim also includes any unpaid claim which arises or exists within 30 days after the time of entry of an order of liquidation with a finding of insolvency by a court of competent jurisdiction unless prior thereto the insured replaces the policy or causes its cancellation or the policy expires on its expiration date.

Subd. 2. [LIMITATION OF AMOUNT.] Payment of a covered claim, *except a claim for unearned premium by any single claimant, whether upon a single policy or multiple policies of insurance*, is limited to the amount by which the allowance on any claim exceeds \$100 and is less than \$300,000. *In the case of claim for unearned premium, the entire claim up to \$300,000 shall be allowed.* The limitation on the amount of payment for a covered claim does not apply to claims for workers' compensation insurance. In no event is the association obligated to the policyholder or claimant in an amount in excess of the obligation of the insurer under the policy from which the claim arises.

Sec. 34. Minnesota Statutes 1986, section 60C.12, is amended to read:
60C.12 [APPEAL AND REVIEW.]

Subdivision 1. [APPEAL.] A claimant whose claim has been declared to be not covered or reduced by the board under section 60C.10 may appeal

to the board within 30 days after the claimant has been notified of the board's decision and of the rights of the claimant under this section.

Subd. 2. [REVIEW.] Decisions of the board under subdivision 1 are subject to ~~judicial review~~ appeal to the commissioner of commerce who may overturn, affirm, or modify the board's actions or take other action the commissioner considers appropriate.

The appeal to the commissioner must be in the manner provided in chapter 14.

Subd. 3. [JUDICIAL REVIEW.] A final action or order of the commissioner under this subdivision is subject to judicial review in the manner provided by chapter 14. In lieu of the appeal to the commissioner under subdivision 2, a claimant may seek judicial review of the board's actions.

Sec. 35. [60E.01] [ESTABLISHMENT.]

Any three or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure for any property and/or casualty or automobile liability. Joint plans must meet all conditions and terms of this chapter.

Sec. 36. [60E.02] [EXCESS STOP-LOSS COVERAGE.]

A joint self-insurance plan must include aggregate excess stop-loss coverage and individual excess stop-loss coverage provided by an insurance company licensed by the state of Minnesota. Aggregate excess stop-loss coverage must include provisions to cover the excess claims of incurred, unpaid claim liability even in the event of plan termination. The joint plan must bear the risk of coverage for any member of the pool that becomes insolvent with outstanding contribution due by providing a surety bond from a Minnesota licensed surety in the amount of one year's contribution. In addition, the plan of self-insurance must have participants fund an amount at least equal to the point at which the excess or stop-loss insurer must assume 100 percent of the excess coverage limits of additional liability. A joint self-insurance plan must submit its proposed excess or stop-loss insurance contract to the commissioner of commerce at least 30 days prior to the proposed plan's effective date and at least 30 days subsequent to any renewal date. The commissioner shall review the contract to determine if it meets the standards established by this chapter and respond within a 30-day period. An excess or stop-loss insurance plan must be noncancelable for a minimum term of one year.

Sec. 37. [60E.03] [LIMITATION ON ADMINISTRATIVE SERVICES.]

No joint self-insurance plan may offer marketing, risk management, or administrative services unless these services are provided by vendors duly licensed by the commissioner to provide these services. No vendor of these services may be a trustee of a joint self-insurance plan for which they provide marketing, risk management, or administrative services.

Sec. 38. [60E.04] [APPLICABILITY OF PROVISIONS.]

A joint self-insurance plan is subject to the requirements of the applicable parts of chapters 60A, 65A, 65B, 72A.20, 72B, and 72C, unless otherwise specifically exempt. A joint self-insurance plan must offer a plan which complies with all applicable rules and statutes.

Sec. 39. [60E.05] [FUND MANAGEMENT.]

Funds collected from the participants under joint self-insurance plans must be held in trust subject to the following requirements:

(a) A board of trustees elected by the participants shall serve as fund managers on behalf of participants. Trustees must be plan participants. No participants may be represented by more than one trustee. A minimum of three and a maximum of seven trustees may be elected. Trustees shall receive no remuneration, but they may be reimbursed for actual and reasonable expenses incurred in connection with duties as trustees.

(b) Trustees must be bonded in an amount not less than \$100,000 nor more than \$500,000 from a licensed bonding company.

(c) Investment of plan funds is subject to the same restrictions as are applicable to political subdivisions pursuant to section 475.66. All investments must be managed by a bank or other investment organization licensed to operate in Minnesota.

(d) Trustees, on behalf of the fund, shall file annual reports with the commissioner of commerce within 30 days immediately following the end of each calendar year. The reports must summarize the financial condition of the fund, itemize collection from participants, and detail all fund expenditures.

Sec. 40. [60E.06] [RULES.]

The commissioner of commerce shall adopt rules, including emergency rules, to ensure the solvency and operation of all self-insured plans subject to this chapter. The commissioner may examine the joint self-insurance plans pursuant to sections 60A.03 and 60A.031.

Sec. 41. [60E.07] [REVENUE FEE.]

A joint self-insurance plan shall pay a two percent revenue fee. This revenue must be computed based on two percent of the paid claims level for the most recently completed calendar year. This revenue must be deposited in the general fund.

Sec. 42. [60E.08] [APPLICABILITY.]

A joint self-insurance plan is not an insurer for purposes of chapter 60C.

Sec. 43. [61A.092] [CONTINUATION OF COVERAGE FOR LIFE INSURANCE.]

Subdivision 1. [CONTINUATION OF COVERAGE.] Every group insurance policy issued or renewed within this state after August 1, 1987, providing coverage for life insurance benefits shall contain a provision that permits covered employees who are voluntarily or involuntarily terminated or laid off from their employment, if the policy remains in force for any active employee of the employer, to elect to continue the coverage for themselves and their dependents.

An employee is considered to be laid off from employment if there is a reduction in hours to the point where the employee is no longer eligible for coverage under the group life insurance policy. Termination does not include discharge for gross misconduct.

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every covered employee electing to continue coverage shall pay the employee's former employer, on a monthly basis, the cost of the continued coverage. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan

for such period of coverage for other similarly situated employees with respect to whom neither termination nor layoff has occurred, without respect to whether such cost is paid by the employer or employee. The employee is eligible to continue the coverage until the employee obtains coverage under another group policy, or for a period of 18 months after the termination or layoff from employment, whichever is shorter.

Subd. 3. [NOTICE OF OPTIONS.] Upon termination of or layoff from employment of a covered employee, the employer shall inform the employee of:

- (1) the employee's right to elect to continue the coverage;*
- (2) the amount the employee must pay monthly to the employer to retain the coverage;*
- (3) the manner in which and the office of the employer to which the payment to the employer must be made; and*
- (4) the time by which the payments to the employer must be made to retain coverage.*

The employee has 60 days within which to elect coverage. The 60-day period shall begin to run on the date coverage would otherwise terminate or on the date upon which notice of the right to coverage is received, whichever is later.

Notice must be in writing and sent by first class certified mail to the employee's last known address which the employee has provided to the employer.

A notice in substantially the following form is sufficient: "As a terminated or laid off employee, the law authorizes you to maintain your group insurance benefits for a period of up to 18 months. To do so, you must notify your former employer within 60 days of your receipt of this notice that you intend to retain this coverage and must make a monthly payment of \$ _____ at _____ by the _____ of each month."

Subd. 4. [RESPONSIBILITY OF EMPLOYER AND INSURER.] If the employer fails to notify a covered employee of the options set forth in subdivision 3, or if after timely receipt of the monthly payment from a covered employee the employer fails to make the payment to the insurer, with the result that the employee's coverage is terminated, the employer is still liable for the employee's coverage to the same extent as the insurer would be if the coverage were still in effect.

Subd. 5. [CONVERSION TO INDIVIDUAL POLICY.] A group insurance policy that provides posttermination or layoff coverage as required by this section must also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance contract providing the same or substantially similar benefits.

A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the coverage otherwise required by this subdivision.

Sec. 44. Minnesota Statutes 1986, section 61A.28, subdivision 12, is

amended to read:

Subd. 12. [ADDITIONAL INVESTMENTS.] Investments of any kind, without regard to the categories, conditions, standards, or other limitations set forth in the foregoing subdivisions and section 61A.31, subdivision 3, except that the prohibitions in clause (d) of subdivision 3 remains applicable, may be made by a domestic life insurance company in an amount not to exceed the lesser of the following:

(1) Five percent of the company's total admitted assets as of the end of the preceding calendar year, or

(2) Fifty percent of the amount by which its capital and surplus as of the end of the preceding calendar year exceeds \$675,000. Provided, however, that a company's total investment under this section in the common stock of any corporation, other than the stock of the types of corporations specified in subdivision 6(a), may not exceed ten percent of the common stock of the corporation. Provided, further, that no investment may be made under the authority of this clause or clause (1) by a company that has not completed five years of actual operation since the date of its first certificate of authority.

If, subsequent to being made under the provisions of this subdivision, an investment is determined to have become qualified or eligible under any of the other provisions of this chapter, the company may consider the investment as being held under the other provision and the investment need no longer be considered as having been made under the provisions of this subdivision.

In addition to the investments authorized by this subdivision, a domestic life insurance company may make qualified investments in any additional securities or property authorized by subdivision 6, paragraph (f), with the written order of the commissioner. This approval is at the discretion of the commissioner. This authorization does not negate or reduce the investment authority granted in subdivision 6, paragraph (f), or this subdivision.

Sec. 45. Minnesota Statutes 1986, section 61B.05, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION OF BOARD.] The board of directors of the association shall consist of nine members. *Two of the directors shall be public members and seven shall be insurer members. Public members may include licensed insurance agents. The public members shall be appointed by the commissioner.* The insurer members of the board shall be selected by the association members subject to the approval of the commissioner. Vacancies on the board shall be filled for the remaining period of the term in the manner described in the plan of operation. *The term of office for members is two years.*

Sec. 46. Minnesota Statutes 1986, section 61B.09, is amended to read:

61B.09 [DUTIES AND POWERS OF THE COMMISSIONER.]

(a) *Subdivision 1.* The commissioner shall:

(1) Notify the board of directors of the existence of an impaired insurer within three days after a determination of impairment is made or the commissioner receives notice of impairment;

(2) Upon request of the board of directors, provide the association with a statement of the premiums in the appropriate states for each member

insurer; and

(3) When an impairment is declared and the amount determined, serve a demand upon the impaired insurer to make good the impairment within a reasonable time. Notice to the impaired insurer shall constitute notice to its shareholders. The failure of the insurer to promptly comply with the demand shall not excuse the association from performance under sections 61B.01 to 61B.16.

(b) *Subd. 2.* The commissioner may, after notice and hearing, suspend or revoke the certificate of authority to transact insurance in this state of any member insurer which fails to pay an assessment when due or to comply with the plan of operation. As an alternative, the commissioner may levy a forfeiture on any member insurer which fails to pay an assessment when due. A forfeiture shall not exceed five percent of the unpaid assessment per month, but no forfeiture shall be less than \$100 per month.

(c) *Subd. 3.* Any action of the board of directors or the association may be appealed to the commissioner by ~~any member insurer~~ within 30 days of the ~~occurrence~~ notice of the action. Any final action or order of the commissioner shall be subject to judicial review in a court of competent jurisdiction, in the manner provided by chapter 14. *In lieu of the appeal to the commissioner under this subdivision, a claimant may seek judicial review of the board's actions.*

(d) *Subd. 4.* The liquidator, rehabilitator, or conservator of any impaired insurer may notify all interested persons of the effect of sections 61B.01 to 61B.16.

Sec. 47. Minnesota Statutes 1986, section 62A.041, is amended to read:
62A.041 [MATERNITY BENEFITS; UNMARRIED WOMEN.]

Each group policy of accident and health insurance and each group health maintenance contract shall provide the same coverage for maternity benefits to unmarried women and minor female dependents that it provides to married women including the wives of employees choosing dependent family coverage. If an unmarried insured or an unmarried enrollee is a parent of a dependent child, each group policy and each group contract shall provide the same coverage for that child as that provided for the child of a married employee choosing dependent family coverage if the insured or the enrollee elects dependent family coverage.

Each individual policy of accident and health insurance and each individual health maintenance contract shall provide the same coverage for maternity benefits to unmarried women and minor female dependents as that provided for married women. If an unmarried insured or an unmarried enrollee is a parent of a dependent child, each individual policy and each individual contract shall also provide the same coverage for that child as that provided for the child of a married insured or a married enrollee choosing dependent family coverage if the insured or the enrollee elects dependent family coverage.

Except for policies which only provide coverage for specified diseases, each group subscriber contract of accident and health insurance or health maintenance contract, issued or renewed after August 1, 1987, shall include maternity benefits in the same manner as any other illness covered under the policy or contract.

For the purposes of this section, the term "maternity benefits" shall not

include elective, induced abortion whether performed in a hospital, other abortion facility, or the office of a physician.

This section applies to policies and contracts issued, delivered, or renewed after August 1, 1985, that cover Minnesota residents.

Sec. 48. Minnesota Statutes 1986, section 62A.043, is amended by adding a subdivision to read:

Subd. 3. Except for policies which only provide coverage for specified diseases, no policy or certificate of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or subscriber contract provided by a nonprofit health service plan corporation regulated under chapter 62C, or health maintenance organization regulated under chapter 62D, shall be issued, renewed, continued, delivered, issued for delivery, or executed in this state after August 1, 1987, unless the policy, plan, or contract specifically provides coverage on the same basis as for other covered benefits for surgical and nonsurgical treatment of temporomandibular joint disorder and craniomandibular disorder. Coverage shall be the same as that for treatment to any other joint in the body, and shall apply if the treatment is administered or prescribed by a physician or dentist. This section is effective for all group policies, all group subscriber contracts, and all health maintenance contracts within the scope of Minnesota Statutes, chapters 62A, 62C, and 62D, that are issued or renewed after August 1, 1987.

Sec. 49. Minnesota Statutes 1986, section 62A.141, is amended to read:

62A.141 [COVERAGE FOR HANDICAPPED DEPENDENTS.]

No group policy or plan of health and accident insurance regulated under this chapter, chapter 62C, or 62D, which provides for dependent coverage may be issued or renewed in this state after August 1, 1983, unless it covers the handicapped dependents of the insured, subscriber, or enrollee of the policy or plan. *Consequently, the policy or plan shall not contain any provision concerning preexisting condition limitations, insurability, eligibility, or health underwriting approval concerning handicapped dependents.*

If ordered by the commissioner of commerce, the insurer of a Minnesota-domiciled nonprofit association which is composed solely of agricultural members may restrict coverage under this section to apply only to Minnesota residents.

Sec. 50. Minnesota Statutes 1986, section 62A.146, is amended to read:

62A.146 [CONTINUATION OF BENEFITS TO SURVIVORS.]

No policy or plan of accident and health protection issued by an insurer, nonprofit health service plan corporation, or health maintenance organization, providing coverage of hospital or medical expense on either an expense incurred basis or other than an expense incurred basis which in addition to coverage of the insured, subscriber, or enrollee, also provides coverage to dependents, shall, except upon the written consent of the survivor or survivors of the deceased insured, subscriber or enrollee, terminate, suspend or otherwise restrict the participation in or the receipt of benefits otherwise payable under the policy or plan to the survivor or survivors until the earlier of the following dates:

(a) the date of ~~remarriage~~ of the surviving spouse *becomes covered under another group health plan*; or

(b) the date coverage would have terminated under the policy or plan had the insured, subscriber, or enrollee lived.

The survivor or survivors, in order to have the coverage and benefits extended, may be required to pay the entire cost of the protection *on a monthly basis. In no event shall the amount of premium or fee contributions charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children who are not the survivors of a deceased insured, without regard to whether such cost is paid by the employer or employee.* Failure of the survivor to make premium or fee payments within 90 days after notice of the requirement to pay the premiums or fees shall be a basis for the termination of the coverage without written consent. In event of termination by reason of the survivor's failure to make required premium or fee contributions, written notice of cancellation must be mailed to the survivor's last known address at least 30 days before the cancellation. If the coverage is provided under a group policy or plan, any required premium or fee contributions for the coverage shall be paid by the survivor to the group policyholder or contract holder for remittance to the insurer, nonprofit health service plan corporation, or health maintenance organization.

Sec. 51. Minnesota Statutes 1986, section 62A.152, subdivision 2, is amended to read:

Subd. 2. [MINIMUM BENEFITS.] All group policies and all group subscriber contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage, ~~to~~ *on the same basis as coverage for other benefits for at least the extent of 80 percent of the first \$750 of the cost of the usual and customary charges of the first ten hours of treatment incurred over a 12-month benefit period, for mental or nervous disorder consultation, diagnosis and treatment services delivered while the insured person is not a bed patient in a hospital, and at least 75 percent of the cost of the usual and customary charges for any additional hours of treatment during the same 12-month benefit period for serious and persistent mental or nervous disorders, if the services are furnished by (1) a licensed or accredited hospital, (2) a community mental health center or mental health clinic approved or licensed by the commissioner of human services or other authorized state agency, or (3) a licensed consulting psychologist licensed under the provisions of sections 148.87 to 148.98, or a psychiatrist licensed under chapter 147. Prior authorization from an accident and health insurance company, or a nonprofit health service corporation, shall be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may not exceed a maximum of 30 visit hours during any 12-month benefit period.*

For purposes of this section, covered treatment for a minor shall include treatment for the family if family therapy is recommended by a provider listed above in item (1), (2) or (3).

Sec. 52. [62A.155] [BENEFITS FOR TREATMENT OF EATING DISORDERS.]

Subdivision 1. [REQUIREMENT.] No group policy or group certificate of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or group subscriber contract provided by a

nonprofit health service plan corporation regulated under chapter 62C, or health maintenance organization regulated under chapter 62D, may be issued, renewed, continued, delivered, issued for delivery, or executed in this state after August 1, 1987, unless the policy, plan, or contract specifically provides coverage for the surgical and nonsurgical treatment of bulimia, anorexia nervosa, or other eating disorder. Coverage applies only if the eating disorder was diagnosed as such by a physician and the treatment is administered or prescribed by a physician.

Subd. 2. [EXCLUSION.] Subdivision 1 does not apply to group policies, certificates, or contracts designed primarily to provide coverage payable on a per diem, fixed indemnity, or nonexpense incurred basis, or policies that provide only accident coverage.

Sec. 53. Minnesota Statutes 1986, section 62A.17, is amended to read:
62A.17 [TERMINATION OF OR LAYOFF FROM EMPLOYMENT.]

Subdivision 1. [CONTINUATION OF COVERAGE.] Every group insurance policy, group subscriber contract, and health care plan included within the provisions of section 62A.16, except policies, contracts, or health care plans covering employees of an agency of the federal government, shall contain a provision which permits every **eligible covered** employee who is *voluntarily or involuntarily* terminated or laid off from employment, if the policy, contract, or health care plan remains in force for active employees of the employer, to elect to continue the coverage for the employee and dependents.

An employee shall be considered to be laid off from employment if there is a reduction in hours to the point where the employee is no longer eligible under the policy, contract, or health care plan. Termination shall not include discharge for gross misconduct.

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every **eligible covered** employee electing to continue coverage shall pay the former employer, on a monthly basis, the cost of the continued coverage. If the policy, contract, or health care plan is administered by a trust, every **eligible covered** employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. *In no event shall the amount of premium charged exceed 102 percent of the cost for such period of coverage for similarly situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee.* The employee shall be eligible to continue the coverage until ~~reemployed and eligible for health care coverage under a group policy, contract, or plan sponsored by the same or another employer~~ *the employee becomes covered under another group health plan, or for a period of 12 18 months after the termination of or lay off from employment, whichever is shorter.*

Subd. 3. [ELIGIBILITY FOR CONTINUED COVERAGE.] An employee shall be eligible to make the election for the employee and dependents provided for in subdivision 1 if:

(a) In the period preceding the termination of or lay off from employment, the employee and dependents were covered through employment by a group insurance policy, subscriber's contract, or health care plan included within the provisions of section 62A.16;

(b) The termination of or lay off from employment was for reasons other

than the discontinuance of the business, bankruptcy, or the employee's disability or retirement.

Subd. 4. [RESPONSIBILITY OF EMPLOYER.] After timely receipt of the monthly payment from an eligible a covered employee, if the employer, or the trustee, if the policy, contract, or health care plan is administered by a trust, fails to make the payment to the insurer, nonprofit health service plan corporation, or health maintenance organization, with the result that the employee's coverage is terminated, the employer or trust shall become liable for the employee's coverage to the same extent as the insurer, nonprofit health service plan corporation, or health maintenance organization would be if the coverage were still in effect.

In the case of a policy, contract or plan administered by a trust, the employer must notify the trustee within 30 days of the termination or layoff of a covered employee of the name and last known address of the employee.

If the employer or trust fails to notify a covered employee, the employer or trust shall continue to remain liable for the employee's coverage to the same extent as the insurer would be if the coverage were still in effect.

Subd. 5. [NOTICE OF OPTIONS.] Upon the termination of or lay off from employment of an eligible employee, the employer shall inform the employee within ten days after termination or lay off of:

- (a) the right to elect to continue the coverage;
- (b) the amount the employee must pay monthly to the employer to retain the coverage;
- (c) the manner in which and the office of the employer to which the payment to the employer must be made; and
- (d) the time by which the payments to the employer must be made to retain coverage.

If the policy, contract, or health care plan is administered by a trust, the employer is relieved of the obligation imposed by clauses (a) to (d). The trust shall inform the employee of the information required by clauses (a) to (d).

The employee shall have 60 days within which to elect coverage. The 60-day period shall begin to run on the date plan coverage would otherwise terminate or on the date upon which notice of the right to coverage is received, whichever is later.

Notice ~~may~~ must be in writing and sent by first class certified mail to the employee's last known address which the employee has provided the employer or trust. ~~If the employer or trust fails to so notify the employee who is properly enrolled in the program, the employee shall have the option to retain coverage if the employee makes this election within 60 days of the date terminated or laid off by making the proper payment to the employer or trust to provide continuous coverage.~~

A notice in substantially the following form shall be sufficient: "As a terminated or laid off employee, the law authorizes you to maintain your group medical insurance for a period of up to ~~12~~ 18 months. To do so you must notify your former employer within ~~ten~~ 60 days of your receipt of this notice that you intend to retain this coverage and must make a monthly payment of \$_____ to _____ at _____ by the _____ of each month."

Subd. 6. [CONVERSION TO INDIVIDUAL POLICY.] A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, *provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium.* The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3 if an arrangement with an insurer can reasonably be made by the health maintenance organization. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

The individual policy or contract shall be renewable at the covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

Sec. 54. [62A.20] [COVERAGE OF CURRENT SPOUSE AND CHILDREN.]

Subdivision 1. [REQUIREMENT.] Every policy of accident and health insurance providing coverage of hospital or medical expense on either an expense-incurred basis or other than an expense-incurred basis, which in addition to covering the insured also provides coverage to the spouse and dependent children of the insured shall contain:

(1) a provision which permits the spouse and dependent children to elect to continue coverage when the insured becomes enrolled for benefits under

Title XVIII of the Social Security Act (Medicare); and

(2) a provision which permits the dependent children to continue coverage when they cease to be dependent children under the generally applicable requirement of the plan.

Subd. 2. [CONTINUATION PRIVILEGE.] The coverage described in subdivision 1 may be continued until the earlier of the following dates:

(1) the date coverage would otherwise terminate under the policy;

(2) 36 months after continuation by the spouse or dependent was elected;
or

(3) the spouse or dependent children become covered under another group health plan.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the insured on a monthly basis to the group policyholder for remittance to the insurer. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouse and dependent children to whom subdivision 1 is not applicable, without regard to whether such cost is paid by the employer or employee.

Sec. 55. Minnesota Statutes 1986, section 62A.21, is amended to read:

62A.21 [CONVERSION PRIVILEGES FOR INSURED FORMER SPOUSES AND CHILDREN.]

Subdivision 1. No policy of accident and health insurance providing coverage of hospital or medical expense on either an expense incurred basis or other than an expense incurred basis, which in addition to covering the insured also provides coverage to the spouse of the insured shall contain a provision for termination of coverage for a spouse covered under the policy solely as a result of a break in the marital relationship ~~except by reason of an entry of a valid decree of dissolution of marriage.~~

Subd. 2a. [CONTINUATION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision which permits continuation of coverage under the policy for the insured's former spouse and dependent children upon entry of a valid decree of dissolution of marriage, ~~if the decree requires the insured to provide continued coverage for those persons.~~ The coverage ~~may~~ shall be continued until the earlier of the following dates:

(a) The date of ~~remarriage of either the insured or the insured's former spouse becomes covered under any other group health plan;~~ or

(b) The date coverage would otherwise terminate under the policy.

If the coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the insured on a monthly basis to the group policyholder for remittance to the insurer. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children with respect to whom the marital relationship has not dissolved, without regard to whether such cost is paid by the employer or employee.

Subd. 2b. [CONVERSION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an insured, without providing evidence of insurability, to obtain

from the insurer at the expiration of any continuation of coverage required under subdivision 2a or ~~section sections~~ 62A.146 and 62A.20, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the insured to provide continued coverage for the former spouse and dependent children; conversion coverage providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. A policy providing reduced benefits at a reduced premium rate may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The individual policy shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under Title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the former spouse's original age at entry, and shall apply equally to all similar policies issued by the insurer.

Subd. 3. Subdivision 1 applies to every policy of accident and health insurance which is delivered, issued for delivery, renewed or amended on or after July 19, 1977.

Subdivisions 2a and 2b apply to every policy of accident and health insurance which is delivered, issued for delivery, renewed, or amended on or after August 1, 1981.

Sec. 56. Minnesota Statutes 1986, section 62A.27, is amended to read:
62A.27 [COVERAGE FOR ADOPTED CHILDREN.]

No individual or group policy or plan of health and accident insurance regulated under this chapter or chapter 64B, subscriber contract regulated under chapter 62C, or health maintenance contract regulated under chapter 62D, providing coverage for more than one person may be issued or renewed in this state after August 1, 1983, unless the policy, plan, or contract covers adopted children of the insured, subscriber, or enrollee on the same basis as other dependents. *Consequently, the policy or plan shall not contain any provision concerning preexisting condition limitations, insurability, eligibility, or health underwriting approved concerning adopted children.*

The coverage required by this section is effective from the date of placement for the purpose of adoption and continues unless the placement is disrupted prior to legal adoption and the child is removed from placement.

Sec. 57. [62A.28] [SURETY BOND OR SECURITY FOR CERTAIN HEALTH BENEFIT PLANS.]

Subdivision 1. [SURETY BOND OR SECURITY REQUIREMENT.] Any employer, except the state and its political subdivisions as defined in section 65B.43, subdivision 20, who provides a health benefit plan to its Minnesota employees, which is to some extent self-insured by the employer, and who purchases stop-loss insurance coverage, or any other insurance coverage, in connection with the health benefit plan, shall annually file with the commissioner, within 60 days of the end of the employer's fiscal year, security acceptable to the commissioner in an amount specified under

subdivision 2, or a surety bond in the form and amount prescribed by subdivisions 2 and 3. An acceptable surety bond is one issued by a corporate surety authorized by the commissioner to transact this business in the state of Minnesota for the purposes of this section. The term "Minnesota employees" includes any Minnesota resident who is employed by the employer.

Subd. 2. [AMOUNT OF SURETY BOND OR SECURITY.] The amount of surety bond or acceptable security required by subdivision 1 shall be equal to one-third of the projected annual medical and hospital expenses to be incurred by the employer or \$1,000, whichever is greater, with respect to its Minnesota employees by reason of the portion of the employer's health benefit plan which is self-insured by the employer.

Subd. 3. [FORM OF THE SURETY BOND.] The surety bond shall provide as follows:

SURETY BOND

KNOW ALL PERSONS BY THESE PRESENTS: That (entity to be bonded), of (location), (hereinafter called the "principal"), as principal, and (bonding company name), a (name of state) corporation, of (location) (hereinafter called the "surety"), as surety are held and firmly bound unto the commissioner of commerce of the state of Minnesota for the use and benefit of Minnesota residents entitled to health benefits from the principal in the sum of (\$_____), for the payment of which well and truly to be made, the principal binds itself, its successor and assigns, and the surety binds itself and its successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, in accordance with section (_____) of the Minnesota Statute principal is required to file a surety bond with the commissioner of commerce of the state of Minnesota.

NOW, THEREFORE, the condition of this obligation is such that if the said principal shall, according to the terms, provisions, and limitations of principals' health benefit program for its Minnesota employees pay all of its liabilities and obligations, including all benefits as provided in the attached plan, then, this obligation shall be null and void, otherwise to remain in full force and effect, subject, however, to the following terms and conditions:

1. The liability of the surety is limited to the payment of the benefits of the employee benefit plan which are payable by the principal and within the amount of the bond. The surety shall be bound to payments owed by the principal for obligations arising from a default of the principal or any loss incurred during the period to which the bond applies.

2. In the event of any default on the part of the principal to abide by the terms and provision of the attached plan, the commissioner of commerce may, upon ten-days notice to the surety and opportunity to be heard, require the surety to pay all of the principal's past and future obligations under the attached plan with respect to the principal's Minnesota employees.

3. Service on the surety shall be deemed to be service on the principals.

4. This bond shall be in effect from _____ to _____, and may not be canceled by either the surety or the principal.

5. Any Minnesota employee of principal aggrieved by a default of principal under the attached plan, and/or the commissioner of commerce on

behalf of any such employee, may enforce the provisions of this bond.

6. This bond shall become effective at (time of day, month, day, year).

IN TESTIMONY WHEREOF said principals and said surety have caused this instrument to be signed by their respective, duly authorized officers and their corporate seals to be hereunto affixed this (day, month, year).

Signed, sealed and delivered in the presence of:

Corporation Name

Bonding Company Name

By: _____

Subd. 4. [PENALTY FOR FAILURE TO COMPLY.] Any employer which fails to comply with the provisions of this section is guilty of a felony. In addition the commissioner of revenue shall deny any business tax deduction to an employer for the employer's contribution to a health plan for the period which the employer fails to comply with this section. This section does not apply to trusts established under chapter 62H which have been approved by the commissioner.

Subd. 5. [PETITION TO REDUCE BOND OR SECURITY AMOUNT.] An employer subject to this section may petition the commissioner to, and the commissioner may, allow the use of a surety bond not in the form specified in subdivision 3, or grant a reduction in the amount of the surety bond or security required.

Sec. 58. Minnesota Statutes 1986, section 62A.31, subdivision 1a, is amended to read:

Subd. 1a. [APPLICATION TO CERTAIN POLICIES.] The requirements of sections 62A.31 to 62A.44 shall not apply to disability income protection insurance policies, long-term care policies issued pursuant to sections 62A.46 to 62A.56, or group policies of accident and health insurance which do not purport to supplement medicare issued to any of the following groups:

(a) A policy issued to an employer or employers or to the trustee of a fund established by an employer where only employees or retirees, and dependents of employees or retirees, are eligible for coverage.

(b) A policy issued to a labor union or similar employee organization.

(c) A policy issued to an association, a trust or the trustee of a fund established, created or maintained for the benefit of members of one or more associations. The association or associations shall have at the outset a minimum of 100 persons; shall have been organized and maintained in good faith for purposes other than that of obtaining insurance; shall have a constitution and bylaws which provide that (1) the association or associations hold regular meetings not less frequently than annually to further purposes of the members, (2) except for credit unions, the association or associations collect dues or solicit contributions from members, and (3) the members have voting privileges and representation on the governing board and committees, and (4) the members are not directly solicited, offered, or sold an insurance product, except exclusively by mail, if the

product is available as an association benefit within the first 30 days of membership in the association.

Sec. 59. Minnesota Statutes 1986, section 62A.43, subdivision 2, is amended to read:

Subd. 2. [REFUNDS.] Notwithstanding the provisions of section 62A.38, an insurer which issues a medicare supplement plan to any person who has one plan then in effect, except as permitted in subdivision 1, shall, at the request of the insured, either refund the premiums or pay any claims on the policy, whichever is greater. *Any refund of premium pursuant to this section or section 62A.38 shall be sent by the insurer directly to the insured within 15 days of the request by the insured.*

Sec. 60. Minnesota Statutes 1986, section 62A.43, is amended by adding a subdivision to read:

Subd. 4. [OTHER POLICIES NOT PROHIBITED.] *The prohibition in this section against the sale of duplicate Medicare supplement coverage does not preclude the sale of insurance coverage, such as travel, accident, and sickness coverage, the effect or purpose of which is not to supplement Medicare coverage. Notwithstanding this provision, if the commissioner determines that the coverage being sold is in fact Medicare supplement insurance, the commissioner shall notify the insurer in writing of the determination. If the insurer does not thereafter comply with sections 62A.31 to 62A.44, the commissioner may, pursuant to chapter 14, revoke or suspend the insurer's authority to sell accident and health insurance in this state or impose a civil penalty not to exceed \$10,000, or both.*

Sec. 61. Minnesota Statutes 1986, section 62A.46, is amended by adding a subdivision to read:

Subd. 11. [BENEFIT PERIOD.] *"Benefit period" means one or more separate or combined periods of confinement covered by a long-term care policy in a nursing facility or at home while receiving home care services. A benefit period begins on the first day the insured receives a benefit under the policy and ends when the insured has received no benefits for the same or related cause for an interval of 180 consecutive days.*

Sec. 62. Minnesota Statutes 1986, section 62A.48, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract, or other evidence of coverage of nursing home care or other long-term care services shall be offered, issued, delivered, or renewed in this state, whether or not the policy is issued in this state, unless the policy is offered, issued, delivered, or renewed by a qualified insurer and the policy satisfies the requirements of sections 62A.46 to 62A.56. A long-term care policy must cover medically prescribed long-term care in nursing facilities and at least the medically prescribed long-term home care services in section 62A.46, subdivision 4, clauses (1) to (5), provided by a home health agency. Coverage under a long-term care policy AA must include: a maximum lifetime benefit limit of at least \$100,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums, and a requirement of prior hospitalization for up to one day may be imposed only for long-term care in a nursing facility. Coverage under a long-term care policy A must include: a maximum lifetime benefit limit of at least \$50,000 for services, nursing facility and home care coverages must not be subject to separate lifetime

maximums, and a requirement of prior hospitalization for up to three days may be imposed for long-term care in a nursing facility or home care services. *If long-term care policies require the policyholder to be admitted to a nursing facility or begin home care services within a specified period after discharge from a hospital, that period may be no less than 30 days.*

Coverage under either policy designation must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage. Coverage under either policy designation may include a waiting period of up to 90 days before benefits are paid, but there must be no more than one waiting period per benefit period. No policy may exclude coverage for mental or nervous disorders which have a demonstrable organic cause, such as Alzheimer's and related dementias. No policy may require the insured to meet a prior hospitalization test more than once during a single benefit period. The policy must include a provision that the plan will not be canceled or renewal refused except on the grounds of nonpayment of the premium, provided that the insurer may change the premium rate on a class basis on any policy anniversary date. Policy options include A provision that the policyholder may elect to have the premium paid in full at age 65 by payment of a higher premium up to age 65 and may be offered. A provision that the premium would be waived during any period in which benefits are being paid to the insured of confinement in a nursing facility must be offered. A nongroup policyholder may return a policy within 30 days of its delivery and have the premium refunded in full, less any benefits paid under the policy, if the policyholder is not satisfied for any reason.

Sec. 63. Minnesota Statutes 1986, section 62A.48, subdivision 2, is amended to read:

Subd. 2. [PER DIEM COVERAGE.] If benefits are provided on a per diem basis, the minimum daily benefit for care in a nursing facility must be the lesser of \$60 or actual charges under a long-term care policy AA or the lesser of \$40 or actual charges under a long-term care policy A and the minimum daily benefit per visit for home care under a long-term care policy AA or A must be the lesser of \$25 or actual charges under a long-term care policy AA or the lesser of \$25 or actual charges for nurse and therapy services and \$20 for home health aide and nonmedical services under a long-term care policy A. ~~If home care services are provided less frequently than daily, the minimum benefit is the lesser of actual charges or an amount determined by multiplying the number of days of the period during which services will be provided, or a reasonable interval of the service period, by \$25 and dividing the resulting amount by the number of days during this period on which home care services were rendered.~~ The home care services benefit must cover at least seven paid visits per week.

Sec. 64. Minnesota Statutes 1986, section 62A.48, subdivision 6, is amended to read:

Subd. 6. [COORDINATION OF BENEFITS.] A long-term care policy shall may be secondary coverage for services provided under sections 62A.46 to 62A.56. Nothing in sections 62A.46 to 62A.56 shall require the secondary payor to pay the obligations of the primary payor nor shall it prevent the secondary payor from recovering from the primary payor the amount of any obligation of the primary payor that the secondary payor elects to

pay.

There shall be no coordination of benefits between a long-term care policy and a policy designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense-incurred basis, or a policy that provides only accident coverage.

Sec. 65. Minnesota Statutes 1986, section 62A.48, is amended by adding a subdivision to read:

Subd. 7. [EXISTING POLICIES.] Nothing in sections 62A.46 to 62A.56 prohibits the renewal of policies sold outside the state of Minnesota to persons who at the time of sale were not residents of the state of Minnesota.

Sec. 66. Minnesota Statutes 1986, section 62A.50, subdivision 3, is amended to read:

Subd. 3. [DISCLOSURES.] No long-term care policy shall be offered or delivered in this state, whether or not the policy is issued in this state, and no certificate of coverage under a group long-term care policy shall be offered or delivered in this state, unless a statement containing at least the following information is delivered to the applicant at the time the application is made:

(1) a description of the benefits and coverage provided by the policy and the differences between this policy, a supplemental medicare policy and the benefits to which an individual is entitled under parts A and B of medicare *and the differences between policy designations A and AA;*

(2) a statement of the exceptions and limitations in the policy including the following language, as applicable, in bold print: "THIS POLICY DOES NOT COVER ALL NURSING CARE FACILITIES OR NURSING HOME OR HOME CARE EXPENSES AND DOES NOT COVER RESIDENTIAL CARE. READ YOUR POLICY CAREFULLY TO DETERMINE WHICH FACILITIES AND EXPENSES ARE COVERED BY YOUR POLICY.";

(3) a statement of the renewal provisions including any reservation by the insurer of the right to change premiums;

(4) a statement that the outline of coverage is a summary of the policy issued or applied for and that the policy should be consulted to determine governing contractual provisions;

(5) an explanation of the policy's loss ratio including at least the following language: "This means that, on the average, policyholders may expect that \$_____ of every \$100 in premium will be returned as benefits to policyholders over the life of the contract."; and

(6) a statement of the out-of-pocket expenses, including deductibles and copayments for which the insured is responsible, and an explanation of the specific out-of-pocket expenses that may be accumulated toward any out-of-pocket maximum as specified in the policy.

Sec. 67. Minnesota Statutes 1986, section 62D.05, is amended by adding a subdivision to read:

Subd. 6. [SUPPLEMENTAL BENEFITS.] A health maintenance organization may, as a supplemental benefit, provide coverage to its enrollees for health care services and supplies received from providers who are not employed by, under contract with, or otherwise affiliated with the health maintenance organization. The commissioner may, pursuant to chapter 14,

adopt, enforce, and administer rules relating to this subdivision, including: rules insuring that these benefits are supplementary and not substitutes for comprehensive health maintenance services; rules relating to protection against insolvency, including the establishment of necessary financial reserves; rules relating to appropriate standards for claims processing; rules relating to marketing practices; and other rules necessary for the effective and efficient administration of this subdivision. The commissioner, in adopting rules, shall give consideration to existing laws and rules administered and enforced by the department of commerce relating to health insurance plans. Except as otherwise provided by law, a health maintenance organization may not advertise, offer, or enter into contracts for the coverage described in this subdivision until 30 days after the effective date of rules adopted by the commissioner of health to implement this subdivision.

Sec. 68. Minnesota Statutes 1986, section 62D.102, is amended to read:
62D.102 [MINIMUM BENEFITS.]

In addition to minimum requirements established in other sections, all group health maintenance contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage for at least ten hours of treatment over a 12-month period with a copayment not to exceed the greater of \$10 or 20 percent of the applicable usual and customary charge for mental or nervous disorder consultation, diagnosis and treatment services delivered while the enrollee is not a bed patient in a hospital and at least 75 percent of the cost of the usual and customary charges for any additional hours of ambulatory mental health treatment during the same 12-month benefit period for serious and persistent mental or nervous disorders.

Prior authorization may be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may not exceed a maximum of 30 visit hours during any 12-month benefit period.

For purposes of this section, covered treatment for a minor shall include treatment for the family if family therapy is recommended by a health maintenance organization provider.

Sec. 69. Minnesota Statutes 1986, section 62E.06, subdivision 1, is amended to read:

Subdivision 1. [NUMBER THREE PLAN.] A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A and 62C, and the other laws of this state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall be subject to a maximum lifetime benefit of not less than \$250,000.

The \$3,000 limitation on total annual out-of-pocket expenses and the

\$250,000 maximum lifetime benefit shall not be subject to change or substitution by use of an actuarially equivalent benefit.

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

(1) hospital services;

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

(3) drugs requiring a physician's prescription;

(4) services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under medicare;

(5) services of a home health agency if the services would qualify as reimbursable services under medicare;

(6) use of radium or other radioactive materials;

(7) oxygen;

(8) anesthetics;

(9) prostheses other than dental;

(10) rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids;

(11) diagnostic X-rays and laboratory tests;

(12) oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;

(13) services of a physical therapist; ~~and~~

(14) transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment; *and*

(15) *services of an occupational therapist.*

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

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

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

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

(4) any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semiprivate rooms, its most common semiprivate room charge shall be considered to be 90 percent of its lowest private room charge;

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

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

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for well baby care, effective July 1, 1980, subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations.

(e) Effective July 1, 1979, the minimum benefits of a qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in physician, laboratory and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

(f) Effective August 1, 1985, the minimum benefits of a qualified plan must include, in addition to the benefits specified in clauses (a), (d), and (e), coverage for special dietary treatment for phenylketonuria when recommended by a physician.

(g) *Outpatient mental health coverage is subject to section 62A.152, subdivision 2.*

Sec. 70. Minnesota Statutes 1986, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] The board of directors of the association shall be made up of ~~seven individuals~~ *nine members as follows: four insurer directors* selected by participating members, subject to approval by the commissioner ~~and two; four public members appointed by the governor~~ *directors selected by the commissioner; and the commissioner. Public members may include licensed insurance agents.* In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, or health maintenance contract payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner. In approving ~~members~~ *directors* of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. ~~Members of the board~~ *Insurer directors* may be reimbursed from the money of the association for expenses incurred by them as ~~members~~ *directors*, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 71. Minnesota Statutes 1986, section 62E.10, is amended by adding a subdivision to read:

Subd. 2a. [APPEALS.] A person may appeal to the commissioner within 30 days after notice of an action, ruling, or decision by the board.

A final action or order of the commissioner under this subdivision is subject to judicial review in the manner provided by chapter 14.

In lieu of the appeal to the commissioner, a person may seek judicial review of the board's action.

Sec. 72. Minnesota Statutes 1986, section 62E.10, is amended by adding a subdivision to read:

Subd. 9. [EXPERIMENTAL DELIVERY METHOD.] The association may petition the commissioner of commerce for a waiver to allow the experimental use of alternative means of health care delivery. The commissioner may approve the use of the alternative means the commissioner considers appropriate. The commissioner may waive any of the requirements of chapters 60A, 62A, 62D, and 62E in granting the waiver. The commissioner may also grant to the association any additional powers as are necessary to facilitate the specific waiver.

This subdivision is effective until August 1, 1989.

Sec. 73. Minnesota Statutes 1986, section 62E.14, is amended by adding a subdivision to read:

Subd. 5. [TERMINATED EMPLOYEES.] An employee who is voluntarily or involuntarily terminated or laid off from employment and unable to exercise the option to continue coverage under section 62A.17 may enroll, within 60 days of termination or lay-off, with a waiver of the preexisting condition limitation set forth in subdivision 3 and a waiver of the evidence of rejection set forth in subdivision 1, paragraph (c).

Sec. 74. [62E.18] [HEALTH INSURANCE FOR RETIRED EMPLOYEES NOT ELIGIBLE FOR MEDICARE.]

A Minnesota resident who is age 65 or over and is not eligible for the health insurance benefits of the federal Medicare program is entitled to purchase the benefits of a qualified plan, one or two, offered by the Minnesota comprehensive health association without any of the limitations set forth in section 62E.14, subdivision 1, paragraph (c), and subdivision 3.

Sec. 75. Minnesota Statutes 1986, section 62F041, subdivision 2, is amended to read:

Subd. 2. This section shall expire on June 30, ~~1987~~ 1989.

Sec. 76. Minnesota Statutes 1986, section 62F06, subdivision 1, is amended to read:

Subdivision 1. A policy issued by the association shall provide for a continuous period of coverage beginning with its effective date and terminating automatically at 12:01 a.m. on September 1, 1988, or sooner as provided in sections 62F.01 to 62F.14 may not extend beyond a period of one year from the date on which the authorization under section 62F04 ends. The policy shall be issued subject to the group retrospective rating plan and the stabilization reserve fund authorized by section 62F09. The policy shall be written to apply to claims first made against the insured and reported to the association during the policy period. No policy form

shall be used by the association unless it has been filed with the commissioner, and the commissioner may disapprove the form within 30 days if the commissioner determines it is misleading or violates public policy.

Sec. 77. Minnesota Statutes 1986, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any three or more employers, excluding the state and its political subdivisions as described in 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short-term disability benefits. Joint plans must have a minimum of 250 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. *Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.*

Sec. 78. Minnesota Statutes 1986, section 62H.02, is amended to read:

62H.02 [REQUIRED PROVISIONS.]

A joint self-insurance plan must include aggregate excess stop-loss coverage and individual excess stop-loss coverage provided by an insurance company licensed by the state of Minnesota. Aggregate excess stop-loss coverage must include provisions to cover incurred, unpaid claim liability in the event of plan termination. ~~The excess or stop-loss insurer must bear the risk of coverage for any member of the pool that becomes insolvent with outstanding contribution due.~~ In addition, the plan of self-insurance must have participating employers fund an amount at least equal to the point at which the excess or stop-loss insurer ~~must have contracted to assume 100 percent of additional liability.~~ A joint self-insurance plan must submit its proposed excess or stop-loss insurance contract to the commissioner of commerce at least 30 days prior to the proposed plan's effective date and at least 30 days subsequent to any renewal date. The commissioner shall review the contract to determine if they meet the standards established by sections 62H.01 to 62H.08 and respond within a 30-day period. Any excess or stop-loss insurance plan ~~must be nonecancelable for a minimum term of two years~~ *contain a provision that the excess or stop-loss insurer will give the plan and the commissioner of commerce a minimum of 180 days notice of termination or nonrenewal. If the plan fails to secure replacement coverage within 60 days after receipt of the notice of cancellation or nonrenewal, the commissioner shall issue an order providing for the orderly termination of the plan.*

Sec. 79. Minnesota Statutes 1986, section 62H.04, is amended to read:

62H.04 [COMPLIANCE WITH OTHER LAWS.]

A joint self-insurance plan is subject to the requirements of ~~chapter~~ *chapters 62A, and 62E,* and sections 72A.17 to 72A.32 unless otherwise specifically exempt. A joint self-insurance plan must not offer less than a number two qualified plan or its actuarial equivalent.

Sec. 80. Minnesota Statutes 1986, section 62I.02, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The Minnesota joint underwriting association is created to provide insurance coverage to any person or entity

unable to obtain insurance through ordinary methods if the insurance is required by statute, ordinance, or otherwise required by law, or is necessary to earn a livelihood or conduct a business and serves a public purpose. Prudent business practice or mere desire to have insurance coverage is not a sufficient standard for the association to offer insurance coverage to a person or entity. *For purposes of this subdivision, directors' and officers' liability insurance is considered to be a business necessity and not merely a prudent business practice.* The association shall be specifically authorized to provide insurance coverage to day care providers, foster parents, foster homes, developmental achievement centers, group homes, and sheltered workshops for mentally, emotionally, or physically handicapped persons, and citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383. Because the activities of certain persons or entities present a risk that is so great, the association shall not offer insurance coverage to any person or entity the board of directors of the association determines is outside the intended scope and purpose of the association because of the gravity of the risk of offering insurance coverage. The association shall not offer environmental impairment liability or product liability insurance. The association shall not offer coverage for activities that are conducted substantially outside the state of Minnesota unless the insurance is required by statute, ordinance, or otherwise required by law. Every insurer authorized to write property and casualty insurance in this state shall be a member of the association as a condition to obtaining and retaining a license to write insurance in this state.

Sec. 81. Minnesota Statutes 1986, section 62I.02, subdivision 3, is amended to read:

Subd. 3. [REAUTHORIZATION.] The authorization to issue insurance to day care providers, foster parents, foster homes, developmental activity centers, group homes, and sheltered workshops for mentally, emotionally, or physically handicapped persons, and citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383, is valid for a period of two years from the date it was made. The commissioner may reauthorize the issuance of insurance *for these groups and other classes of business* for additional two-year periods pursuant to sections 62I.21 and 62I.22. This subdivision is not a limitation on the number of times the commissioner may reauthorize the issuance of insurance. ~~Insurance may not be offered pursuant to this section to persons or entities other than those listed in this subdivision after December 31, 1989.~~

Sec. 82. Minnesota Statutes 1986, section 62I.02, is amended by adding a subdivision to read:

Subd. 4. The association shall have no liability for premium taxes under section 60A.15, or any other taxes or assessments imposed by the state.

Sec. 83. Minnesota Statutes 1986, section 62I.03, subdivision 5, is amended to read:

Subd. 5. [DEFICIT.] "Deficit" means, for a particular policy year ~~and line or type of insurance~~, that amount by which total paid and outstanding losses and loss adjustment expenses exceed premium revenue, including retrospective premium revenue.

Sec. 84. Minnesota Statutes 1986, section 62I.04, is amended to read:

62I.04 [POLICY ISSUANCE.]

Any person or entity that is a resident of the state of Minnesota who has a current ~~written~~ notice of refusal to insure from an insurer licensed to offer insurance in the state of Minnesota may make written application to the association for coverage. The applicable premium or required portion of it must be paid prior to coverage by the association.

The application shall be filed simultaneously with the association and the market assistance plan for the association.

The association is authorized to (1) issue or cause to be issued insurance policies to applicants subject to limits specified in the plan of operation; (2) underwrite the insurance and adjust and pay losses with respect to it, or appoint service companies to perform those functions; (3) assume reinsurance from its members; and (4) cede reinsurance.

Sec. 85. Minnesota Statutes 1986, section 62I.12, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATOR.] The association shall be administered by a qualified insurer or vendor of risk management services selected by the commissioner. If the commissioner deems it necessary, the commissioner may select more than one person to administer the association. *At the option of the board, employees may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service, and an insurance plan administered by the commissioner of employee relations under chapter 43A.*

Sec. 86. Minnesota Statutes 1986, section 62I.13, is amended by adding a subdivision to read:

Subd. 6. Notwithstanding any order of the commissioner or inconsistent provisions of this chapter, the board of directors may decline to offer coverage to any class of business or a member of a class of business if the board considers the action to be in the best interest of the association.

Sec. 87. Minnesota Statutes 1986, section 62I.16, subdivision 3, is amended to read:

Subd. 3. [SUPERVISION.] All money paid into the fund shall be held in trust by the corporate trustee selected by the board of directors. The corporate trustee may invest the money held in trust subject to the approval of the board. All investment income shall be credited to the fund. All expenses of the administration of the fund shall be charged against the fund. The money held in trust shall be used solely for the purpose of discharging when due any retrospective premium charges payable by policyholders and any retrospective premium refunds payable to policyholders under the group retrospective rating plan. Payment of retrospective premium charges shall be made upon certification of the amount due. If all money accruing to the fund is exhausted in payment of retrospective premium charges, all liability and obligations of the association's policyholders with respect to the payment of retrospective premium charges shall terminate and shall be conclusively presumed to have been discharged. Any stabilization reserve fund charges from a particular policy year ~~and line or type of insurance~~ not used to pay retrospective premiums must be returned to policyholders after all claims and expense obligations from that particular policy year ~~and line or type of insurance~~ are satisfied.

Sec. 88. Minnesota Statutes 1986, section 62I.22, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] The commissioner of commerce shall publish notice of the hearing in the State Register at least 30 days before the hearing date. The notice should be that used for rulemaking under chapter 14. Approval by the administrative law judge of the notice prior to publication is not required. *The notice must contain a statement that anyone wishing to oppose activation beyond 180 days for any particular class, must file a petition to intervene with the administrative law judge at least ten days before the hearing date. If no notice to intervene is filed for a class, then the class is activated beyond the 180-day period without further action.*

Sec. 89. Minnesota Statutes 1986, section 62I.22, is amended by adding a subdivision to read:

Subd. 6. [CASE PRESENTATION.] *The department of commerce, upon request by small businesses as defined by Minnesota Statutes, section 14.115, subdivision 1, shall assist small businesses in any specific class requesting continuation of coverage beyond the 180-day period, in coordinating the class and presenting the case in the contested hearing.*

Sec. 90. Minnesota Statutes 1986, section 64B.11, subdivision 4, is amended to read:

Subd. 4. [FILING OF AMENDMENTS BY FOREIGN OR ALIEN SOCIETY.] Every foreign or alien society authorized to do business in this state shall file with the commissioner a duly certified copy of all amendments of, or additions to, its laws within 90 days after the enactment of ~~same~~ *be subject to the requirements of section 72A.061, subdivision 2, as to amendments or additions to its bylaws.*

Sec. 91. Minnesota Statutes 1986, section 64B.18, is amended to read:

64B.18 [BENEFITS NOT ATTACHABLE.]

~~Except as provided in chapter 256B, the money or other benefits, charity, relief, or aid to be paid, provided, or rendered by any society authorized to do business under this chapter shall, neither before nor after being paid, be liable to attachment, garnishment, or other process and shall not be ceased, taken, appropriated, or applied by any legal or equitable process or operation of laws to pay any debt or liability of a certificate holder or of any beneficiary named in the certificate, or of any person who may have any right thereunder. The cash value, proceeds, or benefits under any matured or unmatured life insurance or annuity contract issued before, on, or after the effective date of this section, by any society authorized to do business under this chapter, is exempt from attachment, garnishment, execution, or other legal process to the extent provided by section 550.37, subdivisions 10, 23, and 24.~~

Sec. 92. Minnesota Statutes 1986, section 64B.27, is amended to read:

64B.27 [ANNUAL LICENSE.]

Societies that are now authorized to transact business in this state may continue this business until the first day of June next succeeding August 1, 1985. The authority of the societies and all societies hereafter licensed, may thereafter be renewed annually, subject to section 60A.13, subdivisions 1, 5, 6, and 7. However, a license so issued shall continue in full force and effect until the new license is issued or specifically refused. ~~For each~~

~~license or renewal the society shall pay the commissioner \$20.~~ A duly certified copy or duplicate of the license is prima facie evidence that the licensee is a fraternal benefit society within the meaning of this chapter.

Sec. 93. Minnesota Statutes 1986, section 65A.01, subdivision 3a, is amended to read:

Subd. 3a. [CANCELLATION.] (1) There shall be printed in the policy or an endorsement attached to the policy a printed form in the following words:

When this policy has been issued to cover buildings used for residential purposes other than a hotel or motel and has been in effect for at least ~~six~~ ~~months~~ 60 days, or if it has been renewed, this policy shall not be canceled, except for one or more of the following reasons which shall be stated in the notice of cancellation:

- (a) Nonpayment of premium;
- (b) Misrepresentation or fraud made by or with the knowledge of the insured in obtaining the policy or in pursuing a claim thereunder;
- (c) An act or omission of the insured which materially increases the risk originally accepted;
- (d) Physical changes in the insured property which are not corrected or restored within a reasonable time after they occur and which result in the property becoming uninsurable; or
- (e) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing the insurance.

Provided, however, that this limitation on cancellation shall not apply to additional coverages in a divisible policy, other than a policy of fire and extended coverage insurance. If this company cancels the additional coverages, it may issue a new, separate fire policy at a premium calculated on a pro rata basis for the remaining period of the original policy.

(2) The provisions of clause (1)(e) shall not be included in the language of the policy or endorsement unless the payment of dues to an association or organization, other than an insurance association or organization, is a prerequisite to obtaining or continuing the insurance.

Sec. 94. Minnesota Statutes 1986, section 65A.03, subdivision 1, is amended to read:

65A.03 [BINDERS, TEMPORARY INSURANCE.]

Subdivision 1. [GENERALLY.] Binders or other contracts for temporary insurance may be made orally or in writing, and shall be deemed to include all the terms of such standard fire insurance policy and all such applicable endorsements as may be designated in such contract of temporary insurance; except that the ~~cancellation clause of such standard fire insurance policy~~ and the clause specifying the hour of the day at which the insurance shall commence, may be superseded by the express terms of such contract of temporary insurance.

Sec. 95. Minnesota Statutes 1986, section 65A.10, is amended to read:

65A.10 [LIMITATION.]

Nothing contained in sections 65A.08 and 65A.09 shall be construed to

preclude insurance against the cost, in excess of actual cash value at the time any loss or damage occurs, of actually repairing, rebuilding or replacing the insured property. *Subject to any applicable policy limits, where an insurer offers replacement cost insurance, the insurance must cover the cost of replacing, rebuilding, or repairing any loss or damaged property in accordance with the minimum code as required by state or local authorities.*

Sec. 96. Minnesota Statutes 1986, section 65A.29, is amended by adding a subdivision to read:

Subd. 10. [RETURN OF UNEARNED PREMIUM.] Cancellation of a policy of homeowner's insurance pursuant to this section is not effective unless any unearned premium due the insured is returned to the insured with the notice of cancellation or is delivered or sent by mail to the insured so as to be received by the insured not later than the effective date of cancellation. If the premium has been paid by the insured's agent and debited to the agent's account with the company, upon cancellation, the unearned premium must be credited to the agent's account with the company.

Sec. 97. Minnesota Statutes 1986, section 65A.35, subdivision 5, is amended to read:

Subd. 5. [ADMINISTRATION.] (1) The facility shall be administered by a governing committee board of five members nine directors, five of whom are elected annually by the members of the facility; and four additional members who represent the public. Public directors may include licensed insurance agents. Public directors are appointed by the commissioner, at least three of whom shall be public members. At least one elected member of the governing committee director shall be a domestic stock insurer, and at least one elected member of the governing committee director shall be a domestic nonstock insurer. In the election of members of the governing committee directors, each member of the facility shall be allotted votes bearing the same ratio to the total number of votes to be cast as its degree of participation in the facility bears to the total participation. Pending the determination of the degree of participation of the members in the facility, each member of the facility shall be allotted votes bearing the same ratio to the total number of votes to be cast as each member's written premium on basic property insurance during calendar year 1968 bears to the statewide total written premium for basic property insurance during such year. The first governing committee shall be elected at a meeting of the members or their authorized representatives.

(2) Any vacancy among the elected members on the governing committee directors shall be filled by a vote of the other elected members of the governing committee directors.

(3) If at any time the members directors fail to elect the required number of members to the governing committee board, or a vacancy remains unfilled for more than 15 days, the commissioner may appoint the members necessary to constitute a full governing committee board of directors.

(4) Vacancies among directors appointed by the commissioner shall be filled by appointment by the commissioner. A person so appointed serves until the end of the term of the member they are replacing.

(5) All directors serve for a period of two years. The terms of all directors begin on January 1 of the year their appointment begins.

(6) The plan of operation must provide for adequate compensation of

directors. A per diem amount and a procedure for reimbursement of expenses incurred in the discharge of their duties must be included in the plan. Directors whose employers compensate them while serving on the board or who would submit their compensation to their employer are not eligible for compensation under the plan.

Sec. 98. [65A.375] [RATES FOR COOPERATIVE HOUSING AND NEIGHBORHOOD REAL ESTATE TRUST INSURANCE.]

The commissioner shall set the insurance rates for cooperative housing, organized under chapter 308, and for neighborhood real estate trusts, characterized as nonprofit ownership of real estate with resident control. The rates must be actuarially sound.

Sec. 99. Minnesota Statutes 1986, section 65A.39, is amended to read:

65A.39 [RIGHT OF APPEAL.]

(a) Any applicant or participating insurer shall have the right of appeal to the ~~governing committee~~ *board of directors*, which shall promptly determine ~~said~~ *the* appeal. A decision of the ~~committee~~ *board* may be appealed to the commissioner within 30 days from *notice* of the action or decision of the ~~committee~~, ~~and~~. The commissioner shall promptly determine ~~said~~ *the* appeal. Each denial of insurance shall be accompanied by a statement that the applicant has the right of appeal to the ~~governing committee~~ *board* and the commissioner and setting forth the procedures to be followed for ~~such~~ *the* appeal. *A final action of the commissioner is subject to judicial review as provided in chapter 14.*

(b) *In lieu of the appeal to the commissioner under paragraph (a), an applicant or insurer may seek judicial review of the board's action.*

Sec. 100. Minnesota Statutes 1986, section 65B.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP] The commissioner shall direct that an election be held among every insurer subject to this chapter, for the election of ~~a insurer representatives on the facility~~ *governing committee*. The governing committee shall be made up of ~~eight nine~~ *individuals selected, five of whom shall be elected* by participating members of the facility and ~~one public member appointed by the governor to two-year terms four who shall be public members~~. *Public members may include licensed insurance agents. The public members shall be appointed by the commissioner.* Each insurer member of the governing committee shall be a participating member. *The term of office for members of the governing committee is two years.*

Each participating member serving on the governing committee shall be represented by a salaried employee of that participating member, and not more than one participating member in a group under the same management shall serve on the governing committee at the same time. ~~The commissioner of commerce or a designee shall be an ex officio member of the governing committee.~~

Sec. 101. Minnesota Statutes 1986, section 65B.12, is amended to read:

65B.12 [RIGHT TO HEARING; CONSTRUCTION OF PLAN OF OPERATION.]

Subdivision 1. Any participating member, applicant or person insured under a policy placed through the facility may request a formal hearing and ruling by the governing committee on any alleged violation of the plan

of operation or any alleged improper act or ruling of the facility ~~directly affecting its assessment, premium or coverage furnished, provided that such right to hearing shall not apply to any claim arising out of insurance provided by any participating member.~~ *Such* *The* request for hearing must be filed within 30 days after the date of the alleged act or decision.

Subd. 2. The plan of operation shall provide for prompt and fair hearings, and shall prescribe the procedure to be followed in ~~such~~ *the* hearings.

Subd. 3. Any formal ruling by the governing committee may be appealed to the commissioner by filing notice of appeal with the facility and the commissioner within 30 days after issuance of the ruling. ~~Such~~ *A* *The* hearing shall be governed by the procedures for contested cases.

Subd. 4. Upon a hearing pursuant to ~~Laws 1971, chapter 813~~ *chapter 14*, the commissioner shall issue an order approving or disapproving the action or decision of the governing committee or directing the governing committee to reconsider the ruling.

Subd. 4a. In lieu of the appeal to the commissioner, a member, applicant, or person may seek judicial review of the governing committee's action.

Subd. 5. The plan of operation shall be interpreted to conform to the laws of this state with respect to automobile insurance coverage and any changes ~~therein in the laws~~, unless the facility is specifically excluded from the applicability of ~~such~~ *these* laws.

Sec. 102. Minnesota Statutes 1986, section 65B.1311, is amended to read:

65B.1311 [COVERAGE FOR FORMER SPOUSE.]

Subdivision 1. [NEW POLICY ISSUED.] ~~If the former spouse of a named insured under a policy of private passenger vehicle insurance applies within 60 days of entry of a valid decree of dissolution of the marriage and the former spouse was an insured driver under the policy for at least 12 months prior to entry of the decree, the insurer must issue a policy, upon payment of the appropriate premium, to the former spouse only on the basis of the driving record applicable to the former spouse and any person who is to be an insured, as defined in section 65B.43, under the policy to be issued, provided the person or persons to be insured meets the insurer's eligibility standards~~ *An insurer must issue a policy of private passenger insurance to the former spouse of a named insured, within the provisions of subdivision 2 of this section, if the following conditions are met:*

(1) the former spouse has been an insured driver under the former policy for at least the six months immediately preceding the entry of a valid decree of dissolution of marriage;

(2) the former spouse makes application for a policy before the end of the policy period or within 60 days after the entry of the decree of dissolution of marriage, whichever is later;

(3) the appropriate premium is paid; and

(4) the former spouse and any person or persons who is to be an insured, as defined in section 65B.43, meets the insurer's eligibility standards for renewal policies.

Subd. 2. [NAMED INSURED.] A named insured under a policy of private passenger vehicle insurance shall have the premium determined at

the first and any subsequent renewals of the policy after entry of a valid decree of dissolution of the marriage of the named insured only on the basis of the driving record *and rating classification* applicable to the named insured and any person who is to be an insured, as defined in section 65B.43, under the policy to be renewed.

Sec. 103. Minnesota Statutes 1986, section 65B.16, is amended to read:

65B.16 [STATEMENT OF REASONS FOR CANCELLATION OR REDUCTION.]

No notice of cancellation or reduction in the limits of liability of coverage of an automobile insurance policy under section 65B.15 shall be effective unless the specific underwriting or other reason or reasons for such cancellation or reduction in the limits of liability of coverage are stated in such notice and the notice is mailed or delivered by the insurer to the named insured at least 30 days prior to the effective date of cancellation; provided, however, that when nonpayment of premium is the reason for cancellation or when the company is exercising its right to cancel insurance which has been in effect for less than 60 days at least ten days notice of cancellation, *and the reasons for the cancellation*, shall be given. *Information regarding moving traffic violations or motor vehicle accidents must be specifically requested on the application in order for a company to use those incidents to exercise its right to cancel within the first 59 days of coverage.* When nonpayment of premiums is the reason for cancellation, the reason must be given to the insured with the notice of cancellation; and if the company is exercising its right to cancel within the first 59 days of coverage and notice is given with less than ten days remaining in the 59-day period, the coverage must be extended, to expire ten days after notice was mailed.

Sec. 104. [65B.162] [NOTICE OF POSSIBLE CANCELLATION.]

A written notice shall be provided to all applicants for private passenger insurance, at the time the application is submitted, containing the following language in bold print: "THE INSURER MAY ELECT TO CANCEL COVERAGE AT ANY TIME DURING THE FIRST 59 DAYS FOLLOWING ISSUANCE OF THE COVERAGE FOR ANY REASON WHICH IS NOT SPECIFICALLY PROHIBITED BY STATUTE."

Sec. 105. Minnesota Statutes 1986, section 65B.21, subdivision 2, is amended to read:

Subd. 2. Upon receipt of a written objection pursuant to the provisions herein, the commissioner ~~shall~~ *may* notify the insurer of receipt of such objection and of the right of the insurer to file a written response thereto within ten days of receipt of such notification. The commissioner may also order an investigation of the objection or complaint, the submission of additional information by the insured or the insurer about the action by the insurer or the objections of the insured, or such other procedure as the commissioner deems appropriate or necessary. Within 23 days of receipt of such written objection by an insured the commissioner shall approve or disapprove the insurer's action and shall notify the insured and insurer of the final decision. Either party may institute proceedings for judicial review of the commissioner's decision; provided, however, that the commissioner's final decision shall be binding pending judicial review.

Sec. 106. Minnesota Statutes 1986, section 65B.28, is amended to read:

65B.28 [ACCIDENT PREVENTION COURSE PREMIUM

REDUCTIONS.]

Subdivision 1. [REQUIRED REDUCTION.] An insurer must provide an appropriate premium reduction of *at least ten percent* on its policies of private passenger vehicle insurance, as defined in section 65B.001, subdivision 2, issued, delivered, or renewed in this state after January 1, 1985, to insureds 65 55 years old and older who successfully complete an accident prevention course established under subdivision 2.

Subd. 2. [ACCIDENT PREVENTION COURSE; RULES.] The commissioner of public safety shall, by January 1, 1985, adopt rules establishing and regulating a motor vehicle accident prevention course for persons 65 55 years old and older. The rules must, at a minimum, include provisions:

- (1) establishing curriculum requirements;
- (2) establishing the number of hours required for successful completion of the course;
- (3) providing for the issuance of a course completion certification and requiring its submission to an insured as evidence of completion of the course; and
- (4) requiring persons 65 55 years old and older to retake the course every three years to remain eligible for a premium reduction.

Sec. 107. Minnesota Statutes 1986, section 65B.46, is amended to read:

65B.46 [RIGHT TO BENEFITS.]

Subdivision 1. If the accident causing injury occurs in this state, every person suffering loss from injury arising out of maintenance or use of a motor vehicle *or as a result of being struck as a pedestrian by a motorcycle* has a right to basic economic loss benefits.

Subd. 2. If the accident causing injury occurs outside this state in the United States, United States possessions, or Canada, the following persons and their surviving dependents suffering loss from injury arising out of maintenance or use of a motor vehicle *or as a result of being struck as a pedestrian by a motorcycle* have a right to basic economic loss benefits:

- (1) Insureds, and
- (2) the driver and other occupants of a secured vehicle, other than (a) a vehicle which is regularly used in the course of the business of transporting persons or property and which is one of five or more vehicles under common ownership, or (b) a vehicle owned by a government other than this state, its political subdivisions, municipal corporations, or public agencies. The reparation obligor may, if the policy expressly states, extend the basic economic loss benefits to any stated area beyond the limits of the United States, United States possessions and Canada.

Subd. 3. For the purposes of sections 65B.41 to 65B.71, injuries suffered by a person while on, mounting or alighting from a motorcycle do not arise out of the maintenance or use of a motor vehicle although a motor vehicle is involved in the accident causing the injury.

Sec. 108. Minnesota Statutes 1986, section 65B.49, is amended by adding a subdivision to read:

Subd. 5a. [RENTAL VEHICLES.] (a) *No plan of reparation security*

may be issued or renewed after August 1, 1987, unless the plan provides that all coverages under the plan are extended to any motor vehicle while being rented by the named insured. The plan must also provide that, to the extent that all or any part of the obligation of the named insured for property damage to a rented vehicle would not be covered by the collision or comprehensive portion of the plan, the obligation will be covered by the property damage coverage portion of the plan.

(b) A vehicle is rented for purposes of this subdivision if the rate for the use of the vehicle is determined on a weekly or daily basis. A vehicle is not rented for purposes of this subdivision if the rate for the vehicle's use is determined on a monthly or longer period or the vehicle is rented exclusively for business purposes.

(c) The policy or certificate issued by the plan must inform the insured of the application of the plan to rental vehicles and that the insured may not need to purchase additional coverage from the rental company.

(d) Where an insured has two or more plans of reparation security containing the rented motor vehicle coverage required under paragraph (a), claims must be made against the plan covering the motor vehicle most often driven by the insured.

Sec. 109. [65B.491] [SENIOR CITIZENS.]

After August 1, 1987, no plan of reparation security issued to or renewed with a person who has attained the age of 65 years may provide coverage for wage loss reimbursement that the insured will not reasonably be expected to be able to receive. It is the responsibility of the person issuing or renewing the plan to inquire as to the applicability of this section. The rate for any plan for which coverage has been excluded or reduced pursuant to this section must be reduced accordingly. This section does apply to self-insurance.

Sec. 110. Minnesota Statutes 1986, section 65B.525, subdivision 1, is amended to read:

Subdivision 1. The supreme court and the several courts of general trial jurisdiction of this state shall by rules of court or other constitutionally allowable device, provide for the mandatory submission to arbitration of all cases at issue where ~~a the total claim is in an amount of \$5,000 or less is made by a motor vehicle accident victim, whether in an action to recover economic loss or noneconomic detriment for the allegedly negligent operation, maintenance, or use of a motor vehicle within this state, or against any the victim's reparation obligor for benefits as provided in sections 65B.41 to 65B.71.~~

Sec. 111. Minnesota Statutes 1986, section 65B.63, subdivision 1, is amended to read:

Subdivision 1. Reparation obligors providing basic economic loss insurance in this state shall organize and maintain, subject to approval and regulation by the commissioner, an assigned claims bureau and an assigned claims plan, and adopt rules for their operation and for the assessment of costs on a fair and equitable basis consistent with sections 65B.41 to 65B.71. The assigned claims bureau shall be managed by a governing committee made up of four individuals selected by the insurer members, one individual selected by the self-insurer members, and ~~two~~ four public members appointed by the governor to two-year terms. *Public members may include*

licensed insurance agents. If such obligors do not organize and continuously maintain an assigned claims bureau and an assigned claims plan in a manner considered by the commissioner of commerce to be consistent with sections 65B.41 to 65B.71, the commissioner shall organize and maintain an assigned claims bureau and an assigned claims plan. Each reparation obligor providing basic economic loss insurance in this state shall participate in the assigned claims bureau and the assigned claims plan. Costs incurred shall be allocated fairly and equitably among the reparation obligors.

A ruling, action, or decision of the governing committee may be appealed to the commissioner within 30 days. A final action or order of the commissioner is subject to judicial review in the manner provided by chapter 14. In lieu of an appeal to the commissioner, judicial review of the governing committee's ruling, action, or decision may be sought.

Sec. 112. Minnesota Statutes 1986, section 67A.05, subdivision 2, is amended to read:

Subd. 2. [FILING OF BYLAWS AND AMENDMENTS THERETO.] Every township mutual fire insurance company doing business within this state shall cause a copy of its bylaws to be certified to by its president and its secretary and file the same with the commissioner and thereafter every amendment to the bylaws of any township mutual fire insurance company, duly certified to by its president and its secretary, shall within a reasonable time after its adoption be filed in the office of the commissioner be subject to the requirements of section 72A.061, subdivision 2, as to amendments or additions to its bylaws.

Sec. 113. Minnesota Statutes 1986, section 67A.06, is amended to read:

67A.06 [POWERS OF CORPORATION.]

Every corporation formed under the provisions of sections 67A.01 to 67A.26, shall have power:

(1) To have succession by its corporate name for the time stated in its certificate of incorporation;

(2) To sue and be sued in any court;

(3) To have and use a common seal and alter the same at pleasure;

(4) To acquire, by purchase or otherwise, and to hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary for the purpose of its organization, subject to such limitations as may be imposed by law or by its articles of incorporation;

(5) To elect or appoint in such manner as it may determine all necessary or proper officers, agents, boards, and committees, fix their compensation, and define their powers and duties;

(6) To make and amend consistently with law bylaws providing for the management of its property and the regulation and government of its affairs;

(7) To wind up and liquidate its business in the manner provided by chapter 60B; and

(8) To indemnify certain persons against expenses and liabilities as provided in section ~~300.082~~ 300.083. In applying section ~~300.082~~ 300.083 for this purpose, the term "members" shall be substituted for the terms "shareholders" and "stockholders."

Sec. 114. Minnesota Statutes 1986, section 67A.231, is amended to read:

67A.231 [DEPOSIT OF FUNDS; INVESTMENT; LIMITATIONS.]

The directors of any township mutual insurance company may authorize the treasurer to invest any of its funds and accumulations in:

(a) Bonds, notes, mortgages, or other obligations guaranteed by the full faith and credit of the United States of America and those for which the credit of the United States is pledged to pay principal, interest or dividends, including United States agency and instrumentality bonds, debentures, or obligations;

(b) Bonds, notes, evidence of indebtedness, or other public authority obligations guaranteed by this state;

(c) Bonds, notes, evidence of the indebtedness or other obligations guaranteed by the full faith and credit of any county, municipality, school district, or other duly authorized political subdivision of this state;

(d) Bonds or other interest bearing obligations, payable from revenues, provided that the bonds or other interest bearing obligations are at the time of purchase rated among the highest four quality categories used by a nationally recognized rating agency for rating the quality of similar bonds or other interest bearing obligations, and are not rated lower by any other such agency; or obligations of a United States agency or instrumentality that have been determined to be investment grade (as indicated by a "yes" rating) by the Securities Valuation Office of the National Association of Insurance Commissioners. This is not applicable to bonds or other interest bearing obligations in default as to principal;

(e) Investments in the obligations stated in paragraphs (a), (b), (c), and (d), may be made either directly or in the form of securities of, or other interests in, an investment company registered under the Federal Investment Company Act of 1940. Investment company shares authorized pursuant to this subdivision shall not exceed 20 percent of the company's surplus. These obligations must be carried at the lower of cost or market on the annual statement filed with the commissioner and adjusted to market on an annual basis;

(d) (f) Loans upon improved and unencumbered real property in this state worth at least twice the amount loaned thereon, not including buildings, unless insured by property insurance policies payable to and held by the security holder;

(e) (g) Real estate, including land, buildings and fixtures, located in this state and used primarily as home office space for the insurance company;

(f) (h) Demand or time deposits or savings accounts in federally insured depositories located in this state to the extent that the deposit or investment is insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation, or the National Credit Union Administration;

(g) (i) Guarantee fund certificates of a mutual insurer which reinsures the business of the township mutual insurance company. The commissioner may by rule limit the amount of guarantee fund certificates which the township mutual insurance company may purchase and this limit may be a function of the size of the township mutual insurance company;

(j) Up to \$1,500 in stock of an insurer which issues directors and officers

liability insurance to township mutual insurance company directors and officers.

Sec. 115. Minnesota Statutes 1986, section 70A.06, is amended by adding a subdivision to read:

Subd. 1a. Whenever an insurer files a change in a rate that will result in a 25 percent or more increase in a 12-month period over existing rates, the commissioner may hold a hearing to determine if the change is excessive. The hearing must be conducted under chapter 14. The commissioner must give notice of intent to hold a hearing within 60 days of the filing of the change. It shall be the responsibility of the insurer to show the rate is not excessive. The rate is effective unless it is determined as a result of the hearing that the rate is excessive.

Sec. 116. Minnesota Statutes 1986, section 70A.08, subdivision 3, is amended to read:

Subd. 3. ~~Until January 1, 1988,~~ The commissioner may restrict approval on claims-made policies to forms filed by a rate service organization which have been approved.

Sec. 117. [72A.125] [RENTAL VEHICLE PERSONAL ACCIDENT INSURANCE; SPECIAL REQUIREMENTS.]

Subdivision 1. [DEFINITION.] (a) "Auto rental company" means a corporation, partnership, individual, or other person that is engaged primarily in the renting of motor vehicles at per diem rates.

(b) "Rental vehicle personal accident insurance" means accident only insurance providing accidental death benefits, dismemberment benefits and/or reimbursement for medical expenses which is issued by an insurer authorized in this state to issue accident and health insurance. These coverages are nonqualified plans under chapter 62E.

Subd. 2. [SALE BY AUTO RENTAL COMPANIES.] An auto rental company that offers or sells rental vehicle personal accident insurance in this state in conjunction with the rental of a vehicle shall only sell these products if the forms and rates have met the relevant requirements of section 62A.02, taking into account the possible infrequency and severity of loss that may be incurred. Sections 60A.17 and 60A.1701 do not apply if the persons engaged in the sale of these products are employees of the auto rental company who do not receive commissions or other remuneration for selling the product in addition to their regular compensation. Compensation may not be determined in any part by the sale of insurance products. The auto rental company before engaging in the sale of the product must file with the commissioner the following documents:

- (1) an appointment of the commissioner as agent for service of process;*
- (2) an agreement that the auto rental company assumes all responsibility for the authorized actions of all unlicensed employees who sell the insurance product on its behalf in conjunction with the rental of its vehicles;*
- (3) an agreement that the auto rental company with respect to itself and its employees will be subject to this chapter regarding the marketing of the insurance products and the conduct of those persons involved in the sale of insurance products in the same manner as if it were a licensed agent.*

An auto rental company failing to file the documents in clauses (1) to

(3) is guilty of an individual violation as to the unlicensed sale of insurance for each sale that occurs after the effective date of this section until they make the required filings. Each individual sale after the effective date of this section and prior to the filing required by this section is subject to, in addition to any other penalties allowable by law, up to a \$100 per violation fine. Further, the sale of the insurance product by an auto rental company or any employee or agent of the company after the effective date of this section without having complied with this section shall be deemed to be in acceptance of the provisions of this section.

Insurance sold pursuant to this subdivision must be limited in availability to rental vehicle customers though coverage may extend to the customer, other drivers, and passengers using or riding in the rented vehicles; and limited in duration to a period equal to and concurrent with that of the vehicle rental.

Persons purchasing rental vehicle personal accident insurance may be provided a certificate summarizing the policy provisions in lieu of a copy of the policy if a copy of the policy is available for inspection at the place of sale and a free copy of the policy may be obtained from the auto rental company's home office.

The commissioner may, after a hearing, revoke an auto rental company's right to operate under this section if the company has repeatedly violated the insurance laws of this state and the revocation is in the public interest.

Sec. 118. Minnesota Statutes 1986, section 72A.20, subdivision 11, is amended to read:

Subd. 11. [APPLICATION TO CERTAIN SECTIONS.] Violating any provision of the following sections of this chapter not set forth in ~~subdivisions 1 to 15~~ this section shall constitute an unfair method of competition and an unfair and deceptive act or practice: sections 72A.12, subdivisions 2, 3, and 4, 72A.16, subdivision 2, 72A.03 and 72A.04, 72A.08, subdivision 1 as modified by section 72A.08, subdivision 4, and 65B.13.

Sec. 119. Minnesota Statutes 1986, section 72A.20, subdivision 17, is amended to read:

Subd. 17. [RETURN OF PREMIUMS UPON DEATH OF INSURED.] (a) Refusing, upon surrender of an individual policy of life insurance, to refund to the estate of the insured all unearned premiums paid on the policy covering the insured as of the time of the insured's death if the unearned premium is for a period of more than one month.

The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy.

For the purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss; or

(b) Refusing, upon termination or cancellation of a policy of automobile insurance under section 65B.14, subdivision 2, or a policy of homeowner's insurance under section 65A.27, subdivision 4, or a policy of accident and sickness insurance under section 62A.01, or a policy of comprehensive health insurance under chapter 62E, to refund to the insured all unearned premiums paid on the policy covering the insured as of the time of the termination or cancellation if the unearned premium is for a period of more than one month.

The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy.

For purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss.

Sec. 120. Minnesota Statutes 1986, section 72A.20, is amended by adding a subdivision to read:

Subd. 18. [IMPROPER BUSINESS PRACTICES.] (a) Improperly withholding, misappropriating, or converting any money belonging to a policyholder, beneficiary, or other person when received in the course of the insurance business; or (b) engaging in fraudulent, coercive, or dishonest practices in connection with the insurance business.

Sec. 121. Minnesota Statutes 1986, section 72A.20, is amended by adding a subdivision to read:

Subd. 19. [SUPPORT FOR UNDERWRITING STANDARDS.] No life or health insurance company doing business in this state shall engage in any selection or underwriting process unless the insurance company establishes beforehand substantial data, actuarial projections, or claims experience which support the underwriting standards used by the insurance company. The data, projections, or claims experience used to support the selection or underwriting process is not limited to only that of the company. The experience, projections, or data of other companies or a rate service organization may be used as well.

Sec. 122. Minnesota Statutes 1986, section 72A.31, subdivision 1, is amended to read:

Subdivision 1. No person, firm or corporation engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property or who acts as agent or broker for one who purchases real property and borrows money on the security thereof, and no trustee, director, officer, agent or other employee of any such person, firm, or corporation shall directly or indirectly:

(1) require, as a condition precedent to such purchase or financing the purchase of such property or to loaning money upon the security of a mortgage thereon, or as a condition prerequisite for the renewal or extension of any such loan or mortgage or for the performance of any other act in connection therewith, that the person, firm or corporation making such purchase or for whom such purchase is to be financed or to whom the money is to be loaned or for whom such extension, renewal or other act is to be granted or performed negotiate any policy of insurance or renewal thereof covering such property through a particular agent, or insurer, or

(2) refuse to accept any policy of insurance covering such property because it was not negotiated through or with any particular agent, or insurer, or

(3) refuse to accept any policy of insurance covering the property issued by an insurer that is a member insurer as defined by section 60C.03, subdivision 6, or

(4) require any policy of insurance covering the property to exceed the replacement cost of the buildings on the mortgaged premises.

This section shall not prevent the disapproval of the insurer or a policy of insurance by any such person, firm, corporation, trustee, director, officer,

agent or employee where there are reasonable grounds for believing that *the insurer is insolvent or that such insurance is unsatisfactory as to placement with an unauthorized insurer, the financial solvency of the insurer, adequacy of the coverage, adequacy of the insurer to assume the risk to be insured, the assessment features to which the policy is subject, or other grounds which are based on the nature of the coverage and which are not arbitrary, unreasonable or discriminatory, nor shall this section prevent a mortgage lender or mortgage servicer from requiring that a policy of insurance or renewal thereof be in conformance with standards of the federal national mortgage association or the federal home loan mortgage corporation, nor shall this section forbid the securing of insurance or a renewal thereof at the request of the borrower or because of the borrower's failure to furnish the necessary insurance or renewal thereof. For purposes of this section, "insurer" includes a township mutual fire insurance company operating under sections 67A.01 to 67A.26 and a farmers mutual fire insurance company operating under sections 67A.27 to 67A.39.*

Upon notice of any such disapproval of *or refusal to accept* an insurer or a policy of insurance, the commissioner may order the approval of the insurer or the acceptance of the tendered policy of insurance, or both, if the commissioner determines such disapproval *or refusal to accept* is not in accordance with the foregoing requirements. Failure to comply with such an order of the commissioner of commerce shall be deemed a violation of this section.

Sec. 123. Minnesota Statutes 1986, section 169.045, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION OF ROADWAYS, PERMIT.] The governing body of any home rule charter or statutory city or town may by ordinance authorize the operation of motorized golf carts, or four-wheel all-terrain vehicles, on designated roadways or portions thereof under its jurisdiction. Authorization to operate a motorized golf cart or four-wheel all-terrain vehicle is by permit only. ~~Permits are restricted to physically handicapped persons defined in section 169.345, subdivision 2.~~ For purposes of this section, a four-wheel all-terrain vehicle is a motorized flotation-tired vehicle with four low-pressure tires that is limited in engine displacement of less than 800 cubic centimeters and total dry weight less than 600 pounds.

Sec. 124. Minnesota Statutes 1986, section 169.045, is amended by adding a subdivision to read:

Subd. 8. [INSURANCE.] In the event persons operating a motorized golf cart or four-wheel, all-terrain vehicle under this section cannot obtain liability insurance in the private market, that person may purchase automobile insurance, including no-fault coverage, from the Minnesota Automobile Assigned Risk Plan at a rate to be determined by the commissioner of commerce.

Sec. 125. [256B.73] [DEMONSTRATION PROJECT FOR UNINSURED LOW INCOME PERSONS.]

Subdivision 1. [PURPOSE.] The purpose of the demonstration project is to determine the need for and the feasibility of establishing a statewide program of medical insurance for uninsured low income persons.

Subd. 2. [ESTABLISHMENT: GEOGRAPHIC AREA.] The commissioner of human services shall establish a demonstration project to provide

low cost medical insurance to uninsured low income persons in Cook, Lake, St. Louis, Carlton, Aitkin, Itasca, and Koochiching counties except an individual county may be excluded as determined by the county board of commissioners.

Subd. 3. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given:

- (1) "commissioner" means the commissioner of human services;*
- (2) "demonstration provider" means a Minnesota corporation doing business under chapter 62A, 62C, or 62D;*
- (3) "individual provider" means a medical provider under contract to the demonstration provider to provide medical care to enrollees; and*
- (4) "enrollee" means a person eligible to receive coverage according to subdivision 4.*

Subd. 4. [ENROLLEE ELIGIBILITY REQUIREMENTS.] To be eligible for participation in the demonstration project, an enrollee must:

- (1) not be eligible for Medicare, medical assistance, or general assistance medical care;*
- (2) have an income not more than 200 percent of the Minnesota income standards by family size used in the aid to families with dependent children program;*
- (3) not own real property in excess of the limits specified in section 256B.06, subdivision 1, paragraph (12);*
- (4) not have cash and/or liquid assets in excess of the limits specified in section 256B.06, subdivision 1, paragraph (13); and*
- (5) have no medical insurance or health benefits plan available through employment or other means that would provide coverage for the same medical services as provided by this demonstration.*

Subd. 5. [ENROLLEE BENEFITS.] Eligible individuals enrolled by the demonstration provider shall receive all necessary health care services as defined in section 256B.02, subdivision 8, except services that are available through consolidated fund programs for conditions related to chemical dependency or mental illness or are not mandated benefits according to chapter 62D may be excluded upon approval by the commissioner. The demonstration provider shall establish annual limits of coverage to arrive at an affordable monthly premium for enrollees.

Subd. 6. [ENROLLEE PARTICIPATION.] An enrollee is not required to furnish evidence of good health. The demonstration provider shall accept all persons applying for coverage who meet the criteria in subdivision 4, subject to the following provisions:

- (a) Enrollees will be required to pay a sliding fee on a monthly basis for health coverage through the demonstration project. The sliding fee shall be based on the enrollee's income and shall not exceed 50 percent of the rate that would be paid to a prepaid plan serving general assistance medical care recipients in the same geographic area.*
- (b) The demonstration provider may terminate the coverage for an enrollee who has not made payment within the first ten calendar days of the month for which coverage is being purchased. The termination for non-*

payment shall be retroactive to the first day of the month for which no payment has been made by the enrollee.

(c) An enrollee who either requests termination of coverage under the demonstration or who allows coverage to terminate due to nonpayment of the required monthly fee may be required to furnish evidence of good health prior to being reinstated in the demonstration. As an alternative to evidence of good health, the enrollee may furnish evidence of having been eligible for health care services under a plan with similar benefits.

(d) The demonstration provider shall establish limits of enrollment which allow for a sufficient number of enrollees to constitute a reasonable demonstration project. These limits shall be established by county within the project area.

Subd. 7. [CONTRACT WITH DEMONSTRATION PROVIDER.] The commissioner shall contract with the demonstration provider for the duration of the project. This contract shall be for 24 months with an option to renew for no more than 12 months. This contract may be canceled without cause by the commissioner upon 90 days' written notice to the demonstration provider or by the demonstration provider with 90 days' written notice to the commissioner. The commissioner shall assure the cooperation of the county human services or social services staff in all counties participating in the project.

Subd. 8. [MEDICAL ASSISTANCE AND GENERAL ASSISTANCE MEDICAL CARE COORDINATION.] To assure enrollees of uninterrupted delivery of health care services, the commissioner may pay the premium to the demonstration provider for persons who become eligible for medical assistance or general assistance medical care. To determine eligibility for medical assistance, any medical expenses for eligible services incurred by the demonstration provider shall be considered as evidence of satisfying the medical expense requirements of section 256B.06, subdivision 1, paragraphs (14) and (15). To determine eligibility for general assistance medical care, any medical expenses for eligible services incurred by the demonstration provider shall be considered as evidence of satisfying the medical expense requirements of section 256D.03, subdivision 3.

Subd. 9. [WAIVERS.] (a) Waivers of Minnesota Statutes, chapters 62A, 62C, and 62D, are granted until December 31, 1992.

(b) This demonstration project shall not become operational until waivers of appropriate federal regulation are obtained from the health care financing administration.

Sec. 126. Minnesota Statutes 1986, section 471.98, subdivision 2, is amended to read:

Subd. 2. "Political subdivision" includes a statutory or home rule charter city, a county, a school district, a town, a watershed management organization as defined in section 473.876, subdivision 9, or an instrumentality thereof having independent policy making and appropriating authority. For the purposes of this section and section 471.981, the governing body of a town is the town board.

Sec. 127. [604.08] [VOLUNTEER ATHLETIC COACHES AND OFFICIALS; IMMUNITY FROM LIABILITY.]

Subdivision 1. [GRANT.] No individual who provides services or assistance without compensation as an athletic coach, manager, or official

for a sports team that is organized or performing under a nonprofit charter is liable for money damages to a player or participant as a result of the individual's acts or omissions in the providing of that service or assistance.

This section applies to organized sports competitions and practice and instruction in that sport.

For purposes of this section, "compensation" does not include reimbursement for expenses.

Subd. 2. [LIMITATION.] Subdivision 1 does not apply:

(1) to the extent that the acts or omissions are covered under an insurance policy issued to the entity for whom the coach, manager, or official serves;

(2) if the individual acts in a willful and wanton or reckless manner in providing the services or assistance, or if the individual has not successfully completed a safety orientation program established by the commissioner of public safety;

(3) if the acts or omissions arise out of the operation, maintenance, or use of a motor vehicle;

(4) if the acts or omissions are a result of the individual's permitting a sports competition or practice to be conducted without adequate supervision;

(5) to an athletic coach, manager, or official who provides services or assistance as part of a public or private educational institution's athletic program; and

(6) if the individual acts in violation of federal, state, or local law.

The limitation in clause (1) constitutes a waiver of the defense of immunity to the extent of the liability stated in the policy, but has no effect on the liability of the individual beyond the coverage provided.

Sec. 128. [SPECIAL STUDY.]

The commissioner of health, with the advice and assistance of the commissioners of commerce and human services, shall prepare a report to the legislature which addresses the issues concerning reimbursement by third-party payors of home health care benefits for individuals with a medical condition which would require inpatient hospital services in the absence of home or community-based care, and who are dependent upon medical technology in order to avoid death or serious injury. Development of the report must include participation by home care providers and third-party payors. The report must include recommendations for the adoption of definitions of home care, minimum standards of home care services, the costs of providing home care, and resolution of the issue of cost-shifting of home care. The report must be delivered to the legislature by January 15, 1988.

Sec. 129. [RULE CHANGES.]

The commissioner shall adopt rule amendments to Minnesota Rules, chapter 2725, as necessary to effect the changes required by the legislature in sections 8 to 10.

These rules are exempt from the rulemaking provisions of chapter 14. The commissioner must comply with section 14.38, subdivision 7, when adopting these rule amendments.

Sec. 130. [APPLICATION.]

Sections 51, 53, and 68 apply to all group policies, all group subscriber contracts, all health maintenance contracts, and all qualified plans within the scope of Minnesota Statutes, chapters 62A, 62C, 62D, and 62E, that are issued, delivered or renewed in this state after August 1, 1987.

Sec. 131. [REPEALER.]

Minnesota Statutes 1986, sections 62A.12; and 67A.43, subdivision 3, are repealed.

Minnesota Rules, parts 2700.2400; 2700.2410; 2700.2420; 2700.2430; and 2700.2440, are repealed.

Section 125 is repealed effective July 1, 1988, if the project implementation phase has not begun by that date.

Sec. 132. [EFFECTIVE DATE.]

Section 9 is effective May 31, 1987. Credits earned and reported to the department before May 31, 1988, may be carried forward and used to fulfill continuing education requirements until May 31, 1989.

Sections 16 to 21, 44, 61 to 63, 66, 91, 120, and 125 are effective the day following final enactment.

Section 127 is effective August 1, 1987, and applies to claims arising from incidents occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; requiring notification of group life or health coverage changes; imposing certain bond or securities requirements on workers compensation self-insurers; eliminating mandatory temporary insurance agent licenses; requiring those who solicit insurance to act as agent for the insured; regulating surplus lines insurance; regulating rates and forms; regulating insurance plan administrators; regulating trust funds; regulating the renewal, nonrenewal, and cancellation of commercial liability and property insurance policies; authorizing employers to jointly self-insure for property or casualty liability and regulating these plans; providing continued group life coverage upon termination or layoff; requiring an assignment of reinsurance rights upon insolvency; providing for the establishment and operation of the insurance guaranty association and the life and health guaranty association; regulating accident and health insurance; requiring group coverage for the treatment of eating disorders; regulating joint self-insurance employee health plans; providing for the extraterritorial application of coverages; requiring the treatment of pregnancy-related conditions in the same manner as other illnesses; mandating certain coverages; clarifying coverage for handicapped dependents; providing continued group accident and health coverage upon termination or layoff; requiring coverage of current spouse and children; imposing surety bond or securities requirements on certain health benefit plans; regulating Medicare supplement plan premium refunds; authorizing the renewal of certain long-term health policies; providing for the establishment and operation of the comprehensive health association and the joint underwriting association; providing comprehensive health insurance coverage for certain employees not eligible for Medicare; regulating fraternal benefit associations; regulating automobile insurance; providing for exemption from certain legal process of cash value, proceeds, or benefits under certain life insurance or annuity contracts; limiting the cancellation of fire insurance binders and policies; providing for administration of the FAIR plan; re-

quiring accident prevention course premium reductions; limiting the grounds for cancellation or reduction in limits during the policy period; providing for the priority of security for payment of basic economic loss benefits; extending basic economic loss benefit protection; requiring coverages for former spouses; regulating collision damage waiver fees; specifying membership on the assigned claims bureau; extending no-fault benefits to pedestrians who are struck by motorcycles; regulating township mutual insurance companies; providing for mandatory arbitration of certain claims; establishing a demonstration project to provide medical insurance to certain low income persons; requiring the commissioner to set rates for cooperative housing and neighborhood real estate trust insurance; authorizing investments in certain insurers; regulating trade practices; requiring life and health insurers to substantiate the underwriting standards they use; providing assigned risk plan coverage for certain vehicles used by the handicapped; regulating motor vehicle repairs; regulating certain self-insurance by political subdivisions; granting immunity from liability for volunteer coaches, managers, and officials; prescribing penalties; amending Minnesota Statutes 1986, sections 16A.133, subdivision 1; 43A.27, by adding a subdivision; 45.024, subdivision 2; 60A.17, subdivisions 1a, 2c, 11, and 13; 60A.1701, subdivisions 7, and 8; 60A.196; 60A.197; 60A.198, subdivision 3; 60A.23, subdivision 8; 60A.29, subdivisions 2, 5, and 16, and by adding subdivisions; 60A.30; 60A.31; 60B.44, subdivisions 1, 4, 5, and 9; 60C.08, subdivision 1; 60C.09; 60C.12; 61A.28, subdivision 12; 61B.05, subdivision 1; 61B.09; 62A.041; 62A.043, by adding a subdivision; 62A.141; 62A.146; 62A.152, subdivision 2; 62A.17; 62A.21; 62A.27; 62A.31, subdivision 1a; 62A.43, subdivision 2, and by adding a subdivision; 62A.46, by adding a subdivision; 62A.48, subdivisions 1, 2, 6, and by adding a subdivision; 62A.50, subdivision 3; 62D.05, by adding a subdivision; 62D.102; 62E.06, subdivision 1; 62E.10, subdivision 2, and by adding subdivisions; 62E.14, by adding a subdivision; 62F.041, subdivision 2; 62F.06, subdivision 1; 62H.01; 62H.02; 62H.04; 62I.02, subdivisions 1, and 3, and by adding a subdivision; 62I.03, subdivision 5; 62I.04; 62I.12, subdivision 1; 62I.13, by adding a subdivision; 62I.16, subdivision 3; 62I.22, subdivision 2, and by adding a subdivision; 64B.11, subdivision 4; 64B.18; 64B.27; 65A.01, subdivision 3a; 65A.03, subdivision 1; 65A.10; 65A.29, by adding a subdivision; 65A.35, subdivision 5; 65A.39; 65B.03, subdivision 1; 65B.12; 65B.1311; 65B.16; 65B.21, subdivision 2; 65B.28; 65B.46; 65B.49, by adding a subdivision; 65B.525, subdivision 1; 65B.63, subdivision 1; 67A.05, subdivision 2; 67A.06; 67A.231; 70A.06, by adding a subdivision; 70A.08, subdivision 3; 72A.20, subdivisions 11, 17, and by adding subdivisions; 72A.31, subdivision 1; 169.045, subdivision 1, and by adding a subdivision; 471.98, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 60A; 61A; 62A; 62E; 65A; 65B; 72A; 256B; and 604; proposing coding for new law as Minnesota Statutes, chapter 60E; repealing Minnesota Statutes 1986, sections 62A.12; and 67A.43, subdivision 3; and Minnesota Rules, parts 2700.2400 to 2700.2440."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F No. 583: A bill for an act relating to education; providing for aids for education and the distributions of tax revenues; providing for certain

powers and duties of school boards, the state board of education, the commissioner of education, and others; establishing general education revenue that is composed of basic, compensatory education, training and experience, and sparsity revenue; combining certain categorical aids; providing special instruction and services for handicapped children from birth; making certain modifications to the school of the arts and resource center; establishing education districts and area learning centers; modifying requirements for school district planning, evaluating, and reporting; requiring counties to participate in regional public library systems; appropriating money; amending Minnesota Statutes 1986, sections 43A.08, subdivisions 1, and 1a; 120.03, subdivision 1; 120.17, subdivisions 1, 2, 3, 3a, 3b, 5, 7a, 12, and by adding subdivisions; 121.11, by adding a subdivision; 121.609, subdivision 4; 121.88, subdivision 7; 121.912, subdivision 1, and by adding a subdivision; 121.932, subdivision 3, and by adding a subdivision; 121.934, subdivisions 1, 2, and 6; 122.541, subdivision 2; 123.34, subdivision 9; 123.35, by adding a subdivision; 123.39, subdivision 1; 123.703, subdivision 3; 123.705; 124.14, subdivision 7; 124.17, subdivision 1, and by adding a subdivision; 124.175; 124.195, subdivision 8; 124.2162, by adding a subdivision; 124.223; 124.225, subdivisions 1, 4b, 7b, 8a, 8i, and 10; 124.26, by adding subdivisions; 124.271, subdivisions 2b, and 7; 124.2711, subdivision 1; 124.273, subdivision 5; 124A.02, subdivisions 9, and 16; 124A.031, subdivision 4; 124A.21; 125.03, subdivision 5; 125.05, subdivision 1; 125.611, subdivisions 11, 12, and 13; 126.54, subdivision 1; 126.56, subdivisions 3, and 6; 126.67, subdivisions 3a, and 6, and by adding a subdivision; 128A.01; 128A.02, subdivisions 2, and 4; 129B.39; 129B.43, subdivisions 1, and 4; 129C.10, subdivisions 1, 3, 4, 5, 6, and by adding subdivisions; 134.10; 136D.27; 136D.74, subdivision 2; 136D.87; 171.29, subdivision 2; 275.125, subdivisions 4, 5, and 8; and Laws 1986, First Special Session chapter 1, article 5, section 9; proposing coding for new law in Minnesota Statutes, chapters 122, 124, 124A, 126, 128A, 129B, and 134; repealing Minnesota Statutes 1986, sections 120.17, subdivision 13; 121.20; 121.935, subdivision 5; 123.3514, subdivision 9; 124.17, subdivisions 1a, and 2d; 124.185; 124.2161; 124.2162; 124.2163; 124.225, subdivision 1a; 124.245; 124.246; 124.247; 124.252; 124.26, subdivisions 1, and 6; 124.272; 124.273, subdivision 2b; 124.274; 124.275; 124.573; 124.65; 124.66; 124A.01; 124A.02, subdivisions 2, 5, 6, 7, 9, 10, 11, 12, 13, and 14; 124A.03, subdivisions 1, 1a, 3, 4, and 6; 124A.031, subdivision 1; 124A.033; 124A.035, subdivision 1; 124A.04; 124A.06, subdivisions 1, 1a, 1b, 2, 3a, and 4; 124A.08, subdivisions 1, 2, 3a, 4, and 5; 124A.10, subdivisions 1, 2, 3a, and 4; 124A.12, subdivisions 1, 2, 3a, and 4; 124A.14, subdivisions 1, 2, 3, 4, 5, 5a, and 6; 124A.16; 124A.20, subdivisions 1, 2, and 3; 124A.21; 125.611, subdivisions 8, 9, and 10; 126.031, subdivision 2; 126.264, subdivision 3; 126.267; 126.268, subdivision 2; 126.60; 126.62; 126.64; 126.65; 126.66; 126.67, subdivisions 1, 1a, 2a, 5b, and 9; 126.70; 126.71; 126.72; 126.80; 126.81; 129B.01; 129B.02; 129B.04; 129B.05; 129B.17; 129B.20; 129B.21; 129B.35; 129B.43, subdivisions 2, 3, and 6; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; 129B.67; 275.125, subdivisions 3, 6a, 8a, 11a, 11c, and 12; 354.66, subdivisions 4a and 9; 354A.094, subdivisions 4a and 9; and Laws 1985, First Special Session chapter 12, article 8, section 4e.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1044: A bill for an act relating to education; providing for teacher seniority and severance pay in districts entering into agreements for secondary education and tuitioning agreements; amending Minnesota Statutes 1986, sections 122.535, subdivision 2; 122.541, subdivision 1; and 123.39, by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Education, shown in the Journal for April 15, 1987, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 187: A bill for an act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for April 15, 1987, be amended to read:

"the bill be amended and when so amended the bill do pass and be referred to the Committee on Commerce". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

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

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for April 15, 1987, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred the following appointment as reported in the Journal for January 29, 1987:

BOARD OF THE ARTS

David M. Lilly, Jr.

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which were referred the following appointments as reported in the Journal for March 5, 1987:

BOARD OF THE ARTS

Carol Ann Mackay

Marjorie Hayden

Calvin Zuehlke

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which were referred the following appointments as reported in the Journal for April 6, 1987:

CHARITABLE GAMBLING CONTROL BOARD

Robert C. Fragnito

Mary Kay Williams

Ray Potami

Lorraine Berman

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred the following appointment as reported in the Journal for March 19, 1987:

CHARITABLE GAMBLING CONTROL BOARD

Raymond J. Joachim

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred the following appointment as reported in the Journal for February 26, 1987:

MINNESOTA RACING COMMISSION

Richard M. Kirkes

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1210: A bill for an act relating to health; creating a program of health insurance for certain families; increasing cigarette and tobacco products taxes; raising the income standard for families for medical assistance; prescribing a floor stocks tax on cigarettes and tobacco products distributors; requiring a study of the feasibility of an institute for health research; appropriating money; amending Minnesota Statutes 1986, sections 256B.06, subdivision 1; 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.32, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256 and 297.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 12 to 14 and insert:

“(c) “Covered services” means those services covered by the medical assistance program under chapter 256B, except that chemical dependency and mental health services are covered only to the extent required under chapter 62D for health maintenance organizations.”

Page 2, line 26, delete “who” and insert “that”

Page 9, line 12, delete “20.5” and insert “19”

Page 9, line 16, delete “41” and insert “38”

Page 10, line 32, after the semicolon, insert *“of that amount, the revenue produced by 1.5 mills of the tax on cigarettes weighing not more than three pounds a thousand and three mills of the tax on cigarettes weighing more than three pounds a thousand must be used to provide money for implementation of the family health insurance program in section 1;”*

Page 10, after line 32, insert:

“(4) the revenue produced by two mills of the tax on cigarettes weighing not more than three pounds a thousand and four mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the state bond fund;”

Page 10, line 33, strike “(4)” and insert “(5)”

Page 11, after line 35, insert:

“Sec. 8. Minnesota Statutes 1986, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the twenty-fifth day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less ~~two~~ 1.5 percent of such liability as compensation to reimburse the distributor for expenses incurred in the administration of sections 297.31 to 297.39."

Page 12, line 9, delete "nine" and insert "7.5"

Page 12, line 12, delete "18" and insert "15"

Page 13, line 12, delete "9" and insert "10"

Page 13, line 18, delete "10" and insert "11"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after "2," insert "297.35, subdivision 1;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1085: A bill for an act relating to human services; establishing a board of social work examiners; licensing and regulating social workers; providing penalties; appropriating money; amending Minnesota Statutes 1986, section 214.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

OFFICE OF SOCIAL WORK AND MENTAL HEALTH BOARDS

Section 1. [148B.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. [OFFICE.] "Office" means the office of social work and mental health boards established in section 2.

Subd. 3. [BOARD OF SOCIAL WORK.] "Board of social work" means the board of social work established in article 2, section 2.

Subd. 4. [BOARD OF MARRIAGE AND FAMILY THERAPY.] *“Board of marriage and family therapy” means the board of marriage and family therapy established in article 3, section 2.*

Subd. 5. [BOARD OF UNLICENSED MENTAL HEALTH SERVICE PROVIDERS.] *“Board of unlicensed mental health service providers” means the board of unlicensed mental health service providers established in article 4, section 2.*

Subd. 6. [SOCIAL WORK AND MENTAL HEALTH BOARDS.] *“Social work and mental health boards” or “boards” means the board of social work, the board of marriage and family therapy, and the board of unlicensed mental health service providers.*

Subd. 7. [REGULATED INDIVIDUAL.] *“Regulated individual” means a person licensed by the board of social work or the board of marriage and family therapy, or required to file with the board of unlicensed mental health service providers.*

Sec. 2. [148B.02] [OFFICE OF SOCIAL WORK AND MENTAL HEALTH BOARDS.]

Subdivision 1. [CREATION.] *The office of social work and mental health boards is established to coordinate the administrative and staff functions of the boards of social work, marriage and family therapy, and unlicensed mental health service providers, and to collect and publish information as provided in this chapter. The office of social work and mental health boards consists of an executive secretary and other staff as provided in section 214.04.*

Subd. 2. [REPORTS.] *The office shall compile the report required by section 214.07 on behalf of the boards. The office shall present the information according to the category of educational credential held by the regulated individual, if any. Notwithstanding section 214.07, the office shall provide an interim report including this information to the commissioner of health on or before July 1, 1990.*

Sec. 3. [148B.03] [APPLICABILITY.]

Sections 4 to 17 apply to all of the social work and mental health boards and the regulated individuals within their respective jurisdictions, unless superseded by an inconsistent law that relates specifically to a particular board.

Sec. 4. [148B.04] [DISCLOSURE.]

Subdivision 1. [CLASSIFICATION OF DATA.] *Subject to the exceptions listed in this subdivision, all communications or information received by or disclosed to a board relating to any person or matter subject to its regulatory jurisdiction, and all records of any action or proceedings thereon, except a final decision of the board, are confidential and privileged and any disciplinary hearing must be closed to the public.*

Subd. 2. [CONTESTED CASE PROCEEDINGS.] *Upon application of a party in a contested case proceeding before a board, the board shall produce and permit the inspection and copying, by or on behalf of the moving party, of any designated documents or papers relevant to the proceedings, in accordance with rule 34, Minnesota rules of civil procedure.*

Subd. 3. [INFORMATION ON ADVERSE ACTIONS.] *If a board imposes disciplinary measures or takes adverse action of any kind, the name*

and business address of the regulated individual, the nature of the misconduct, and the action taken by the board are public data.

Subd. 4. [EXCHANGE OF INFORMATION.] The boards shall exchange information with other boards, agencies, or departments within the state, as required under section 214.10, subdivision 8, paragraph (d), and may release information in the reports required under section 2.

Sec. 5. [148B.05] [RIGHT TO PRACTICE.]

Subdivision 1. [ADVERSE ACTION BY A BOARD.] A suspension, revocation, condition, limitation, qualification or restriction of a regulated individual's license, filing, or right to practice is in effect pending determination of an appeal unless the court, upon petition and for good cause shown, orders otherwise. The right to provide services is automatically suspended if (1) a guardian of the person of a regulated individual is appointed by order of a probate court pursuant to sections 525.54 to 525.612, for reasons other than the minority of the individual, or (2) the individual is committed by order of a probate court pursuant to chapter 253B or sections 526.09 to 526.11. The right to provide services remains suspended until the individual is restored to capacity by a court and, upon petition by the individual, the suspension is terminated by the board after a hearing. In its discretion, a board may restore and reissue permission to provide services, but as a condition thereof may impose any disciplinary or corrective measure that it might originally have imposed.

Subd. 2. [TEMPORARY SUSPENSION OF RIGHT OF PRACTICE.] In addition to any other remedy provided by law, a board may, without a hearing, temporarily suspend the right of a regulated individual to provide services if the board finds that the regulated individual has violated a statute or rule that the board is empowered to enforce and continued practice would create a serious risk of harm to the public. The suspension is effective upon written notice to the individual specifying the statute or rule violated and remains in effect until the board issues a final order in the matter after a hearing. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the administrative procedure act. The individual must be provided with at least 20 days notice of any hearing held pursuant to this subdivision. The hearing must be scheduled to begin no later than 30 days after the suspension order is issued.

Sec. 6. [148B.06] [TAX CLEARANCE CERTIFICATE.]

Subdivision 1. [CERTIFICATE REQUIRED.] A board may not issue or renew a filing if the commissioner of revenue notifies the board and the regulated individual or applicant for a license or filing that the individual or applicant owes the state delinquent taxes in the amount of \$500 or more. A board may issue or renew a license or filing only if the commissioner of revenue issues a tax clearance certificate and the commissioner of revenue or the individual or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the individual or applicant does not owe the state any uncontested delinquent taxes. For purposes of this section "taxes" means all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes. "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the regulated individual or applicant

has entered into a payment agreement to pay the liability and is current with the payments.

Subd. 2. [HEARING.] In lieu of the notice and hearing requirements of section 16, when a regulated individual or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the individual or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice required in subdivision 1. The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any other law, the individual or applicant must be served with 20 days notice in writing specifying the time and place of the hearing and the allegations against the regulated individual or applicant. The notice may be served personally or by mail.

Subd. 3. [INFORMATION REQUIRED.] The boards shall require all regulated individuals or applicants to provide their social security number and Minnesota business identification number on all license or filing applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all regulated individuals and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the individuals and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the purpose of this subdivision.

Sec. 7. [148B.07] [REPORTING OBLIGATIONS.]

Subdivision 1. [PERMISSION TO REPORT.] A person who has knowledge of any conduct constituting grounds for discipline or adverse action relating to licensure or filing under this chapter may report the violation to the appropriate board.

Subd. 2. [INSTITUTIONS.] A state agency, political subdivision, agency of a local unit of government, private agency, hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state shall report to the appropriate board any action taken by the agency, institution or organization or any of its administrators or medical or other committees to revoke, suspend, restrict, or condition a regulated individual's privilege to practice or treat patients or clients in the institution, or as part of the organization, any denial of privileges, or any other adverse action or disciplinary action for conduct that might constitute grounds for adverse action or disciplinary action by a board under this chapter. The institution or organization shall also report the resignation of any regulated individuals prior to the conclusion of any disciplinary or adverse action proceeding for conduct that might constitute grounds for disciplinary or adverse action under this chapter, or prior to the commencement of formal charges but after the individual had knowledge that formal charges were contemplated or in preparation.

Subd. 3. [PROFESSIONAL SOCIETIES.] A state or local professional society for regulated individuals shall report to the appropriate board any termination, revocation, or suspension of membership or any other disciplinary or adverse action taken against a regulated individual. If the society has received a complaint that might be grounds for discipline under this chapter against a member on which it has not taken any disciplinary or adverse action, the society shall report the complaint and the reason

why it has not taken action on it or shall direct the complainant to the appropriate board.

Subd. 4. [REGULATED INDIVIDUALS AND LICENSED PROFESSIONALS.] A regulated individual or a licensed health professional shall report to the appropriate board personal knowledge of any conduct that the regulated individual or licensed health professional reasonably believes constitutes grounds for disciplinary or adverse action under this chapter by any regulated individual, including conduct indicating that the individual may be medically incompetent, or may be medically or physically unable to engage safely in the provision of services. If the information was obtained in the course of a client relationship, the client is another regulated individual, and the treating individual successfully counsels the other individual to limit or withdraw from practice to the extent required by the impairment, the board may deem this limitation of or withdrawal from practice to be sufficient disciplinary action.

Subd. 5. [INSURERS.] Four times each year as prescribed by a board, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to regulated individuals, or the medical joint underwriting association under chapter 62F, shall submit to the appropriate board a report concerning the regulated individuals against whom malpractice settlements or awards have been made to the plaintiff. The report must contain at least the following information:

- (1) the total number of malpractice settlements or awards made to the plaintiff;*
- (2) the date the malpractice settlements or awards to the plaintiff were made;*
- (3) the allegations contained in the claim or complaint leading to the settlements or awards made to the plaintiff;*
- (4) the dollar amount of each malpractice settlement or award;*
- (5) the regular address of the practice of the regulated individual against whom an award was made or with whom a settlement was made; and*
- (6) the name of the regulated individual against whom an award was made or with whom a settlement was made.*

The insurance company shall, in addition to the above information, report to the board any information it possesses that tends to substantiate a charge that a regulated individual may have engaged in conduct violating this chapter.

Subd. 6. [COURTS.] The court administrator of district court or any other court of competent jurisdiction shall report to the board any judgment or other determination of the court that adjudges or includes a finding that a regulated individual is mentally ill, mentally incompetent, guilty of a felony, guilty of a violation of federal or state narcotics laws or controlled substances act, or guilty of an abuse or fraud under Medicare or Medicaid; or that appoints a guardian of the regulated individual pursuant to sections 525.54 to 525.61 or commits a regulated individual pursuant to chapter 253B or sections 526.09 to 526.11.

Subd. 7. [SELF-REPORTING.] A regulated individual shall report to the appropriate board any personal action that would require that a report

be filed with the board by any person, health care facility, business, or organization pursuant to subdivisions 2 to 6.

Subd. 8. [DEADLINES; FORMS.] Reports required by subdivisions 2 to 7 must be submitted not later than 30 days after the occurrence of the reportable event or transaction. The boards may provide forms for the submission of reports required by this section, may require that reports be submitted on the forms provided, and may adopt rules necessary to assure prompt and accurate reporting.

Subd. 9. [SUBPOENAS.] The boards may issue subpoenas for the production of any reports required by subdivisions 2 to 7 or any related documents.

Sec. 8. [148B.08] [IMMUNITY.]

Subdivision 1. [REPORTING.] Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting a report to a board under section 7 or for otherwise reporting to the board violations or alleged violations of this chapter. All the reports are confidential and absolutely privileged communications.

Subd. 2. [INVESTIGATION.] Members of the boards of social work, marriage and family therapy, and unlicensed mental health service providers, and persons employed by the office or engaged in the investigation of violations and in the preparation and management of charges of violations of this chapter on behalf of the office or boards, are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

Sec. 9. [148B.09] [PROFESSIONAL COOPERATION.]

A regulated individual who is the subject of an investigation by or on behalf of a board shall cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation and providing copies of client records, as reasonably requested by the board, to assist the board in its investigation. The board shall pay for copies requested. If the board does not have a written consent from a client permitting access to the client's records, the regulated individual shall delete any data in the record that identifies the client before providing it to the board. The board shall maintain any records obtained pursuant to this section as investigative data pursuant to chapter 13.

Sec. 10. [148B.10] [DISCIPLINARY RECORD ON JUDICIAL REVIEW.]

Upon judicial review of any board disciplinary or adverse action taken under this chapter, the reviewing court shall seal the administrative record, except for the board's final decision, and shall not make the administrative record available to the public.

Sec. 11. [148B.11] [PROFESSIONAL ACCOUNTABILITY.]

Subdivision 1. [INVESTIGATION.] Each board shall maintain and keep current a file containing the reports and complaints filed against regulated individuals within the board's jurisdiction. Each complaint filed with a board pursuant to section 214.10, subdivision 1, must be investigated according to section 214.10, subdivision 2. If the files maintained by a

board show that a malpractice settlement or award to the plaintiff has been made against a regulated individual as reported by insurers under section 7, the executive director of the board shall notify the board and the board may authorize a review of the provider's practice.

Subd. 2. [ATTORNEY GENERAL INVESTIGATES.] When a board initiates a review of a regulated individual's practice it shall notify the attorney general who shall investigate the matter in the same manner as provided in section 214.10. If an investigation is to be made, the attorney general shall notify the regulated individual, and, if the incident being investigated occurred there, the administrator and chief of staff at the health care facilities or clinics in which the professional serves, if applicable.

Subd. 3. [ACCESS TO RECORDS.] The board shall be allowed access to records of a client treated by the regulated individual under review if the client signs a written consent permitting access. If no consent form has been signed, the hospital, clinic, or regulated individual shall first delete data in the record that identifies the client before providing it to the board.

Sec. 12. [148B.12] [MALPRACTICE HISTORY.]

Subdivision 1. [SUBMISSION.] Regulated individuals who have previously practiced in another state shall submit with their filing or application the following information:

(1) number, date, and disposition of any malpractice settlement or award made to the plaintiff or other claimant relating to the quality of services provided by the regulated individual; and

(2) number, date, and disposition of any civil litigations or arbitrations relating to the quality of services provided by the regulated individual in which the party complaining against the individual prevailed or otherwise received a favorable decision or order.

Subd. 2. [BOARD ACTION.] The board shall give due consideration to the information submitted under this section. A regulated individual who willfully submits incorrect information is subject to disciplinary action under this chapter.

Sec. 13. [148B.13] [PUBLICATION OF DISCIPLINARY ACTIONS.]

At least annually, each board shall publish and release to the public a description of all disciplinary measures or adverse actions taken by the board. The publication must include, for each disciplinary measure or adverse action taken, the name and business address of the regulated individual, the nature of the misconduct, and the measure or action taken by the board.

Sec. 14. [148B.14] [EVIDENCE OF PAST SEXUAL CONDUCT.]

In a proceeding for the suspension or revocation of the right to practice or other disciplinary or adverse action involving sexual contact with a client or former client, the board or administrative law judge shall not consider evidence of the client's previous sexual conduct nor shall any reference to this conduct be made during the proceedings or in the findings, except by motion of the complainant, unless the evidence would be admissible under the applicable provisions of section 609.347, subdivision 3.

Sec. 15. [148B.15] [DISPUTE RESOLUTION.]

Subdivision 1. [ARBITRATION.] Each board shall encourage regulated individuals to submit all fee disputes to binding arbitration.

Subd. 2. [MEDIATION.] Each board shall encourage regulated individuals to submit all disputes that are not related to violations of a code of professional conduct to voluntary mediation.

Sec. 16. [148B.16] [CONTESTED CASES.]

Chapters 14 and 214 apply to any disciplinary proceeding or adverse action relating to filing taken under this chapter.

Sec. 17. [148B.17] [FEES.]

Each board shall by rule establish fees, including late fees, for licenses or filings and renewals so that the total fees collected by the board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128, plus the prorated costs of the office of social work and mental health boards. Fees must be credited to the special revenue fund.

Sec. 18. Minnesota Statutes 1986, section 144.335, subdivision 1, is amended to read:

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

(a) "Patient" means a natural person who has received health care services from a provider for treatment of a medical, psychiatric or mental condition, or a person the patient designates in writing as a representative. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, "patient" includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapters 147, 148, 148B, 150A, 151, or 153; and (2) a health care facility licensed pursuant to this chapter or chapter 144A.

Sec. 19. Minnesota Statutes 1986, section 148A.01, subdivision 5, is amended to read:

Subd. 5. [PSYCHOTHERAPIST.] "Psychotherapist" means a physician, psychologist, nurse, chemical dependency counselor, social worker, member of the clergy, *marriage and family therapist, mental health service provider*, or other person, whether or not licensed by the state, who performs or purports to perform psychotherapy.

Sec. 20. Minnesota Statutes 1986, section 214.01, subdivision 2, is amended to read:

Subd. 2. "Health-related licensing board" means the board of examiners of nursing home administrators established pursuant to section 144A.19, the board of medical examiners created pursuant to section 147.01, the board of nursing created pursuant to section 148.181, the board of chiropractic examiners established pursuant to section 148.02, the board of optometry established pursuant to section 148.52, the board of psychology established pursuant to section 148.90, *the social work licensing board pursuant to article 2, section 2, the board of marriage and family therapy pursuant to article 3, section 2, the board of unlicensed mental health*

service providers established pursuant to article 4, section 2, the board of dentistry established pursuant to section 150A.02, the board of pharmacy established pursuant to section 151.02, the board of podiatry established pursuant to section 153.02, and the board of veterinary medicine, established pursuant to section 156.01.

Sec. 21. Minnesota Statutes 1986, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive secretary of each health-related and non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive secretaries and other employees of the following boards shall be hired by the board, and the executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;
- (4) pharmacy;
- (5) accountancy;
- (6) architecture, engineering, land surveying and landscape architecture;
- (7) barber examiners;
- (8) cosmetology;
- (9) electricity;
- (10) teaching; and
- (11) peace officer standards and training;
- (12) *social work;*
- (13) *marriage and family therapy;*
- (14) *unlicensed mental health service providers; and*
- (15) *office of social work and mental health boards.*

The board of medical examiners shall set the salary of its executive director, which may not exceed 95 percent of the top of the salary range set for the commissioner of health in section 15A.081, subdivision 1. At least 30 days before the board of medical examiners adopts a salary increase for its executive director, the board shall submit the proposed salary increase to the legislative commission on employee relations for its review.

The executive secretaries serving the remaining boards shall be hired by those boards, and shall be in the unclassified civil service except for part-time executive secretaries, who are not required to be in the unclassified service. Boards not requiring a full-time executive secretary may employ such services on a part-time basis. To the extent practicable the sharing of part-time executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive secretaries of the boards and employees of the attorney general, shall be classified civil service em-

ployees of the department servicing the board. To the extent practicable the commissioner shall insure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

Sec. 22. Minnesota Statutes 1986, section 609.341, subdivision 17, is amended to read:

Subd. 17. "Psychotherapist" means a physician, psychologist, nurse, chemical dependency counselor, social worker, clergy, *marriage and family therapist, mental health service provider*, or other person, whether or not licensed by the state, who performs or purports to perform psychotherapy.

Sec. 23. [EMERGENCY RULES.]

The office or boards may adopt emergency rules under sections 14.29 to 14.385 to carry out the provisions of this chapter. Notwithstanding contrary provisions of chapter 14, the authority to use sections 14.29 to 14.385 expires on December 31, 1988.

ARTICLE 2

BOARD OF SOCIAL WORK

Section 1. [148B.21] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 1 to 13, the following terms have the meanings given.

Subd. 2. [ACCREDITED PROGRAM OF SOCIAL WORK.] "Accredited program of social work" means a school of social work or other educational program that has been accredited by the council on social work education.

Subd. 3. [BOARD.] "Board" means the social work licensing board created in section 2.

Subd. 4. [COUNTY AGENCY SOCIAL WORKER.] "County agency social worker" means an individual who is employed by a county social service agency in Minnesota in social work practice or clinical social work.

Subd. 5. [STATE AGENCY SOCIAL WORKER.] "State agency social worker" means an individual who is employed by a state social service agency in Minnesota in social work practice or clinical social work.

Subd. 6. [PUBLIC AGENCY SOCIAL WORKER.] "Public agency social worker" means an individual who is employed by the federal government or the state of Minnesota or any of its political subdivisions in social work practice or clinical social work.

Subd. 7. [PRIVATE AGENCY SOCIAL WORKER.] "Private agency social worker" means an individual who is employed by an entity not listed in subdivision 6 in the practice of social work or clinical social work.

Subd. 8. [PRIVATE PRACTICE.] "Private practice" means social work practice conducted by an individual who is either self-employed, or a member of a partnership or of a group practice, rather than being employed by an agency, clinic, or other similar entity.

Subd. 9. [PSYCHOTHERAPY.] "Psychotherapy" means treatment of a person or persons who have cognitive, emotional, behavioral, or social dysfunctions through psychological or interpersonal methods. The treatment is a planned and structured program, conducted by a qualified mental

health professional and based on information from a differential diagnostic examination, and is directed toward the accomplishment of goals provided in a plan of care.

Subd. 10. [QUALIFIED MENTAL HEALTH PROFESSIONAL.] "Qualified mental health professional" means a psychiatrist licensed under chapter 147 who is board-certified or eligible for board certification; a psychologist licensed under sections 148.88 to 148.98; a licensed independent clinical social worker; or a psychiatric registered nurse licensed under section 148.211 with a master's degree from an accredited school of nursing and at least two years of post master's supervised experience in direct clinical practice.

Subd. 11. [SOCIAL WORK PRACTICE.] "Social work practice" means the use of social work theory and methods in the prevention, treatment, or resolution of social or psychological dysfunction caused by environmental stress, interpersonal or intrapersonal conflict, physical or mental disorders, or a combination of these causes, with particular attention to the person-in-situation configuration. Persons in social work practice accomplish these goals through direct services to individuals, families, groups, or communities; and development and administration of community organizations and social institutions that lead to an improved social environment. Social work practice includes but is not limited to psychosocial evaluation, counseling, group work, family therapy, family development education, referral to community resources, community organization and development, advocacy, facilitation of organizational change to meet social needs, and, to the extent authorized by sections 1 to 13, psychotherapy and professional services for the diagnosis, treatment, and prevention of mental and emotional disorders. Social work practice does not include medical care or any other type of remedial care that may be reimbursable by medical assistance, under chapter 256B, except to the extent the care is reimbursed under section 256B.02, subdivision 8, clause (5), or as provided under Minnesota Rules, parts 9500.1070, 9505.1020, or their successor parts.

Subd. 12. [LICENSED SOCIAL WORKER.] "Licensed social worker" means a social worker licensed under section 4, subdivision 3, to engage in social work practice.

Subd. 13. [LICENSED GRADUATE SOCIAL WORKER.] "Licensed graduate social worker" means a social worker licensed under section 4, subdivision 4, to engage in social work practice including psychotherapy when conducted under supervision.

Subd. 14. [LICENSED INDEPENDENT SOCIAL WORKER.] "Licensed independent social worker" means a social worker licensed under section 4, subdivision 5, to engage in social work practice including psychotherapy when conducted under supervision.

Subd. 15. [LICENSED INDEPENDENT CLINICAL SOCIAL WORKER.] "Licensed independent clinical social worker" means a social worker licensed under section 4, subdivision 6, to engage in social work practice, including professional services for the diagnosis, treatment, and prevention of mental and emotional disorders and psychotherapy without supervision.

Subd. 16. [SUPERVISION.] "Supervision" means the direction of social work practice in face-to-face sessions according to standards in section 5 and in rules established by the board of social work.

Sec. 2. [148B.22] [SOCIAL WORK LICENSING BOARD.]

Subdivision 1. [CREATION.] The social work licensing board is created. The board consists of nine members appointed by the governor, including six social workers licensed under sections 1 to 13, and three public members as defined in section 214.02.

Subd. 2. [QUALIFICATIONS OF BOARD MEMBERS.] The social worker members of the board must consist of two licensed independent clinical social workers, two licensed independent social workers, and two licensed social workers. The social worker members must include two members who are public agency social workers, two members who are private agency social workers, one member who is engaged in private practice, and one member who is an educator engaged in regular teaching duties at an accredited program of social work. At least two members must represent racial minorities and at least two members must reside outside of the seven-county metropolitan area.

Subd. 3. [MEMBERS OF FIRST BOARD APPOINTED.] Members of the first board appointed according to subdivisions 1 and 2 need not be licensed, but must meet all qualifications, other than payment of fees, to be eligible for licensure under sections 1 to 13.

Subd. 4. [OFFICERS AND EXECUTIVE SECRETARY.] The board shall annually elect from its membership a chair, vice-chair, and secretary-treasurer, and shall adopt rules to govern its proceedings. The board shall appoint and employ an executive secretary who is not a member of the board.

Subd. 5. [TERMS AND SALARIES.] Chapter 214 applies to the social work licensing board unless superseded by sections 1 to 13.

Sec. 3. [148B.23] [DUTIES OF THE BOARD.]

Subdivision 1. [GENERAL.] The social work licensing board shall:

(1) adopt and enforce rules for licensure of social workers and for regulation of their professional conduct. The rules must be designed to protect the public;

(2) adopt rules establishing standards and methods of determining whether applicants and licensees are qualified under sections 4 to 6. The rules must make provision for examinations; establish standards for professional conduct, including adoption of a code of professional ethics; and establish continuing education requirements;

(3) hold examinations at least twice a year to assess applicants' knowledge and skills. The examinations may be written or oral and may be administered by the board or a designee. Examinations must test the knowledge and skills of each of the four groups of social workers. Examinations must minimize cultural bias and must be balanced in theory;

(4) issue licenses to individuals qualified under sections 1 to 13;

(5) issue copies of the rules for licensure to all applicants;

(6) establish and implement procedures, including a standard disciplinary process, to ensure that individuals licensed as social workers will comply with the board's rules;

(7) establish, maintain, and publish annually a register of current licensees;

(8) establish initial and renewal application and examination fees sufficient to cover operating expenses of the board and its agents;

(9) educate the public about the existence and content of the rules for social work licensing to enable consumers to file complaints against licensees who may have violated the rules; and

(10) evaluate its rules in order to refine the standards for licensing social workers and to improve the methods used to enforce the board's standards.

Subd. 2. [CONTINUING EDUCATION COMMITTEE.] The board shall appoint a continuing education committee to advise the board on the administration of continuing education requirements. The committee chair must be appointed by the board and be a member of the board. Additional committee members must be appointed by the board and need not be board members. The committee must include licensed social workers, licensed independent social workers, and licensed independent clinical social workers and shall include:

(1) a social worker engaged in regular teaching duties at an accredited program of social work;

(2) a public agency social worker;

(3) a private agency social worker;

(4) a social worker engaged in private practice;

(5) a public member as defined in section 214.02;

(6) at least one member who is a person of color; and

(7) at least one member who resides outside the seven-county metropolitan area.

Sec. 4. [148B.24] [REQUIREMENTS FOR LICENSURE.]

Subdivision 1. [CATEGORIES OF LICENSEES.] The board shall issue licenses for the following four groups of individuals qualified under sections 1 to 13 to practice social work:

(1) social workers;

(2) graduate social workers;

(3) independent social workers; and

(4) independent clinical social workers.

Subd. 2. [FEE.] Each applicant shall pay a nonrefundable fee set by the board. Fees paid to the board must be deposited in the special revenue fund.

Subd. 3. [SOCIAL WORKER.] To be licensed as a social worker, an applicant must provide evidence satisfactory to the board that the applicant:

(1) has received a baccalaureate degree from an accredited program of social work;

(2) has passed the examination provided for in section 3, subdivision 1;

(3) will engage in social work practice only under supervision for at least two years in full-time employment or 4,000 hours; and

(4) will conduct all professional activities as a social worker in ac-

cordance with standards for professional conduct established by the rules of the board.

Subd. 4. [GRADUATE SOCIAL WORKER.] To be licensed as a graduate social worker, an applicant must provide evidence satisfactory to the board that the applicant:

(1) has received a master's degree from an accredited program of social work or doctoral degree in social work;

(2) has passed the examination provided for in section 3, subdivision 1;

(3) will engage in social work practice only under supervision; and

(4) will conduct all professional activities as a graduate social worker in accordance with standards for professional conduct established by the rules of the board.

Subd. 5. [INDEPENDENT SOCIAL WORKER.] To be licensed as an independent social worker, an applicant must provide evidence satisfactory to the board that the applicant:

(1) has received a master's degree from an accredited program of social work or doctoral degree in social work;

(2) has passed the examination provided for in section 3, subdivision 1;

(3) has practiced social work for at least two years in full-time employment or 4,000 hours under supervision after receiving the master's or doctoral degree in social work; and

(4) will conduct all professional activities as an independent social worker in accordance with standards for professional conduct established by the rules of the board.

Subd. 6. [INDEPENDENT CLINICAL SOCIAL WORKER.] To be licensed as an independent clinical social worker, an applicant must provide evidence satisfactory to the board that the applicant:

(1) has received a master's degree from an accredited program of social work, or doctoral degree in social work, that included an advanced concentration of clinically oriented course work as defined by the board and a supervised clinical field placement at the graduate level, or post master's clinical training that is found by the board to be equivalent to that course work and field placement;

(2) has practiced clinical social work for at least two years in full-time employment or 4,000 hours under supervision after receiving the master's or doctoral degree in social work;

(3) has passed the examination provided for in section 3, subdivision 1; and

(4) will conduct all professional activities as an independent clinical social worker in accordance with standards for professional conduct established by the rules of the board.

Sec. 5. [148B.25] [SUPERVISION.]

When supervision is required under sections 1 to 13, it must be provided by a social worker licensed at least at the level of the worker being su-

pervised and qualified to practice without supervision; or, when the social work licensing board determines that supervision by a qualified social worker is unobtainable and in other situations considered appropriate by the board of social work, by another qualified professional.

Sec. 6. [148B.26] [PSYCHOTHERAPY.]

Social workers qualified to practice psychotherapy are licensed independent clinical social workers; or licensed graduate or licensed independent social workers who have training required by section 4, subdivision 6, and practice under the supervision of a qualified mental health professional.

Sec. 7. [148B.27] [LICENSE RENEWAL REQUIREMENTS.]

Subdivision 1. [RENEWAL.] Licensees shall renew licenses at the time and in the manner established by the rules of the board.

Subd. 2. [CONTINUING EDUCATION.] At the time of renewal, each licensee shall provide evidence satisfactory to the board that the licensee has completed during each three-year period at least the equivalent of 45 clock hours of continuing professional post-degree education in programs approved by the board and continues to be qualified to practice under sections 1 to 13.

Sec. 8. [LICENSES; TRANSITION PERIOD.]

Subdivision 1. [EXEMPTION FROM EXAMINATION.] For two years from the effective date of sections 1 to 13, the board shall issue a license without examination to an applicant:

(1) for a licensed social worker, if the board determines that the applicant has received a baccalaureate degree from an accredited program of social work, or that the applicant has at least a baccalaureate degree from an accredited college or university and two years in full-time employment or 4,000 hours of experience in the supervised practice of social work within the five years before the effective date of sections 1 to 13;

(2) for a licensed graduate social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline, as approved by the board;

(3) for a licensed independent social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline, as approved by the board; and, after receiving the degree, has practiced social work for at least two years in full-time employment or 4,000 hours under the supervision of a social worker meeting these requirements, or of another qualified professional; and

(4) for a licensed independent clinical social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline as approved by the board; and, after receiving the degree, has practiced clinical social work for at least two years in full-time employment or 4,000 hours under the supervision of a clinical social worker meeting these requirements, or of another qualified mental health professional.

Subd. 2. [OTHER REQUIREMENTS.] An applicant licensed under this section must also agree to:

(1) engage in social work practice only under the applicable supervision requirements for each category of licensee; and

(2) to conduct all professional activities as a social worker in accordance with standards for professional conduct established by the board by rule.

Subd. 3. [EMERGENCY RULEMAKING AUTHORITY.] The board is authorized to adopt emergency and permanent rules to implement this section.

Sec. 9. [148B.28] [RECIPROCITY.]

The board shall issue an appropriate license to an individual who holds a current license or other credential from another jurisdiction if the board finds that the requirements for that credential are substantially similar to the requirements in sections 4 to 6.

Sec. 10. [148B.29] [NONTRANSFERABILITY OF LICENSES.]

A social work license is not transferable.

Sec. 11. [148B.30] [DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.]

Subdivision 1. [GROUNDS.] The board may refuse to renew or to grant a license to, or may suspend, revoke, or restrict the license of an individual whom the board, after a hearing under the contested case provisions of chapter 14, determines:

(1) is incompetent to engage in social work practice, or is found to be engaged in social work practice in a manner harmful or dangerous to a client or to the public;

(2) has violated the rules of the board or the statutes the board is empowered to enforce;

(3) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent representation; or

(4) has knowingly made a false statement on a form required by the board for licensing or license renewal.

Subd. 2. [RESTORING A LICENSE.] For reasons it finds sufficient, the board may grant a license previously refused, restore a license that has been revoked, or reduce a period of suspension or restriction of a license.

Subd. 3. [REVIEW.] Suspension, revocation, or restriction of a license shall be reviewed by the board at the request of the licensee against whom the disciplinary action was taken.

Sec. 12. [148B.31] [PROHIBITION AGAINST UNLICENSED PRACTICE OR USE OF TITLES; PENALTY.]

Subdivision 1. [PRACTICE.] After the board adopts rules, no individual shall engage in social work practice unless that individual holds a valid license as a licensed social worker, licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker.

Subd. 2. [USE OF TITLES.] After the effective date of rules adopted by the board, no individual shall be presented to the public by any title

incorporating the words "social work" or "social worker" unless that individual holds a valid license issued under sections 1 to 13. County agency social workers and state agency social workers who are not licensed under sections 1 to 11 may use the title county agency social worker or state agency social worker.

Subd. 3. [PENALTY.] A person who violates sections 4 to 11 is guilty of a misdemeanor.

Sec. 13. [148B.32] [EXCEPTIONS TO LICENSE REQUIREMENT.]

Subdivision 1. [OTHER PROFESSIONALS.] Nothing in sections 1 to 11 shall be construed to prevent members of other professions or occupations from performing functions for which they are qualified or licensed. This exception includes but is not limited to licensed physicians; registered nurses; licensed practical nurses; licensed psychologists; probation officers; members of the clergy; attorneys; marriage and family therapists; chemical dependency counselors; professional counselors; school counselors; and registered occupational therapists, and certified occupational therapist assistants. These persons must not, however, hold themselves out to the public by any title or description stating or implying that they are engaged in the practice of social work, or that they are licensed to engage in the practice of social work.

Subd. 2. [STUDENTS.] Nothing in sections 1 to 13 shall be construed to prevent students enrolled in an accredited program of social work to engage in the practice of social work, or to prevent social work practice by individuals preparing for licensed independent clinical social work practice under qualified supervision in a social work setting.

ARTICLE 3

BOARD OF MARRIAGE AND FAMILY THERAPY

Section 1. [148B.41] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY] For the purposes of sections 1 to 11, the following terms have the meanings given.

Subd. 2. [BOARD.] "Board" means the board of marriage and family therapy created in section 2.

Subd. 3. [MARRIAGE AND FAMILY THERAPY.] "Marriage and family therapy" means the process of providing professional marriage and family psychotherapy to individuals, married couples, and family groups, either singly or in groups. The practice of marriage and family therapy utilizes established principles that recognize the interrelated nature of the individual problems and dysfunctions in family members to assess, understand, and treat emotional and mental problems. Marriage and family therapy includes premarital, marital, divorce, and family therapy, and is a specialized mode of treatment for the purpose of resolving emotional problems and modifying intrapersonal and interpersonal dysfunction.

Sec. 2. [148B.42] [BOARD OF MARRIAGE AND FAMILY THERAPY.]

Subdivision 1. [CREATION.] There is created a board of marriage and family therapy that consists of seven members appointed by the governor. Four members must be licensed, practicing marriage and family therapists who, for at least five years immediately preceding appointment, have been rendering professional services in marriage and family therapy. One member must be engaged in the professional teaching and research of marriage

and family therapy. Two members must be representatives of the general public who have no direct affiliation with the practice of marriage and family therapy. All members must have been a resident of the state for two years preceding their appointment. Of the first board members appointed, three shall continue in office for two years, two members for three years, and two members, including the chair, for terms of four years respectively. Their successors shall be appointed for terms of four years each, except that a person chosen to fill a vacancy shall be appointed only for the unexpired term of the board member whom the newly appointed member succeeds. Upon the expiration of a board member's term of office, the board member shall continue to serve until a successor is appointed and qualified.

Subd. 2. [OFFICERS; STAFF] The board shall annually elect from its membership a chair and a vice-chair, and shall adopt rules to govern its proceedings. The board shall appoint and employ an executive secretary who is not a member of the board.

Subd. 3. [MEMBERSHIP TERMS; COMPENSATION AND REMOVAL.] The membership terms, compensation, and removal of board members is governed by section 15.0575, unless superseded by this section.

Sec. 3. [148B.43] [DUTIES OF THE BOARD.]

The board shall:

(1) adopt, enforce, implement, and administer rules for marriage and family therapy licensing, which shall be designed to protect the public;

(2) develop by rule appropriate techniques, including examinations and other methods, for determining whether applicants and licensees are qualified under sections 1 to 11;

(3) adopt rules to issue and renew licenses to individuals who are qualified under sections 1 to 11;

(4) establish and implement procedures designed to assure that licensed marriage and family therapists will comply with the board's rules;

(5) study and investigate the practice of marriage and family therapy within the state in order to improve the standards imposed for the licensing of marriage and family therapists and to improve the procedures and methods used for enforcement of the board's standards;

(6) formulate and implement by rule a code of ethics for all licensed marriage and family therapists; and

(7) establish continuing education requirements by rule for marriage and family therapists.

Sec. 4. [148B.44] [PROHIBITIONS AND PENALTY.]

Subdivision 1. [UNLICENSED PRACTICE PROHIBITED.] Except as otherwise provided in this chapter, after the effective date of rules adopted by the board implementing sections 1 to 11, no individual shall engage in marriage and family therapy practice unless that individual holds a valid license issued under sections 1 to 11.

Subd. 2. [APPEARANCE AS LICENSEE PROHIBITED.] After the effective date of rules adopted by the board implementing sections 1 to 11, no individual shall hold himself or herself out to be a marriage and family therapist unless that individual holds a valid license issued under sections

1 to 11.

Subd. 3. [PENALTY.] A person who violates a provision of sections 1 to 11 is guilty of a gross misdemeanor.

Sec. 5. [148B.45] [REQUIREMENTS FOR LICENSURE.]

Subdivision 1. [DOCUMENTARY EVIDENCE OF QUALIFICATIONS.] An applicant for a license shall furnish evidence that the applicant:

(1) has attained the age of majority;

(2) is of good moral character;

(3) is a citizen of the United States or is lawfully entitled to remain and work in the United States;

(4) has at least two years of supervised postgraduate experience in marriage and family counseling satisfactory to the board;

(5) has (i) completed a master's or doctoral degree in marriage and family therapy from a program in a regionally accredited educational institution or from a program accredited by the Commission on Accreditation for Marriage and Family Therapy Education of the American Association for Marriage and Family Therapy, or (ii) completed a master's or doctoral degree from a regionally accredited educational institution in a related field for which the course work is considered by the board to be equivalent to that provided in clause (i);

(6) will agree to conduct all professional activities as a licensed marriage and family counselor in accordance with a code of ethics for marriage and family therapists to be adopted by the board in rule; and

(7) has passed an examination approved by the board by rule.

Subd. 2. [FEE.] Each applicant shall pay a nonrefundable application fee set by the board.

Sec. 6. [LICENSES; TRANSITION PERIOD.]

Notwithstanding section 2, subdivision 1, members of the first board appointed need not be licensed under sections 1 to 11, but shall meet all qualifications, other than payments of fees, so as to be eligible for licensure under sections 1 to 11. Notwithstanding section 5, clause (7), for two years from the effective date of sections 1 to 11, a license must be issued to an applicant without examination if the board is satisfied that the applicant meets the requirements of section 5, clauses (1) to (6).

Sec. 7. [148B.46] [RECIPROCITY WITH OTHER STATES.]

The board shall issue a marriage and family therapy license to an individual who holds a current license as a marriage and family therapist from another jurisdiction if the board determines that the standards for licensure in the other jurisdiction are at least equivalent to or exceed the requirements of sections 1 to 11 and the rules of the board.

Sec. 8. [148B.47] [NONTRANSFERABILITY OF LICENSES.]

A marriage and family therapy license is not transferable.

Sec. 9. [148B.48] [REFUSAL TO GRANT LICENSE; SUSPENSION OR REVOCATION OF LICENSE.]

Subdivision 1. [GROUNDS FOR ACTION.] The board may refuse to

grant a license or may suspend, revoke, condition, limit, qualify, or restrict the license of any individual who the board, after a hearing under the contested case provisions of chapter 14, determines:

(1) is incompetent to practice marriage and family therapy, or is found to engage in the practice of marriage and family therapy in a manner harmful or dangerous to a client or to the public;

(2) is convicted by a court of competent jurisdiction of a crime that the board determines is of a nature to render the convicted person unfit to practice marriage and family therapy. The board should compile, maintain, and adopt a list of such crimes;

(3) has violated a provision of sections 1 to 11 or one or more of the rules of the board;

(4) has obtained or attempted to obtain a license or license renewal by bribery of fraudulent representation;

(5) has knowingly made a false statement on a form required by the board for licensing or license renewal; or

(6) has failed to obtain continuing education credits as provided by the board in rule.

Subd. 2. [RESTORING A LICENSE.] Upon a vote of five of its members, the board may restore a license that has been revoked, reduce a period of suspension, or withdraw a reprimand.

Sec. 10. [148B.49] [EXCEPTIONS FROM LICENSE REQUIREMENT.]

Subdivision 1. [OTHER PROFESSIONALS.] Nothing in sections 1 to 11 shall be construed to prevent qualified members of other licensed or certified professions or occupations, such as licensed physicians, registered nurses, licensed practical nurses, psychologists licensed by the board of psychology, social workers, probation officers, members of the clergy, attorneys, school counselors who are employed by an accredited educational institution while performing those duties for which they are employed, or registered occupational therapists or certified occupational therapist assistants who are certified by the American Occupational Therapy Association, from doing work of a marriage and family therapy nature.

Subd. 2. [STUDENTS.] Nothing in sections 1 to 11 shall be construed to prevent marriage and family therapy practice by students or interns or individuals preparing for marriage and family therapy to practice under qualified supervision of a licensed professional, recognized and approved by the board in a recognized educational institution or agency so long as they are designated by titles such as "student," "trainee," "intern," or other titles clearly indicating training status.

Sec. 11. [148B.50] [PRIVILEGED COMMUNICATIONS; EXCEPTIONS.]

A person licensed under sections 1 to 11 and employees and professional associates of the person cannot be required to disclose any information that the person, employee, or associate may have acquired in rendering marriage and family therapy services, unless:

(1) disclosure is required by other state laws;

(2) failure to disclose the information presents a clear and present danger to the health or safety of an individual;

(3) the person, employee, or associate is a party defendant to a civil, criminal, or disciplinary action arising from the therapy, in which case a waiver of the privilege accorded by this section is limited to that action;

(4) the patient is a defendant in a criminal proceeding and the use of the privilege would violate the defendant's right to a compulsory process or the right to present testimony and witnesses in that persons behalf; and

(5) a patient agrees to a waiver of the privilege accorded by this section, and in circumstances where more than one person in a family is receiving therapy, each such family member agrees to the waiver. Absent a waiver from each family member, a marital and family therapist cannot disclose information received by a family member.

ARTICLE 4

BOARD OF UNLICENSED MENTAL HEALTH SERVICE PROVIDERS

Section 1. [148B.61] [DEFINITIONS.]

Subdivision 1. [TERMS.] As used in sections 1 to 8, the following terms have the meanings given them in this section.

Subd. 2. [BOARD.] "Board" means the board of mental health service providers established in section 2.

Subd. 3. [MENTAL HEALTH SERVICE PROVIDER.] "Mental health service provider" or "provider" means any person who provides, for a remuneration, mental health services as defined in subdivision 4. It does not include persons licensed by the board of medical examiners under chapter 147; the board of nursing under sections 148.171 to 148.285; or the board of psychology under sections 148.88 to 148.98; the board of social work under article 2, sections 1 to 13; the board of marriage and family therapy under article 3, sections 1 to 11; or another licensing board if the person is practicing within the scope of the license.

Subd. 4. [MENTAL HEALTH SERVICES.] "Mental health services" means the professional treatment, assessment, or counseling of another person for a cognitive, behavioral, emotional, mental, or social dysfunction, including intrapersonal or interpersonal dysfunctions.

Subd. 5. [MENTAL HEALTH CLIENT.] "Mental health client" or "client" means a person who receives the services of a mental health service provider.

Sec. 2. [148B.62] [BOARD OF UNLICENSED MENTAL HEALTH SERVICE PROVIDERS.]

Subdivision 1. [COMPOSITION.] The board of unlicensed mental health service providers consists of 17 members, including two chemical dependency counselors, two professional counselors, two pastoral counselors, five members representing other identifiable specialties and subgroups of providers subject to filing requirements, and six public members as defined in section 214.02. Within 90 days after the effective date of rules adopted by the board to implement sections 1 to 8, members of the board specified must be mental health service providers who have filed with the board pursuant to section 3.

Subd. 2. [APPOINTMENT.] Members of the board are appointed by the governor and serve under section 214.09.

Subd. 3. [BOARD ADMINISTRATION.] The board shall elect from among its members a chair and a vice-chair to serve for one year or until

a successor is elected and qualifies. The members of the board have authority to administer oaths and the board, in session, to take testimony as to matters pertaining to the duties of the board. Nine members of the board constitute a quorum for the transaction of business.

Subd. 4. [RULEMAKING.] The board shall adopt rules necessary to implement, administer, or enforce sections 1 to 8 under chapter 14 and section 214.001, subdivisions 2 and 3. The board shall consult with the commissioner of health, the commissioner of human services, and the commissioner of employee relations in the development of rules. The board may not adopt rules that restrict or prohibit persons from providing mental health services on the basis of education, training, experience, or supervision; or that restrict the use of any title.

Sec. 3. [148B.63] [FILING REQUIRED.]

Subdivision 1. [FILING.] All mental health service providers shall file with the state, on a form provided by the board, their name; home and business address; telephone number; degrees held, if any, major field, and whether the degrees are from an accredited institution and how the institution is accredited; and any other relevant experience. An applicant for filing who has practiced in another state shall authorize, in writing, the licensing or regulatory entity in the other state or states to release to the board any information on complaints or disciplinary actions pending against that individual, as well as any final disciplinary actions taken against that individual. The board shall provide a form for this purpose. The board may reject a filing if there is evidence of a violation of or failure to comply with this chapter.

Subd. 2. [ACKNOWLEDGEMENT OF FILING.] The board shall issue an acknowledgement of filing to each mental health service provider who files under subdivision 1 and relevant rules of the board, and who is determined by the board to be in compliance with this chapter. The acknowledgement of filing must not be displayed in any manner nor shall it be shown to mental health clients. The acknowledgement of filing shall contain in bold print the phrase: "This acknowledgement of filing does not imply or certify in any way that this mental health professional has met any standards or criteria of education or training.

Subd. 3. [NONTRANSFERABILITY.] Acknowledgements of filing are nontransferable.

Subd. 4. [PENALTIES.] Failure to file with the board, or supplying false or misleading information on the filing form, application for registration, or any accompanying statements shall constitute grounds for adverse action.

Subd. 5. [PROVISION OF MENTAL HEALTH SERVICES WITHOUT FILING.] Except as otherwise provided in this chapter, it is unlawful for any person not filing with the board to provide mental health services in this state as defined in section 1, subdivision 4. Any person violating subdivision 1 is guilty of a gross misdemeanor.

Sec. 4. [148B.64] [PROHIBITED USE OF ACKNOWLEDGMENT.]

No mental health service provider may display the acknowledgement received under section 3, subdivision 2, or refer to it in any advertising, on stationary, or in any communication to a client or the public, or otherwise use the fact that the provider has filed with the state as an indication of state approval or endorsement or satisfaction of standards of conduct,

training, or skill.

Sec. 5. [148B.65] [PROHIBITED CONDUCT.]

Subdivision 1. [PROHIBITED CONDUCT.] Notwithstanding any law to the contrary, the board may reject a filing or application, or may impose adverse action as described in section 6 against any mental health service provider for failure to comply with the provisions of this chapter. The following conduct is prohibited and is grounds for adverse action:

(a) *Conviction of a crime reasonably related to the provision of mental health services. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.*

(b) *Conviction of crimes against persons. For the purposes of this chapter, a crime against a person means violations of the following sections: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.221; 609.222; 609.223; 609.224; 609.23; 609.231; 609.235; 609.24; 609.245; 609.25; 609.255; 609.265; 609.26, subdivision 1, clause (1) or (2); 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1; 609.50, clause (1); 609.561; 609.562; and 609.595.*

(c) *Revocation, suspension, restriction, limitation, or other disciplinary action against the mental health professional's license, certificate, registration, or right of practice in another state or jurisdiction, for offenses that would be subject to disciplinary action in this state, or failure to report to the board that charges regarding the person's license, certificate, registration, or right of practice have been brought in another state or jurisdiction.*

(d) *Advertising that is false or misleading.*

(e) *Filing with the board false or misleading statements of credentials, training, or experience.*

(f) *Conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a client; or any other practice that may create unnecessary danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established.*

(g) *Adjudication as mentally incompetent, or as a person who has a psychopathic personality as defined in section 526.09 or who is dangerous to himself or herself, or adjudication pursuant to chapter 253B as chemically dependent, mentally ill, mentally retarded, or mentally ill and dangerous to the public.*

(h) *Inability to provide mental health services with reasonable safety to clients by reason of physical, mental, or emotional illness; drunkenness; or use of legend drugs, chemicals, controlled substances, or any other similar materials or mood-altering substances.*

(i) *Revealing a communication from, or relating to, a client except when otherwise required or permitted by law.*

(j) *Failure to comply with a client's request made under section 144.335 or to furnish a client record or report required by law.*

(k) *Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the client.*

(l) *Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.*

(m) *Engaging in sexual contact with a client or former client as defined in section 148A.01.*

(n) *Failure to make reports as required by section 5, or cooperate with an investigation of the board as required by section 7.*

(o) *Obtaining money, property, or services from a client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.*

(p) *Undertaking or continuing a professional relationship with a client in which the objectivity of the professional would be impaired.*

(q) *Failure to provide the client with a copy of the client bill of rights, or violation of any provision of the client bill of rights.*

Subd. 2. [EVIDENCE.] In adverse actions alleging a violation of subdivision 1, paragraph (a), (b), or (c), a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

Subd. 3. [MENTAL EXAMINATION; ACCESS TO MEDICAL DATA.]

(a) If the board has probable cause to believe that a mental health service provider comes under subdivision 1, paragraph (g) or (h), it may direct the provider to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision every mental health service provider is deemed to have consented to submit to a mental or physical examination or chemical dependency evaluation when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians', psychologists', or mental health professional's testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a mental health service provider to submit to an examination when directed constitutes an admission of the allegations against the provider, unless the failure was due to circumstance beyond the provider's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A mental health service provider affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the provider can resume the provision of mental health services with reasonable safety to clients. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a mental health service provider in any other proceeding.

(b) In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.42, 144.651, or any other law limiting access to medical or other health data, obtain medical data and health records relating to a mental health service provider without the provider's consent if the board has probable cause to believe that a provider comes under subdivision 1, paragraph (g), (h), or (m). The medical data may be

requested from a health care professional, as defined in section 144.335, subdivision 1, paragraph (b), an insurance company, or a government agency, including the department of human services. A health care professional, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the person or organization giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is private data under sections 13.01 to 13.87.

Sec. 6. [148B.66] [ADVERSE ACTIONS.]

Subdivision 1. [FORMS OF ADVERSE ACTION.] When the board finds that a mental health service provider has violated a provision or provisions of this chapter, it may do one or more of the following:

- (1) deny or reject the filing;*
- (2) revoke the right to practice;*
- (3) suspend the right to practice;*
- (4) impose limitations or conditions on the provider's provision of mental health services, the imposition of rehabilitation requirements, or the requirement of practice under supervision;*
- (5) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the provider of any economic advantage gained by reason of the violation charged or to reimburse the board for all costs of the investigation and proceeding;*
- (6) order the provider to provide unremunerated professional service under supervision at a designated public hospital, clinic, or other health care institution; or*
- (7) censure or reprimand the provider.*

Subd. 2. [PROCEDURES.] The board shall adopt a written statement of internal operating procedures for receiving and investigating complaints reviewing misconduct cases, and imposing adverse actions.

Subd. 3. [MANDATORY SUSPENSION OR REVOCATION OF RIGHT OF PRACTICE.] The board shall suspend or revoke the right of a provider to provide mental health services for violations of section 4, subdivision 1, paragraphs (a), (b), and (m).

Sec. 7. [148B.67] [MENTAL HEALTH CLIENT BILL OF RIGHTS.]

Subdivision 1. [SCOPE.] All mental health service providers other than those providing services in a facility regulated under section 144.651 shall provide to each client prior to providing treatment a written copy of the mental health client bill of rights. A copy must also be posted in a prominent location in the office of the mental health service provider. Reasonable accommodations shall be made for those clients who cannot read or who have communication impairments and those who do not read or speak English. The mental health client bill of rights shall include the following:

- (a) The name, title, business address, and telephone number of the provider.*

(b) *The degrees, training, experience, or other qualifications of the provider, followed by the following statement in bold print:*

THE STATE OF MINNESOTA HAS NOT ADOPTED UNIFORM EDUCATIONAL AND TRAINING STANDARDS FOR MENTAL HEALTH SERVICE PROVIDERS. THIS STATEMENT OF CREDENTIALS IS FOR INFORMATIONAL PURPOSES ONLY.

(c) *The name, business address, and telephone number of the provider's supervisor, if any.*

(d) *Notice that a client has the right to file a complaint with the provider's supervisor, if any, and the procedure for filing complaints.*

(e) *The name, address, and telephone number of the board and notice that a client may file complaints with the board.*

(f) *The provider's fees per unit of service, the provider's method of billing for such fees, the names of any insurance companies that have agreed to reimburse the provider, or health maintenance organizations with whom the provider contracts to provide service, whether the provider accepts Medicare, medical assistance, or general assistance medical care, and whether the provider is willing to accept partial payment, or to waive payment, and in what circumstances.*

(g) *A statement that the client has a right to reasonable notice of changes in services or charges.*

(h) *A brief summary, in plain language, of the theoretical approach used by the provider in treating patients.*

(i) *Notice that the client has a right to complete and current information concerning the provider's assessment and recommended course of treatment, including the expected duration of treatment.*

(j) *A statement that clients may expect courteous treatment and to be free from verbal, physical, or sexual abuse by the provider.*

(k) *A statement that client records and transactions with the provider are confidential, unless release of these records is authorized in writing by the client, or otherwise provided by law.*

(l) *A statement of the client's right to be allowed access to records and written information from records in accordance with section 144.335.*

(m) *A statement that other services may be available in the community, including where information concerning services is available.*

(n) *A statement that the client has the right to choose freely among available providers, and to change providers after services have begun, within the limits of health insurance, medical assistance, or other health programs.*

(o) *A statement that the client has a right to coordinated transfer when there will be a change in the provider of services.*

(p) *A statement that the client may refuse services or treatment, unless otherwise provided by law.*

(q) *A statement that the client may assert the client's rights without retaliation.*

Subd. 2. [ACKNOWLEDGMENT BY CLIENT.] Prior to the provision

of any service, the client must sign a written statement attesting that the client has received the client bill of rights.

Sec. 8. [148B.68] [RENEWALS.]

Notwithstanding any other law, the board shall adopt rules providing for the renewal of filings. The rules shall specify the period of time for which a filing is valid, procedures and information required for the renewal, and renewal fees.

Sec. 9. [REPORTS.]

Subdivision 1. [COMMISSIONER OF HEALTH.] The commissioner of health shall review the report of the office under sections 214.001, 214.13, and 214.141. The commissioner shall make recommendations to the legislature by January 15, 1991, on the need for registration or licensure of unlicensed mental health service providers and the need to retain the board of unlicensed mental health service providers.

Subd. 2. [BOARD OF UNLICENSED MENTAL HEALTH SERVICE PROVIDERS.] The board of unlicensed mental health service providers must report on the board's findings and activities to the commissioner of health and the legislature by July 1, 1990. The board shall report to the legislature on or before January 15, 1991, with recommendations on whether providers who are not trained should be allowed to continue to practice.

Subd. 3. [LEGISLATIVE INTENT.] Nothing in this section is intended to require the commissioner of health to delay review of applications for credentialing pursuant to sections 214.13 and 214.141 pending the outcome of the reports required under this section.

Sec. 10. [APPROPRIATION.]

§ _____ is appropriated from the general fund to _____

Sec. 11. [SUNSET.]

Article 4, sections 1 to 8, are repealed effective July 1, 1991."

Delete the title and insert:

"A bill for an act relating to occupations and professions; establishing an office of social work and mental health boards; establishing a board of social work; regulating and licensing social workers; establishing a board of marriage and family therapy; licensing and regulating marriage and family therapists; establishing a board of unlicensed mental health service providers; regulating unlicensed mental health service providers; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 144.335, subdivision 1; 148A.01, subdivision 5; 214.01, subdivision 2; 214.04, subdivision 3; and 609.341, subdivision 17; proposing coding for new law as Minnesota Statutes, chapter 148B."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 682: A bill for an act relating to human services; expanding employment and training services in the aid to families with dependent children program; changing standards of eligibility for general assistance

recipients and work readiness recipients; implementing immediate income withholding; modifying the child care sliding fee program; establishing the family health insurance program; changing standards of eligibility for the medical assistance program; amending Minnesota Statutes 1986, sections 144.219; 256.01, subdivision 2; 256.736, subdivisions 3, 4, 6, and 8, and by adding subdivisions; 256.74, subdivision 1; 256B.06, subdivision 1; 256D.01, subdivision 1a; 256D.02, subdivisions 5 and 8; 256D.03, subdivision 2; 256D.05, subdivision 1; 256D.051, subdivisions 1, 2, 4, 5, 6, and 8; 256D.06, subdivisions 1, 1b, and 2; 256D.08, subdivision 1; 256D.101; 256D.15; 257.33; 257.34, subdivision 1; 257.57, subdivision 2; 257.60; 257.62, by adding a subdivision; 257.63, subdivision 2; 260.015, subdivision 6; 260.155, by adding a subdivision; 260.191, by adding a subdivision; 267.02, by adding a subdivision; 267.03, subdivision 2; 268.0122, subdivision 3; 268.86, subdivisions 1 and 2; 268.871, subdivisions 1 and 2, and by adding a subdivision; 268.872, subdivision 3; 268.88; 268.91, subdivisions 1, 2, 3, 4, 5, and 6, and by adding subdivisions; 510.07; 518.171, subdivision 1; 518.24; 518.551, subdivision 1; 518.611, subdivisions 1, 2, 3, 4, 6, and 8; and 518.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 256 and 256D; repealing Minnesota Statutes 1986, sections 256D.051, subdivisions 4, 5, and 12; and 257.34, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 10, delete "*an advanced*" and insert "*a post-baccalaureate*"

Page 8, lines 18 and 20, after "*caretaker*" insert "*or child*"

Page 8, line 27, strike "of"

Page 8, line 28, strike "advanced age" and insert "*age 55 or older*"

Page 10, line 8, after the stricken "relative" insert "*caretaker*" and reinstate the stricken "or child" and after the reinstated "child" delete "*caretaker*"

Page 10, line 25, after "*caretaker*" insert "*or child*"

Page 15, line 32, delete "*service delivery region*" and insert "*county*"

Page 20, line 1, after "*services*" insert "*with the goal of achieving permanent employment*"

Page 20, line 3, delete "*with the goal of achieving*"

Page 20, line 4, delete "*permanent employment*"

Page 23, line 20, after "62C" insert a comma

Page 26, after line 7, insert:

"Subdivision 1. [INCENTIVE AWARD ACCOUNT.] The state share of AFDC child support collections received by the commissioner of human services during fiscal year 1988 in excess of \$13,430,000 must be deposited in an incentive award account for nonpublic assistance collections. In succeeding years the commissioner shall deposit in the account the state share of collections that exceed the sum of the prior year's state share and that year's deposits in the incentive award account."

Page 26, line 21, delete "1" and insert "2"

Page 26, line 24, delete "3" and insert "4"

Page 27, line 17, after the period, insert "*Incentive payments under this section must begin with the quarter ending September 30, 1988.*"

Page 27, lines 21 and 26, delete "2" and insert "3"

Renumber the subdivisions in sequence

Page 33, line 21, delete "*aid to families with dependent*"

Page 33, line 22, delete "*children*" and insert "AFDC"

Page 34, line 10, delete "*aid to families with*"

Page 34, line 11, delete "*dependent children*" and insert "AFDC"

Page 34, line 14, delete "*aid to families with dependent children*" and insert "AFDC"

Page 34, line 19, delete ", subdivision 4 or 5,"

Page 34, line 22, delete "*aid to*"

Page 34, line 23, delete "*families with dependent children*" and insert "AFDC"

Page 34, line 26, delete "*aid to*"

Page 34, line 27, delete "*families with dependent children*" and insert "AFDC"

Page 34, line 30, delete "*aid to families with dependent children*" and insert "AFDC"

Page 35, line 5, delete "*aid to families with dependent*"

Page 35, line 6, delete "*children*" and insert "AFDC"

Page 35, line 7, delete "*aid to families with*"

Page 35, line 8, delete "*dependent children*" and insert "AFDC"

Page 36, after line 11, insert:

"Sec. 26. Minnesota Statutes 1986, section 256D.02, is amended by adding a subdivision to read:

Subd. 16. "AFDC" means aid to families with dependent children."

Pages 42 to 44, delete sections 31 and 32

Page 50, line 21, delete "*minor's child's*" and after "*father*" insert "*of the minor's child, including steps being taken to establish paternity, if appropriate*"

Page 51, after line 3, insert:

"(c) If the minor parent refuses to plan for herself and her child or fails, without good cause, to follow through on an agreed upon plan, the county social services agency may file a petition under section 260.131 seeking an order for protective supervision under section 260.191, subdivision 1, clause (a), on the grounds that the minor parent's child is dependent due to the state of immaturity of the minor parent."

Page 51, delete lines 4 to 7

Page 54, line 13, delete "*such*" and insert "*the*"

Pages 54 to 56, delete sections 48 to 50

Page 63, line 1, delete "within"

Page 63, line 2, delete "their service delivery region"

Page 64, line 31, strike "1985" and insert "1987"

Page 64, strike line 32 and insert "October 1, 1987. The plan must include the implementation plan for aid to families with dependent children employment and training services as required under section 84."

Page 64, strike lines 33 to 36

Page 65, strike lines 1 to 12

Page 67, line 30, delete "funds" and insert "money"

Page 69, line 29, delete "these" and insert "this"

Page 74, line 24, delete "shall not be" and insert "are not"

Page 75, after line 1, insert:

"Sec. 67. Minnesota Statutes 1986, section 518.131, subdivision 7, is amended to read:

Subd. 7. The court shall be guided by the factors set forth in sections ~~518.17~~ 518.551 (concerning child support), 518.552 (concerning maintenance) and 518.17 to 518.175 (concerning custody and visitation) in making temporary orders and restraining orders."

Page 76, line 3, delete "shall be" and insert "is"

Page 76, lines 7 and 8, delete "shall be" and insert "is"

Page 76, after line 19, insert:

"Sec. 71. Minnesota Statutes 1986, section 518.551, is amended by adding a subdivision to read:

Subd. 10. [ADMINISTRATIVE PROCESS CHILD SUPPORT PILOT PROJECT.] A pilot project is established to obtain and enforce child and medical support orders and maintenance through administrative process in order to evaluate the efficiency of the administrative process. The pilot project shall begin on July 1, 1988, and end on June 30, 1989.

All proceedings for establishing or enforcing child and medical support orders conducted in Dakota county from July 1, 1988, through June 30, 1989, in which Dakota county human services is a party or acts on behalf of a party shall be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

- (1) adjudication of paternity;
- (2) motions to set aside a paternity adjudication or declaration of parentage;
- (3) motions to modify an existing support obligation;
- (4) evidentiary hearing on contempt motions; and
- (5) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings.

For the purposes of this pilot project, a motion to add language to an existing support obligation that is required by statute to appear in a support order shall not be considered a modification of an existing support obli-

gation. An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a county or district judge.

For the purpose of this pilot project, all powers, duties, and responsibilities conferred on judges of the county or district court to obtain and enforce child and medical support obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue orders to show cause and to issue bench warrants for failure to appear.

During fiscal year 1988, the chief administrative law judge, the commissioner of human services, the director of Dakota county human services, the Dakota county attorney, and the clerk of the Dakota county court shall jointly establish procedures for the implementation of this pilot project.

Nonattorney employees of Dakota county human services may prepare, sign, serve, and file motions for obtaining or enforcing child and medical support orders and any related documents, appear at prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law.

For the purpose of this pilot project, the hearings shall be conducted under the conference contested case rules adopted by the chief administrative law judge. Any discovery required in a proceeding shall be conducted under the rules of family court and the rules of civil procedure. Orders issued by an administrative law judge shall be enforceable by the contempt powers of the county or district courts.

The administrative law judge shall make a report to the chief administrative law judge or the chief administrative law judge's designee, stating findings of fact and conclusions and recommendations concerning the proposed action, in accordance with sections 14.48 to 14.56. The chief administrative law judge or a designee shall render the final decision and order in accordance with sections 14.61 and 14.62. The decision and order of the chief administrative law judge or a designee shall be a final agency decision for purposes of sections 14.63 to 14.69.

Sec. 72. Minnesota Statutes 1986, section 518.57, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Upon a decree of dissolution, legal separation or annulment, the court may make a further order which is just and proper concerning the maintenance of the minor children as provided by section 518.47 518.551, and for the maintenance of any child of the parties as defined in section 518.54, as support money, and may make the same a lien or charge upon the property of the parties to the proceeding, or either of them, either at the time of the entry of the judgment or by subsequent order upon proper application."

Page 76, lines 26 and 32, delete "shall" and insert "must"

Page 77, line 3, delete everything after "(a)"

Page 77, line 4, delete "SUPPORT ORDERS.]" and delete the new language

Page 77, line 5, delete the new language and strike "if" and insert

“whenever”

Page 77, lines 30 to 32, delete the new language

Page 77, after line 30, insert:

“This paragraph applies to orders issued before August 1, 1987, without additional court action.”

Page 77, line 33, delete everything after “(b)”

Page 77, delete lines 34 to 36

Page 78, delete lines 1 to 9

Page 78, line 10, delete “(c) [ARREARAGES.]”

Page 78, line 16, after the period, insert *“This paragraph applies to obligations resulting from orders issued before, on, or after August 1, 1987, without additional court action.”*

Page 78, lines 17 to 21, reinstate the stricken language

Page 78, lines 26 and 27, delete “, paragraph (a), clause (3),”

Page 78, line 36, reinstate the stricken “(b)” and delete “(c)”

Page 79, line 13, reinstate the stricken “(b)” and delete “(c)” and insert *“and section 80”*

Page 80, line 5, delete “no”

Page 80, line 7, delete “shall be” and insert “are not”

Page 80, line 15, delete “and” and insert a comma

Page 80, line 16, after “any” insert *“, and the name and address of the agency to which child support is to be sent”*

Page 80, line 19, after “shall” insert *“contact the agency to which child support is to be sent to verify the terms of the withholding and”*

Page 80, line 28, delete “shall” and insert “may”

Page 80, after line 30, insert:

“Sec. 79. Minnesota Statutes 1986, section 518.611, is amended by adding a subdivision to read:

Subd. 11. [CONTRACT FOR SERVICE.] To carry out the provisions of this section, the public authority responsible for child support enforcement may contract for services, including the use of electronic funds transfer.

Sec. 80. [518.613] [AUTOMATIC WITHHOLDING.]

Subdivision 1. [GENERAL.] Notwithstanding any provision of section 518.611, subdivision 2 or 3, to the contrary, whenever an obligation for child support or maintenance is initially determined and ordered or modified by the court in a county in which this section applies, the amount of child support or maintenance ordered by the court must be withheld from the income, regardless of source, of the person obligated to pay the support. For purposes of this section, “modified” does not mean a cost-of-living adjustment without any other modification of the support order.

Subd. 2. [ORDER; COLLECTION SERVICES.] Every order for child support must include the obligor’s social security number and the name and address of the obligor’s employer or other payor of funds. Upon entry

of the order for support or maintenance, the court shall mail a copy of the court's order and the provisions of section 518.611 and this section to the obligor's employer or other payor of funds and to the public agency responsible for child support enforcement. An obligee who is not a recipient of public assistance shall apply for the collection services of the public authority when an order for support is entered.

Subd. 3. [WITHHOLDING.] The employer or other payor shall withhold and forward the child support or maintenance ordered in the manner and within the time limits provided in section 518.611. Amounts received from employers or other payors under this section by the public agency responsible for child support enforcement that are in excess of public assistance received by the obligee must be remitted to the obligee. A county in which this section applies may contract for services to carry out the provisions of this section.

Subd. 4. [APPLICATION.] On and after August 1, 1987, and prior to August 1, 1989, this section applies in a county selected under section 81 and in a county that chooses to have this section apply by resolution of a majority vote of its county board. On and after August 1, 1989, this section applies in every county of the state.

Sec. 81. [518.614] [DEMONSTRATION PROJECT FOR INCOME WITHHOLDING.]

On or before July 1, 1987, the commissioner of human services shall designate no fewer than five counties in which child support or maintenance must be withheld from the obligor's income under section 80. The total population of the counties designated must equal at least 25 percent of the population of the state. The designated counties must include at least one county in which a city of the first class is located, and at least two counties that are not metropolitan counties, as defined in section 473.121, subdivision 4. The group of counties designated must be representative of urban, suburban, and rural demographic areas."

Page 81, after line 30, insert:

"Sec. 83. Minnesota Statutes 1986, section 518.645, is amended to read:
518.645 [FORM OF ORDER.]

Unless otherwise ordered by the court, an order for withholding of support or maintenance payments issued under this chapter shall be substantially in the following form:

IT IS ORDERED THAT:

1. The sum of _____ per _____, representing child support and/or spousal maintenance, ordered by the Court, shall be withheld from the (Husband/Wife Respondent/Petitioner)'s income on _____ by (his/her) present employer or other payor of funds, _____, and any future employer or other payor of funds, and shall be remitted to: _____, monthly or more frequently, in accordance with the provisions of Minnesota Statutes, Chapter 518. The file number above and the Obligor's name shall be included with each remittance.

2. An additional amount equal to 20 percent of the amount required to be withheld by paragraph 1 shall be withheld from the income of the Obligor by the employer or payor until the entire arrearage in paragraph 3(b) is paid.

3. The parties are notified that ~~CHILD SUPPORT AND/OR MAINTENANCE WILL BE WITHHELD FROM INCOME ONLY AFTER ALL OF THE FOLLOWING CONDITIONS HAVE BEEN MET:~~

(a) _____ or the Obligee determines that the Obligor is at least thirty days in arrears in the payment of ~~child support and/or~~ spousal maintenance;

(b) _____ or the Obligee serves written notice of income withholding on the Obligor showing the determination that ~~child support and/or~~ maintenance payments are thirty days in arrears;

(c) Within 15 days after service of the notice of income withholding, the Obligor fails to move the Court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding or on other grounds limited to mistakes of fact and, ex parte, to stay service of withholding on the employer or other payor of funds until the motion to deny withholding is heard. Within 45 days from the date of the notice of income withholding, the court shall hold the hearing on the motion to deny withholding and notify the parties of its decision; and

(d) Not sooner than 15 days after service of written notice of income withholding on the Obligor, _____ or the Obligee serves a copy of the notice of income withholding and a copy of the Court's withholding order on the employer or other payor of funds, who will then be obligated to withhold payments from income and forward the amount withheld to _____.

4. The parties and the employer or other payor of funds are further notified that ~~NO EMPLOYER MAY DISCHARGE, SUSPEND, OR OTHERWISE PENALIZE OR DISCIPLINE AN EMPLOYEE BECAUSE THE EMPLOYER MUST WITHHOLD SUPPORT OR MAINTENANCE MONEY.~~ Minnesota Statutes, section 518.611.

5. ~~The Maintenance~~ payments shall begin to be withheld no later than the first pay period that occurs after 14 days following the date of mailing of the notice to the employer or other payor of funds in paragraph 3(d) ~~and from that date.~~ *Child support payments shall begin to be withheld no later than the first pay period that occurs 14 days following the date of mailing of the court's order to the employer or other payor of funds under Minnesota Statutes, section 518.611, subdivision 2, paragraph (b).* On and after this date, the employer or other payor of funds is liable for amounts required to be withheld.

6. This order for withholding takes priority over any attachment, execution, garnishment, or wage assignment levied against the income of the Obligor. Amounts withheld are not subject to other statutory limitations on amounts levied against the income of the Obligor but must not exceed the maximum permitted under the federal Consumer Credit Protection Act, United States Code, title 15, section 1673(b)(2). If there is more than one withholding order on a single Obligor, the employer or other payor of funds shall put them into effect in the order received, up to the maximum allowed under the Consumer Credit Protection Act.

7. When the Obligor's employment is terminated or the periodic payment ends, the *Obligor and the employer or other payor of funds* ~~is are~~ required to notify _____ within ~~30~~ *ten* days of the termination date. The notice must include the Obligor's home address of record and, if known, the name and address of the Obligor's new employer or other payor of funds.

8. Upon transmittal of the last reimbursement payment to the obligor, where lump sum severance pay, accumulated sick pay or vacation pay is paid upon termination of employment, and where the employee is in arrears in making court ordered child support payments, the employer must withhold an amount which is the lesser of (1) the amount in arrears or (2) that portion of the arrearages which is the product of the obligor's monthly court ordered support amount multiplied by the number of months of net income that the lump sum payment represents.

9. If the Obligee serves the employer or other payor of funds under paragraph 3(d), the Obligee shall also serve the determination and order on _____, together with an application and fee to use collection services.

10. Service of this Order shall be _____

Sec. 84. [1987 COUNTY IMPLEMENTATION PLANS.]

By October 1, 1987, each county shall prepare an implementation plan for AFDC employment and training services and submit it to the commissioner of jobs and training as part of their local service unit plan under section 268.88. The implementation plan must include a timetable for phasing in AFDC employment and training services, any barriers to implementing AFDC employment and training services, and a proposed design for the AFDC employment and training delivery system."

Page 82, after line 26, insert:

"\$_____ is appropriated from the general fund to the commissioner of human services for the purpose of section 80, to be available until June 30, 1988. Within 45 days after the end of each quarter, the commissioner of human services shall distribute one-fourth of this sum to the counties in which section 80 applies. Each county shall receive a percentage of the award equal to its total number of child support enforcement cases divided by the sum of the child support enforcement cases in all counties eligible to receive a share. A county must submit a copy of its board resolution to the commissioner, and be in compliance with section 80, on or before the first day of the quarter in order to be eligible for that quarter's award."

Page 82, line 27, delete "There" and insert "\$_____" and after "appropriated" insert "to the commissioner of human services"

Page 82, line 28, delete "\$_____"

Page 83, line 10, delete "79, and 81 to 85" and insert "73, 75 to 79, 81, and 83 to 89"

Page 83, line 11, delete "80" and insert "82"

Page 83, line 12, after the period, insert "Section 74 is effective August 1, 1987, and applies to orders entered before, on, or after that date. Section 80 is effective August 1, 1987."

Page 83, line 18, after "children" insert "(AFDC)" and after "program" delete "(AFDC)"

Page 83, line 22, delete "be required to"

Page 83, line 23, delete "to"

Page 83, line 27, delete "be"

Page 83, line 28, delete "required to"

Page 84, line 1, delete "to"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 15, after "8" insert "and by adding a subdivision"

Page 1, line 16, delete "4, 5,"

Page 1, delete line 21

Page 1, line 22, delete everything before "267.02"

Page 1, line 28, before "518.171" insert "518.131, subdivision 7;"

Page 1, line 29, before the semicolon, insert ", and by adding a subdivision" and before "518.611" insert "518.57, subdivision 1;"

Page 1, line 30, after "8" insert ", and by adding a subdivision" and delete the second "and" and after "2;" insert "and 518.645;"

Page 1, line 32, delete "and" and after "256D" insert ", and 518"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 412: A bill for an act relating to real property; creating a lien against real property for expenses incurred by agencies or political subdivisions in taking action to protect public health, safety, or the environment with respect to the release of substances; providing for filing, enforcement, and appeal of the lien; proposing coding for new law in Minnesota Statutes, chapter 514.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [514.675] [LIEN FOR EXPENSES OF ACTIONS TO PROTECT PUBLIC HEALTH, SAFETY, OR THE ENVIRONMENT.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section unless the context clearly requires otherwise.

(a) "Agency" means the pollution control agency.

(b) "Release" means a release of a hazardous substance or pollutant or contaminant as those terms are defined in section 115B.02, or a discharge of pollutants subject to the requirements of section 115.061.

(c) "Remedial action" means action to prevent, control, mitigate, or remedy a release or threatened release, including related investigation, preparation, and monitoring activities.

Subd. 2. [LIEN CREATED; EXPIRATION.] (a) When the agency takes remedial action to protect the public health, safety, or the environment, the reasonable and necessary expenses incurred by the agency in taking the remedial action, including administrative and legal expenses, constitute a lien against real property as provided in this section.

(b) The lien is effective upon filing of a notice of lien under subdivision 7. The lien expires five years after the date the notice of lien is filed unless

the agency files an additional notice of lien under subdivision 7.

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

Subd. 3. [PROPERTY OWNED BY PERSON NOT LEGALLY RESPONSIBLE FOR EXPENSES.] *If the owner of the property to which a lien attaches under this section is not legally responsible for the payment of remedial action expenses, the following provisions apply:*

(a) The amount of the lien is limited to an increase in market value of the real property attributable to the remedial action.

(b) Except as provided in subdivision 5, the lien has priority over all other liens and encumbrances on the real property, regardless of when recorded, including liens and encumbrances recorded before the effective date of this section.

(c) The lien may be attached only against real property where the release first occurred.

Subd. 4. [PROPERTY OWNED BY PERSON LEGALLY RESPONSIBLE FOR EXPENSES.] *If the owner of the property to which a lien attaches under this section is legally responsible for the payment of remedial action expenses, the following provisions apply:*

(a) The amount of the lien is the full amount of the reasonable and necessary expenses incurred in taking the remedial action, including legal and administrative expenses.

(b) To the extent of an increase in market value of the real property attributable to the remedial action, and except as provided in subdivision 5, the lien has priority over all other liens and encumbrances on the real property, regardless of when recorded, including liens and encumbrances recorded before the effective date of this section.

(c) With respect to an amount of a lien that exceeds any increase in market value of the real property attributable to the remedial action or a lien on real property where there is no increase in market value attributable to the remedial action, the lien is subordinate to all other liens and encumbrances recorded or arising before the notice of the lien is filed.

(d) The lien may be attached to the following real property:

(1) real property where the release occurred or where the remedial action is taken;

(2) real property contiguous to the real property against which the lien may be filed under clause (1) if, within the five years preceding the filing of the notice of lien, the contiguous property was included in the legal description of the real property against which the lien may be filed under

clause (1); and

(3) real property where the substances present in the release were generated or stored before coming to be located at the property where the release occurred, provided that no increase in market value of real property described in this clause may be attributed to remedial action taken at other real property.

Subd. 5. [EXCEPTIONS TO PRIORITY LIEN.]

(a) A lien on real property, the greater part of which is devoted to single or multifamily housing, is subordinate to all other liens and encumbrances recorded or arising before the notice of lien is filed.

(b) A lien created by this section is subordinate to a lien for real estate taxes or special assessments.

(c) A lien recorded before a notice of lien is filed under this section by a lienholder who is not legally responsible for the payment of remedial action expenses has priority over a lien under this section but only up to an amount not to exceed the market value of the real property determined before remedial action begins. Subject to a challenge under subdivision 9, the market value of the real property before remedial action begins is determined by appraisal as provided in subdivision 7.

Subd. 6. [PROCEDURES BEFORE FILING NOTICE OF LIEN.] (a) Before seeking to file a notice of lien under paragraph (b), the agency shall provide to the owner of the property against which the lien is to be filed, and to any lienholder or encumbrancer of record, notice of the agency's intent to take remedial action and a reasonable opportunity to negotiate an agreement with the agency concerning the taking of remedial action or reimbursement of the agency's remedial action expenses. In the case of remedial action to be taken under section 115B.17, the procedures required as a condition of taking action under section 115B.17, subdivision 1, constitute notice and reasonable opportunity for negotiation under this subdivision provided that the owner of the real property and a lienholder or encumbrancer of record are notified of the agency's request for remedial action and are afforded a reasonable opportunity to negotiate an agreement with the agency concerning the taking of remedial action or the reimbursement of the agency's remedial action expenses.

(b) After the agency takes the actions under paragraph (a), the agency may petition the district court of the county in which the real property is located for an order allowing the filing of a notice of lien against the real property. The petition must include the name of the owner, a lienholder or encumbrancer of record, and the legal description of the real property to which the notice of lien is proposed to attach. A copy of the petition must be served as provided in the rules of civil procedure on the owner of the real property and a lienholder or encumbrancer of record. The court shall issue an order allowing the agency to file the notice of lien if the agency shows that:

(1) the agency has determined that the real property to which the lien is proposed to attach is real property where the release first occurred or that the owner of the real property is legally responsible for the payment of the remedial action expenses;

(2) the agency afforded notice and reasonable opportunity to negotiate an agreement to the owner and other parties as required in paragraph (a);

(3) an agreement for taking remedial action or for reimbursing the agency's expenses of remedial action has not been reached;

(4) money appropriated for that purpose has been allocated by the agency for remedial action;

(5) the agency has authorized the commencement of remedial action;

(6) with respect to property to which the lien may attach under subdivision 4, paragraph (d), clause (2), the real property meets the requirements of that provision; and

(7) with respect to property to which the lien may attach under subdivision 4, paragraph (d), clause (3), the agency has determined that substances present in the release were generated or stored at the real property before coming to be located at the real property where the release occurred.

The proceeding under this paragraph is summary in nature and is limited to a determination of whether the agency has made the showing required in clauses (1) to (7). Adjudication of other matters relating to the validity, amount, or priority of the lien must be made in an action for enforcement of the lien under subdivision 9. When the agency shows that it has taken an action or made a determination as provided in this paragraph, the action or determination of the agency is not subject to judicial review in this proceeding. In the case of an agency action or determination, it is sufficient if the agency shows that the action or determination was made by agency resolution in accordance with legal procedure and was accompanied by a written statement of the reasons for the action or determination, provided that the agency showing is insufficient if a party opposed to the petition demonstrates a reasonable probability of success in challenging the validity of the lien in a later enforcement action where the merits of the agency action or determination could be considered. The party must demonstrate a probability of success sufficient to meet the burden imposed on a person seeking a temporary injunction.

A court order allowing the filing of a lien notice must describe the real property against which the lien may be filed. The court shall make its findings and issue its decision in a proceeding under this clause within 60 days after the agency files its petition.

Subd. 7. [FILING AND RECORDING; APPRAISAL.] (a) Subject to an order of the court allowing the filing under subdivision 6, paragraph (b), the agency may file a notice of lien any time after remedial action begins. The notice of lien must state the date when remedial action began, the address and telephone number of the agency, the purpose of the remedial action, the name of the owner, and the legal description of the real property subject to the lien. The agency may file an additional notice of lien without petition or court order within one year before a lien would otherwise expire under subdivision 2, if the remedial action has commenced but has not been completed.

(b) After expenses have been incurred for remedial action, a lien statement may be filed showing (1) the purpose and amount of the expenses incurred in taking the remedial action; (2) the address and telephone number of the agency; (3) the amount of an increase in the market value of the real property attributable to the remedial action; and (4) the name of the owner and the legal description of the property subject to the lien. The filing of a lien statement perfects the lien retroactively to the date on which the notice of lien was filed.

(c) Except for a lien against real property under subdivision 4, where no increase in market value is claimed, appraisals of the market value of the real property before and after the remedial action must be attached to the lien statement. Except as otherwise provided in this paragraph, an appraisal of the market value of the real property must be made before the agency takes remedial action, and must consider the existence and scope of the release for which remedial action will be taken, the value and current use of improvements on the property, and the effect that the release or remedial action may have upon the continued use of the improvements. Appraisals must be performed by a qualified, independent appraiser selected by the agency. An appraisal is not required before a preparation or investigation incident to the remedial action is completed, or before taking remedial action to address an emergency requiring immediate action to protect the public health, safety, or the environment. In the case of emergency remedial action, the appraisal of market value of the real property before remedial action must be made as soon as practicable after the remedial action begins.

(d) When a notice of lien has been filed but a lien statement has not been filed, the agency shall execute a release of the notice upon request of a person with a legal interest in the real property if the agency determines that a claim for expenses incurred in taking remedial action has been satisfied or that legally enforceable arrangements have been made by agreement, stipulation, or otherwise for taking remedial action or reimbursement of the agency's remedial action expenses. After a lien statement has been filed, the agency shall execute a partial or full satisfaction of the lien upon request of a person with a legal interest in the real property if the claim for expenses incurred in taking remedial action has been partially or fully paid.

(e) Notices and statements must be filed in the office of the county recorder or the office of the registrar of titles of the county in which the real property is located. An attestation, certification, or acknowledgement is not required as a condition of filing.

Subd. 8. [OFFICER RESPONSIBLE FOR ADMINISTRATION; DISPOSITION OF PAYMENTS.] The filing, mailing, or serving of a document authorized or required under this section is the responsibility of the director of the agency, or a delegate of the director. Amounts received in payment of claims for expenses incurred in taking remedial action, or in satisfaction of a lien under this section, must be deposited in the fund from which the expenses were paid by the agency.

Subd. 9. [ENFORCEMENT.] (a) When the lien created under this section is perfected by the filing of a lien statement, the lien is enforceable by foreclosure in the manner provided for the foreclosure of judgment liens under chapter 550. Except as provided in paragraph (b), the lien may be enforced against a person who owned the real property at the time the notice of lien was filed or who acquires ownership of the real property after the notice of lien is filed.

(b) In the case of an owner of the real property at the time that the first notice of lien is filed, the lien is enforceable against the owner only when ownership of the real property is transferred to another person or when the agency obtains a judgment that the owner is a person legally responsible for the payment of remedial action expenses.

(c) When the agency seeks to enforce a lien under this section, a person

whose legal interest in the property may be adversely affected by enforcement of the lien may challenge the validity, amount, and priority of the lien, subject to the following provisions:

(1) When the lien is challenged on the grounds that the owner of the real property is not legally responsible for the payment of remedial action expenses, the legal responsibility of the owner must be determined under sections 115.061 and 115.071, sections 115B.01 to 115B.18, or other applicable law.

(2) When an increase in market value attributable to the remedial action is challenged, the court shall make a final determination of the increased value attributable to the remedial action consistent with the provisions for determining value of property in chapter 117, as far as practicable.

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

(4) If the owner of the real property is not legally responsible for the payment of remedial action expenses, the owner may raise as an affirmative defense to enforcement of the lien that the agency has not made reasonable efforts to recover the expenses from persons known to the agency who are legally responsible for the payment of the expenses and financially able to satisfy a judgment.

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

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 261: A bill for an act relating to statutes; reenacting certain amendments to the dram shop act.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

Section 1. [REENACTMENT.]

Minnesota Statutes, chapter 340A, as published in Minnesota Statutes 1986, is reenacted.

ARTICLE II

Section 1. Minnesota Statutes 1986, section 145.63, is amended to read:

145.63 [LIMITATION ON LIABILITY FOR SPONSORING ORGANIZATIONS AND MEMBERS OF REVIEW ORGANIZATIONS.]

Subdivision 1. [MEMBERS.] No person who is a member or employee of, who acts in an advisory capacity to or who furnishes counsel or services

to, a review organization shall be liable for damages or other relief in any action brought by a person or persons whose activities have been or are being scrutinized or reviewed by a review organization, by reason of the performance by the person of any duty, function or activity of such review organization, unless the performance of such duty, function or activity was motivated by malice toward the person affected thereby. No person shall be liable for damages or other relief in any action by reason of the performance of the person of any duty, function, or activity as a member of a review committee or by reason of any recommendation or action of the review committee when the person acts in the reasonable belief that the action or recommendation is warranted by facts known to the person or the review organization after reasonable efforts to ascertain the facts upon which the review organization's action or recommendation is made, except that any corporation designated as a review organization under the Code of Federal Regulations, title 42, section 466 (1983) shall be subject to actions for damages or other relief by reason of any failure of a person, whose care or treatment is required to be scrutinized or reviewed by the review organization, to receive medical care or treatment as a result of a determination by the review organization that medical care was unnecessary or inappropriate.

Subd. 2. [ORGANIZATIONS.] No state or local association of professionals or organization of professionals from a particular area shall be liable for damages or other relief in any action brought by a person whose activities have been or are being scrutinized or reviewed by a review organization established by the association or organization, unless the association or organization was motivated by malice towards the person affected by the review or scrutiny.

Sec. 2. Minnesota Statutes 1986, section 340A.501, is amended to read:
340A.501 [RESPONSIBILITY OF LICENSEE.]

Every licensee is responsible for the conduct in the licensed establishment and any sale of alcoholic beverage by any employee authorized to sell alcoholic beverages in the establishment is the act of the licensee for the purposes of all provisions of this chapter except sections 340A.701, 340A.702, and 340A.703.

Sec. 3. Minnesota Statutes 1986, section 340A.801, subdivision 1, is amended to read:

Subdivision 1. [RIGHT OF ACTION.] A spouse, child, parent, guardian, employer, or other person injured in person, property, or means of support, or who incurs other pecuniary loss by an intoxicated person or by the intoxication of another person, has a right of action in the person's own name for all damages sustained against a person who caused the intoxication of that person by illegally selling alcoholic beverages. All damages recovered by a minor under this section must be paid either to the minor or to the minor's parent, guardian, or next friend as the court directs.

Sec. 4. [REPEALER.]

Minnesota Statutes 1986, section 340A.801, subdivision 5, is repealed.

Sec. 5. [EFFECTIVE DATE.]

Article II, section 2, is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to liquor laws; eliminating vicarious criminal liability for the employer of an individual who violates a liquor law; reenacting certain amendments to the dram shop act; providing for liability of professional review organizations; amending Minnesota Statutes 1986, sections 145.63; 340A.501; and 340A.801, subdivision 1; repealing Minnesota Statutes 1986, section 340A.801, subdivision 5."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 300: A bill for an act relating to education; establishing chemical abuse pre-assessment teams and community advisory teams; requiring teachers to report possession, use, and transfer of chemical substances by students; providing penalties; amending Minnesota Statutes 1986, sections 127.41, subdivision 3; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 2, line 12, delete "*means superintendents,*" and insert "*has the meaning given it in section 125.03, subdivision 1.*"

Page 2, delete lines 13 to 17

Page 2, line 20, after "*a*" insert "*school district*" and delete "*under section 124.246,*"

Page 2, line 25, delete "*local*"

Page 2, line 26, delete "*district*"

Page 2, line 32, delete "*of a school district*"

Page 2, line 34, delete "*at a*" and insert "*in the*" and delete "*and*"

Page 2, line 35, delete "*city or town level*"

Page 3, line 1, delete "*3*" and insert "*2*" and after the first comma, insert "*to the extent possible,*"

Page 3, line 11, delete "*3*" and insert "*2*"

Page 3, line 14, after the semicolon, insert "*and*"

Page 3, line 22, delete "*; and*"

Page 3, line 23, delete "*(4) prepare a statement that*" and insert "*pursuant to the*"

Page 3, line 26, delete everything after "*1*" and insert a period

Page 3, delete lines 27 to 29

Pages 3 and 4, delete section 5

Page 4, line 9, delete "*Subdivision 1. [REQUIREMENT; VOLUNTARY REPORTING.] (a)*"

Page 4, line 11, after "*a*" insert "*school district*" and delete "*under section 124.246,*"

Page 4, delete lines 17 to 36

Page 5, delete lines 1 and 2

Page 5, delete sections 7 and 8

Page 6, line 30, delete "4" and insert "3" and delete ", clause (c)"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "providing"

Page 1, line 6, delete "penalties;"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1188, 1223, 1296, 1441, 760, 852, 748, 1426, 1044 and 156 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1390, 354, 955, 1009, 947, 1170, 1267, 31, 332 and 1120 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Ramstad moved that his name be stricken as a co-author to S.F. No. 220. The motion prevailed.

Mr. Berg moved that the name of Mr. Morse be added as a co-author to S.F. No. 717. The motion prevailed.

Mr. Marty moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 780. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Dicklich be added as a co-author to S.F. No. 1468. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 1472. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Davis be added as a co-author to S.F. No. 1492. The motion prevailed.

Mr. Novak moved that the name of Mr. Laidig be added as a co-author to S.F. No. 1495. The motion prevailed.

Mr. Knutson introduced—

Senate Resolution No. 61: A Senate resolution congratulating Catherine Jean Dimond for receiving the Young American Award from the Viking Council Boy Scouts of America.

Referred to the Committee on Rules and Administration.

Ms. Reichgott and Messrs. Jude and Ramstad introduced—

Senate Resolution No. 62: A Senate resolution congratulating Dr. Hedi Oplesch for receiving the Cross of the Order of Merit of the Federal Republic

of Germany.

Referred to the Committee on Rules and Administration.

Messrs. Pogemiller, Luther and Moe, R.D. introduced—

Senate Concurrent Resolution No. 10: A Senate concurrent resolution relating to the legislature; requiring a study of broadcasting the proceedings and hearings of the Senate and House of Representatives.

Referred to the Committee on Rules and Administration.

Mr. Metzen moved that S.F. No. 1428, No. 162 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

CALENDAR

H.F. No. 499: A bill for an act relating to metropolitan government; changing the treatment of current value credits and modifying the cost allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1986, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9; repealing Minnesota Statutes 1986, section 473.517, subdivisions 4, 5, and 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Metzen	Reichgott
Anderson	Davis	Jude	Moe, D.M.	Renneke
Beckman	DeCramer	Knaak	Moe, R.D.	Samuelson
Belanger	Dicklich	Knutson	Morse	Schmitz
Benson	Diessner	Kroening	Novak	Storm
Berg	Frank	Laidig	Olson	Stumpf
Berglin	Frederick	Langseth	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Lantry	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Larson	Peterson, R.W.	Waldorf
Brandt	Freeman	Marty	Piper	Wegscheid
Brataas	Gustafson	McQuaid	Pogemiller	Willet
Chmielewski	Hughes	Mehrkens	Purfeerst	
Cohen	Johnson, D.E.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 200: A bill for an act relating to abuse and neglect reporting; providing a standard for the disclosure of a reporter's name under the child abuse reporting act and the vulnerable adults reporting act; amending Minnesota Statutes 1986, sections 626.556, subdivision 11; and 626.557, subdivision 12.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Belanger	Dicklich	Knutson	Moe, D.M.	Samuelson
Benson	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Spear
Berglin	Frederick	Langseth	Novak	Storm
Bernhagen	Frederickson, D.J.	Lantry	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pehler	Taylor
Brandl	Freeman	Lessard	Peterson, R.W.	Vickerman
Brataas	Gustafson	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	Willet
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

H.F No. 839: A bill for an act relating to public safety; local emergency telephone service; requiring automatic location identification for public safety answering points; amending Minnesota Statutes 1986, section 403.02, subdivision 6, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Moe, R.D.	Schmitz
Anderson	Dicklich	Kroening	Morse	Solon
Beckman	Diessner	Laidig	Novak	Spear
Belanger	Frank	Langseth	Olson	Storm
Benson	Frederick	Lantry	Pehler	Stumpf
Berg	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Freeman	Luther	Piper	Waldorf
Bertram	Gustafson	Marty	Pogemiller	Wegscheid
Brandl	Hughes	McQuaid	Purfeerst	Willet
Brataas	Johnson, D.E.	Mehrkens	Ramstad	
Chmielewski	Johnson, D.J.	Merriam	Reichgott	
Cohen	Jude	Metzen	Renneke	
Dahl	Knaak	Moe, D.M.	Samuelson	

Mr. Davis voted in the negative.

So the bill passed and its title was agreed to.

H.F No. 1028: A bill for an act relating to labor; regulating mediation, fact finding, and other functions of the bureau of mediation services; providing for violations of the labor union democracy act; amending Minnesota Statutes 1986, sections 179.02, subdivision 2, and by adding a subdivision; 179.07; 179.08; 179.083; 179.22; 179.38; proposing coding for new law in Minnesota Statutes, chapter 179; repealing Minnesota Statutes 1986, sections 179.05; 179.23; and 179.24.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1049: A bill for an act relating to labor; regulating the administration of the occupational safety and health act; clarifying employee rights to sue; amending Minnesota Statutes 1986, sections 182.659, subdivisions 6 and 8; 182.661, by adding a subdivision; 182.666, subdivisions 1, 2, 4, 5, and 6; and 182.669, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 922: A bill for an act relating to horse racing; regulating license suspensions and revocations of class C licenses; modifying the time periods and dollar limitations used to trigger contested case hearings; requiring rules that prohibit horses from carrying foreign substances when they race; requiring medical testing fee rules; making permanent the statutory provisions authorizing the use of certain medications; amending Minnesota Statutes 1986, sections 240.08, subdivision 5; 240.16, subdivision 1; 240.22; 240.24, subdivisions 1 and 3; and Laws 1985, chapter 211, section 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Moe, R.D.	Schmitz
Anderson	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	
Davis	Knaak	Moe, D.M.	Samuelson	

So the bill passed and its title was agreed to.

H.F. No. 235: A bill for an act relating to education; allowing certain districts to mail summaries of the school board proceedings rather than publish them; amending Minnesota Statutes 1986, section 123.33, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Moe, R.D.	Schmitz
Anderson	Dicklich	Kroening	Morse	Solon
Beckman	Diessner	Laidig	Novak	Spear
Belanger	Frank	Langseth	Olson	Storm
Benson	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	
Davis	Knaak	Moe, D.M.	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 235: A bill for an act relating to missing children; requiring schools to develop policies on notifying parents whose children are absent from school; requiring that certain documents be provided to schools when new students enroll; proposing coding for new law in Minnesota Statutes, chapter 123.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R.D.	Schmitz
Anderson	DeCramer	Knutson	Morse	Solon
Beckman	Dicklich	Kroening	Novak	Spear
Belanger	Diessner	Laidig	Olson	Storm
Benson	Frank	Langseth	Pehler	Stumpf
Berg	Frederick	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Piper	Waldorf
Bertram	Freeman	Luther	Pogemiller	Wegscheid
Brandl	Gustafson	Marty	Purfeerst	Willet
Brataas	Hughes	McQuaid	Ramstad	
Chmielewski	Johnson, D.E.	Mehrkens	Reichgott	
Cohen	Johnson, D.I.	Metzen	Renneke	
Dahl	Jude	Moe, D.M.	Samuelson	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 750: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R.D.	Schmitz
Anderson	DeCramer	Knutson	Morse	Solon
Beckman	Dicklich	Kroening	Novak	Spear
Belanger	Diessner	Laidig	Olson	Storm
Benson	Frank	Lantry	Pehler	Stumpf
Berg	Frederick	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Piper	Waldorf
Bertram	Freeman	Marty	Pogemiller	Wegscheid
Brandl	Gustafson	McQuaid	Purfeerst	Willet
Brataas	Hughes	Mehrkens	Ramstad	
Chmielewski	Johnson, D.E.	Merriam	Reichgott	
Cohen	Johnson, D.I.	Metzen	Renneke	
Dahl	Jude	Moe, D.M.	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 345: A bill for an act relating to environment; prohibiting the use of certain pesticides; proposing coding for new law in Minnesota Statutes, chapter 18A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrrens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that the Senate take up the Consent Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CONSENT CALENDAR

H.F. No. 1042: A bill for an act relating to motor carriers; exempting drivers of intrastate charter carriers from having in possession a medical examiner certificate if the driver has a school bus endorsement; amending Minnesota Statutes 1986, section 221.031, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Moe, D.M.	Schmitz
Anderson	Davis	Knaak	Moe, R.D.	Solon
Beckman	DeCramer	Knutson	Morse	Spear
Belanger	Dicklich	Laidig	Novak	Storm
Benson	Diessner	Langseth	Olson	Stumpf
Berg	Frank	Lantry	Pehler	Taylor
Berglin	Frederick	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Waldorf
Bertram	Frederickson, D.R.	Luther	Piper	Wegscheid
Brandl	Freeman	McQuaid	Ramstad	Willet
Brataas	Gustafson	Mehrrens	Reichgott	
Chmielewski	Hughes	Merriam	Renneke	
Cohen	Johnson, D.E.	Metzen	Samuelson	

So the bill passed and its title was agreed to.

H.F. No. 557: A bill for an act relating to state departments and agencies; renaming the mental retardation division of the department of human services; amending Minnesota Statutes 1986, section 245.072.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Renneke
Anderson	Davis	Knaak	Metzen	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	Willet
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 678, which the committee recommends to pass.

S.F. No. 863, which the committee recommends to pass with the following amendments offered by Messrs. Wegscheid and Pehler:

Mr. Wegscheid moved to amend S.F. No. 863 as follows:

Page 2, line 4, after the period, insert "*The assignment of racing days and times of racing to a facility licensed under section 1 may not prevent the commission from assigning to a racetrack in existence on January 1, 1987, the same or overlapping days or times.*"

Page 2, line 5, delete "*thoroughbred*" and insert "*nonstandard-bred*"

The motion prevailed. So the amendment was adopted.

Mr. Pehler moved to amend S.F. No. 863 as follows:

Page 1, after line 23, insert:

"An application for an additional class A license within the seven-county metropolitan area may not delay or adversely affect an application for a class A license for a facility to be located outside the seven-county metropolitan area."

The motion prevailed. So the amendment was adopted.

S.F. No. 283, which the committee recommends progress subject to the following motions:

Mr. Spear moved to amend S.F. No. 283 as follows:

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "prohibiting"

Page 1, line 4, before the first semicolon, insert "by a pregnancy counseling service"

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend S.F. No. 283 as follows:

Page 1, delete lines 9 to 13

Renumber the subdivisions in sequence

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S.F. No. 283.

The roll was called, and there were yeas 31 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Merriam	Piper	Storm
Berg	Diessner	Moe, D.M.	Pogemiller	Taylor
Berglin	Frederick	Moe, R.D.	Purfeerst	Willet
Brandl	Freeman	Morse	Ramstad	
Brataas	Lantry	Novak	Reichgott	
Cohen	Luther	Peterson, D.C.	Solon	
DeCramer	Marty	Peterson, R.W.	Spear	

Those who voted in the negative were:

Adkins	Davis	Jude	McQuaid	Stumpf
Beckman	Frank	Knaak	Mehrkens	Vickerman
Benson	Frederickson, D.J.	Kroening	Olson	Waldorf
Bernhagen	Gustafson	Laidig	Pehler	Wegscheid
Bertram	Hughes	Langseth	Renneke	
Chmielewski	Johnson, D.E.	Larson	Samuelson	
Dahl	Johnson, D.J.	Lessard	Schmitz	

The motion did not prevail. S.F. No. 283 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Peterson, R.W. introduced—

S.F. No. 1498: A bill for an act relating to taxation; restricting the motor vehicle excise tax exemption for vehicles purchased for resale; amending Minnesota Statutes 1986, sections 168.27, subdivision 16; and 297B.035, subdivision 1.

Referred to the Committee on Transportation. Mr. Peterson, R.W. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Mehrkens introduced—

S.F. No. 1499: A bill for an act relating to unemployment compensation; benefit requalification after voluntary quit or discharge for misconduct; amending Minnesota Statutes 1986, section 268.09, subdivision 1.

Referred to the Committee on Employment.

Mr. Purfeerst introduced—

S.F. No. 1500: A bill for an act relating to firearms safety; increasing the age under which a firearms safety course and certificate are required; amending Minnesota Statutes 1986, section 97B.021, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Metzen introduced—

S.F. No. 1501: A bill for an act relating to state government; transferring the powers and duties of the department of health and its commissioner with respect to the regulation of health maintenance organizations to the department of commerce and its commissioner; making various technical changes; amending Minnesota Statutes 1986, sections 62D.01, subdivision 2; 62D.02, subdivisions 2, 8, and 12; 62D.03; 62D.04, subdivisions 1 and 2; 62D.06, subdivision 2; 62D.07, subdivision 2; 62D.08, subdivisions 1, 2, and 3; 62D.10, subdivision 4; 62D.11, subdivision 2; 62D.12, subdivisions 1, 2, and 9; 62D.14, subdivisions 1, 3, 5, and 6; 62D.15, subdivisions 1 and 4; 62D.16; 62D.17; 62D.18; 62D.19; 62D.20; 62D.21; 62D.22, subdivisions 4 and 10; 62D.24; and 62D.30, subdivisions 1 and 3; repealing Minnesota Statutes 1986, section 62D.02, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Storm introduced—

S.F. No. 1502: A bill for an act relating to education; removing the not for profit requirement for certain schools in connection with tax deductions; amending Minnesota Statutes 1986, section 290.089, subdivision 2.

Referred to the Committee on Education.

Messrs. Purfeerst, Langseth and Novak introduced—

S.F. No. 1503: A bill for an act relating to transportation; providing increases in taxes on motor vehicles and on gasoline and special fuel; increasing driver license fees; providing for the deposit of receipts from the motor vehicle excise tax; amending Minnesota Statutes 1986, sections 168.013, by adding a subdivision; 171.02, subdivision 3; 171.06, subdivision 2; 296.02, subdivision 1b; 296.025, subdivision 1; and 297B.09, subdivision 2.

Referred to the Committee on Transportation.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 27, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-EIGHTH DAY

St. Paul, Minnesota, Monday, April 27, 1987

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mrs. Lantry imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Richard Erickson.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Belanger	Dicklich	Knutson	Moe, D.M.	Samuelson
Benson	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Solon
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Storm
Bertram	Frederickson, D.R.	Larson	Pehler	Vickerman
Brandl	Freeman	Lessard	Peterson, D.C.	Waldorf
Brataas	Gustafson	Luther	Peterson, R.W.	Wegscheid
Chmielewski	Hughes	Marty	Piper	Willet
Cohen	Johnson, D.E.	McQuaid	Pogemiller	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 793.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 23, 1987

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 94: A bill for an act relating to public health; requiring an

itemized billing for hearing aid repairs; amending Minnesota Statutes 1986, section 145.43, by adding a subdivision.

Senate File No. 94 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 23, 1987

Mr. Davis moved that the Senate do not concur in the amendments by the House to S.F. No. 94, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 85, 466, 487, 242, 945 and 949.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 23, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 85: A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 4, 8, 10, 12, and 24; 169.57, by adding a subdivision; 325E.0951, by adding a subdivision; 325G.18; and 336.2-316; proposing coding for new law in Minnesota Statutes, chapters 168 and 168A.

Referred to the Committee on Commerce.

H.F. No. 466: A bill for an act relating to commerce; clarifying unregulated sales of eyeglasses; amending Minnesota Statutes 1986, section 148.56, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1372, now on General Orders.

H.F. No. 487: A bill for an act relating to commerce; regulating membership camping practices; prohibiting certain advertising practices; establishing escrow requirements; regulating subdivided land sales practices; prohibiting certain advertising practices; amending Minnesota Statutes 1986, sections 82A.02, subdivisions 2, 10, and 19; 82A.04, subdivision 2; 82A.09, by adding a subdivision; 82A.11, subdivision 3; and 82A.24, subdivisions 3 and 6; proposing coding for new law in Minnesota Statutes, chapters 82A and 83.

Referred to the Committee on Rules and Administration for comparison

with S.F. No. 710, now on General Orders.

H.F. No. 242: A bill for an act relating to commerce; modifying the maximum finance charge on certain open end credit sales; authorizing additional charges; amending Minnesota Statutes 1986, section 334.16, subdivision 1, and by adding a subdivision.

Referred to the Committee on Commerce.

H.F. No. 945: A bill for an act relating to education; requiring a school district to consider consumer education periodically in formulating its planning, evaluation and reporting policy; amending Minnesota Statutes 1986, section 126.66, subdivision 1.

Referred to the Committee on Education.

H.F. No. 949: A bill for an act relating to consumer protection; requiring registration for health, buying, and social referral clubs; providing bonding and alternative security requirements; regulating bond claims; amending Minnesota Statutes 1986, sections 325G.23, subdivisions 4, 8, and by adding a subdivision; and 325G.27.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 956: A bill for an act relating to natural resources; amending drainage law definitions; prescribing payment of attorney fees on certain drainage issues appealed by the commissioner; prescribing general provisions for petitions; amending petition requirements; allowing drainage proceedings to be delayed; prescribing conditions for assessments against property within a municipality; prescribing extent of benefits and damages; requiring a benefits and damages statement and a property owner's report; providing drainage liens to be recorded against tracts of property; changing rates of interest to be paid during drainage proceedings; amending definition of repair; authorizing conditions for repair if design elevation is different than original construction elevation; providing easement for drainage authority to inspect drainage system; requiring permanent grass strips; apportioning repair costs; renumbering sections; providing penalties; amending Minnesota Statutes 1986, sections 105.40, subdivision 11; 106A.005, subdivisions 2, 3, 4, 9, 10, 11, 12, 13, 14, 19, and by adding subdivisions; 106A.011, subdivisions 3 and 4; 106A.015; 106A.021, by adding subdivisions; 106A.031; 106A.051; 106A.055; 106A.081, subdivisions 2 and 3; 106A.091, subdivision 4; 106A.095, subdivisions 1, 3, and 4; 106A.101, subdivisions 2 and 4; 106A.215, subdivisions 4 and 5; 106A.221; 106A.225; 106A.231; 106A.235, subdivisions 1 and 2; 106A.241, subdivisions 1, 2, and 5; 106A.245; 106A.251; 106A.261, subdivisions 1, 3, 4, 5, 6, and 7; 106A.265, subdivision 1; 106A.271, subdivision 1; 106A.275; 106A.281; 106A.285, subdivisions 2, 4, 5, 6, 9, and 10; 106A.295; 106A.301; 106A.305, subdivision 1; 106A.311; 106A.315, subdivisions 1, 2, 5, 6, and by adding subdivisions; 106A.321, subdivision 1, and by

adding a subdivision; 106A.325, subdivisions 2 and 3; 106A.335, subdivisions 1 and 3; 106A.341; 106A.345; 106A.351; 106A.401, subdivisions 2 and 6, and by adding subdivisions; 106A.405; 106A.411, subdivisions 3 and 4; 106A.501, subdivisions 4, 6, and 7; 106A.505, subdivisions 1, 2, 3, 7, and 8; 106A.511, subdivisions 1, 2, 3, and 5; 106A.515; 106A.525, subdivisions 2, 3, and 4; 106A.541; 106A.555, subdivision 2; 106A.601; 106A.605; 106A.611, subdivisions 2, 3, 6, and 7; 106A.615, subdivisions 4 and 7; 106A.635, subdivisions 1 and 10; 106A.645, subdivision 7; 106A.651, subdivision 1; 106A.655, subdivision 1; 106A.701, subdivision 1, and by adding a subdivision; 106A.705; 106A.715, subdivision 6; 106A.731, subdivision 1; 106A.741, subdivision 5; 106A.811, subdivisions 2, 4, and 5; 112.431, subdivision 2; 112.48, subdivision 1; 112.59; 112.60, subdivision 1; and 112.65, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 106A; repealing Minnesota Statutes 1986, sections 106A.005, subdivision 25; 106A.201; 106A.205; 106A.211; and 111.01 to 111.421.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 16, delete "*and emergency*"

Page 9, line 14, delete "*project*"

Page 19, delete line 32

Page 19, line 33, delete "*have*" and after "*attorney*" insert "*must*" and delete the second "*the*" and insert "*each*" and after "*bond*" insert "*filed with the county*"

Page 31, line 5, delete "*against*" and insert "*to*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1258: A bill for an act relating to metropolitan sports facilities; allowing a waiver of the admissions tax in certain circumstances; amending Minnesota Statutes 1986, section 473.595, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, strike "*Commencing*"

Page 1, strike line 18

Page 1, line 19, strike everything before the second "*the*"

Page 1, line 21, strike "*such*"

Page 1, line 22, after "*facilities*" insert "*constructed by the commission pursuant to sections 473.551 to 473.595*"

Page 2, line 22, delete "*lowered*" and insert "*reduced*"

Page 2, line 23, delete the second "*the*" and delete "*and showing*"

Page 2, line 24, after "*corporation*" insert "*that sells admissions to events at the sports facility, showing*"

Page 2, line 25, after "loss" insert ", as determined under generally accepted accounting principles,"

Page 2, line 27, delete "lower" and insert "reduce"

Page 2, line 28, delete "it is" and insert "the waiver or reduction would, in the judgment of the commission, make it"

Page 2, line 30, after the period, insert "A waiver or reduction may be granted for a period of up to one year. Subsequent waivers or reductions may be granted if the applicant continues to qualify."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1347: A bill for an act relating to workers' compensation; requiring security of self-insurers; regulating special compensation fund assessments and liability; creating a self-insurer insolvency fund; authorizing certain inspections; providing penalties; amending Minnesota Statutes 1986, sections 176.041, subdivision 4, and by adding a subdivision; 176.129, subdivisions 3 and 13; 176.131, subdivisions 1, 1a, and 8; 176.132, subdivision 1; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.225, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 60A and 176.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [60A.101] [SELF-INSURERS; DEPOSIT OF SECURITIES OR BONDS.]

Subdivision 1. [REQUIREMENT.] A workers' compensation self-insurer, except the state and its political subdivisions, as well as political subdivision self-insurance pools exempted by sections 471.98 to 471.982, must deposit securities or surety bonds acceptable to the commissioner of commerce of a value at least equal to:

(1) 110 percent of its total outstanding workers' compensation liability provided that the deposit must be no less than the retention level selected with the workers' compensation reinsurance association, for an employer who has been self-insured for at least two years. The total outstanding workers' compensation liability incurred must be certified by an actuary who is a member of the casualty actuarial society one year after the date of authority to self-insure and every fourth year thereafter unless requested more frequently by the commissioner of commerce. Self-insurers authorized to self-insure on the effective date of this section must provide this actuarial certification of outstanding liabilities on July 1, 1988, or upon the anniversary of their authority to self-insure, whichever comes first; or

(2) the greater of the retention level selected with the workers' compensation reinsurance association, or 70 percent of the employer's estimated current modified premium as developed using the rates currently utilized by the Minnesota workers' compensation assigned risk plan for an employer who has been self-insured less than two years.

Subd. 2. [SURETY BOND FORM.] The bond must be in the form as follows:

"KNOW ALL PERSONS BY THESE PRESENTS: That we, (entity to be bonded), of (location), (hereinafter called the "principal(s)"), as principal(s), and (bonding company name), a (name of state) corporation, of (location) (hereinafter called the "surety"), as surety, are held and firmly bound unto the commissioner of commerce of the STATE OF MINNESOTA for the use and benefit of the employees of the principal(s) and to pay workers' compensation obligations of the principal(s) in the sum of (amount in writing), for the payment of which well and truly to be made, the principal(s) bind themselves, their successors and assigns, and the surety binds itself and its successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, in accordance with the provisions of Minnesota Statutes, section 176.181, the principal(s) has by written order of the commissioner of commerce of the state of Minnesota been exempted from insuring their liability for compensation according to the Minnesota workers' compensation act and have been permitted by order to self-insure all liability hereafter arising under the workers' compensation act.

NOW, THEREFORE, the condition of this obligation is such that if the principal(s) shall, according to the terms, provisions, and limitations of the Minnesota workers' compensation act, pay all of the principal's liabilities and obligations under the act, including all benefits as provided by the act, then this obligation shall be null and void, otherwise to remain in full force and effect subject, however, to the following terms and conditions.

(a) The liability of the surety is limited to the payment of all legal liabilities and obligations, including payment of compensation and medical benefits, provided by the workers' compensation act of Minnesota which are payable by the principals for or on account of personal injuries or occupational diseases sustained during or attributable to the entire period that the bond is in effect, subject to cancellation, as provided in paragraphs (b) and (e). In no event shall the total liability of the surety exceed the penal amount of the bond.

(b) In the event of a default, whenever occurring, on the part of the principal(s) to abide by any award, order, or decision directing and awarding payment of such legal liabilities, obligations, or benefits to or on behalf of any employee or the dependents of any deceased employee, which occurred during the period this bond remains in force, regardless of whether this bond has been canceled prior to the making of the claim or the award, order, or decision, the commissioner of commerce may, upon 20 days notice to the surety and opportunity to be heard, require the surety to pay the amount of the award, order, or decision to be enforced in the same manner as an award may be enforced against said principal(s).

(c) Service on the surety shall be deemed to be service on the principals.

(d) This bond shall continue in force from year to year unless canceled as herein provided. However, the penal amount of the bond must be revised each year to comply with all statutory requirements and rules. Regardless of the number of years this bond remains in force or the number of annual premiums paid or payable, the total liability of the surety hereunder may not exceed the penal amount of the bond.

(e) This bond may be canceled at any time by the surety by giving 60

days notice in writing to the commissioner of commerce of the state of Minnesota at its offices in the city of St. Paul, Minnesota, and upon expiration of said 60 days, the liability of the surety hereunder shall cease, except as to liability incurred hereunder prior to the expiration of said 60 days, as set out in paragraph (a).

(f) This bond shall become effective at (time of day, month, day, year).

IN TESTIMONY WHEREOF, said principal(s) and said surety have caused this instrument to be signed by their respective duly-authorized officers and their corporate seals to be hereunto affixed this (day, month, year).

Signed, sealed, and delivered in the presence of:

Corporation Name

By: _____

Bonding Company Name

By: _____"

Subd. 3. [DEFINITIONS.] For the purposes of this section, "control" means, with respect to a company or organization authorized to self-insure under Minnesota Statutes, section 176.181, and Minnesota Rules, parts 2780.0100 to 2780.9920:

(1) the ownership of, directly or indirectly, or acting through one or more other persons, control of or the power to vote, 25 percent of more of any class of voting securities; and

(2) control in any manner over the election of a majority of the directors.

Sec. 2. Minnesota Statutes 1986, section 175.007, subdivision 2, is amended to read:

Subd. 2. The advisory council shall study and present to the legislature and the governor, on or before November 15 of each even numbered year, its findings relative to the costs, methods of financing, and the formula to be used to provide supplementary compensation to workers who have been determined permanently and totally disabled prior to July 1, 1969, and its findings relative to alterations in the scheduled benefits for permanent partially disabled, and other aspects of the workers' compensation act. The council shall also study and present to the legislature and the governor on or before November 15 of 1981 and by November 15 of each even-numbered year thereafter a report on the financial, administrative and personnel needs of the workers' compensation division. The council shall receive and respond to any request from the commissioner for advice on a specific workers' compensation issue. After studying the issue the council shall report to the commissioner, the legislature, and the governor any recommendations that received approval by a vote of a majority of all its members. The council, upon a two-thirds vote of all its members, shall study a specific statutory section relating to workers' compensation specified in the motion which is voted upon. After studying the statutory section the council shall report any recommendations to the commissioner, the legislature, and the governor that received approval by a majority of its members.

Sec. 3. Minnesota Statutes 1986, section 176.021, subdivision 1, is amended to read:

Subdivision 1. [LIABILITY FOR COMPENSATION.] Except as excluded by this chapter all employers and employees are subject to the

provisions of this chapter.

Every employer is liable for compensation according to the provisions of this chapter and is liable to pay compensation in every case of personal injury or death of an employee arising out of and in the course of employment without regard to the question of negligence. The burden of proof of these facts is upon the employee.

~~If the injury was intentionally self-inflicted or the intoxication of the employee is the proximate cause of the injury, then the employer is not liable for compensation. The burden of proof of these facts is upon the employer.~~

The employer is not liable for compensation if:

(1) the injury was suicide or otherwise intentionally self-inflicted; or

(2) the intoxication of the employee, by alcohol or use of an unprescribed controlled substance as defined in section 152.01, was a substantial contributing cause of the injury. The burden of proof of these facts is upon the employer; except that, if there is evidence of use by the employee of an unprescribed controlled substance or of the employee's alcohol concentration of 0.10 or more, by analysis of two standard and acceptable tests of the employee's blood, breath, or urine at the time of the injury or as measured within two hours thereof, the employee is conclusively presumed to have been under the influence and has the burden of proving that being under the influence was not a substantial contributing cause of the injury.

Sec. 4. Minnesota Statutes 1986, section 176.041, subdivision 4, is amended to read:

Subd. 4. [OUT-OF-STATE EMPLOYMENTS.] If an employee who regularly performs the primary duties of employment outside of this state or is hired to perform the primary duties of employment outside of this state, receives an injury within this state in the employ of the same employer, such injury shall be covered within the provisions of this chapter if the employee chooses to forego any workers' compensation claim resulting from the injury that the employee may have a right to pursue in some other state, *provided that the special compensation fund is not liable for payment of benefits pursuant to section 176.183 if the employer is not insured against workers' compensation liability pursuant to this chapter and the employee is a nonresident of Minnesota on the date of the personal injury.*

Sec. 5. Minnesota Statutes 1986, section 176.129, subdivision 9, is amended to read:

Subd. 9. [POWERS OF FUND.] In addition to powers granted to the special compensation fund by this chapter the fund may do the following:

(a) sue and be sued in its own name;

(b) intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;

(c) enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter;

(d) contract with another party to administer the special compensation fund; and

(e) take any other action which an insurer is permitted by law to take in operating within this chapter; and

(f) *conduct a financial audit of indemnity claim payments and assessments reported to the fund. This may be contracted by the fund to a private auditing firm.*

Sec. 6. Minnesota Statutes 1986, section 176.129, subdivision 11, is amended to read:

Subd. 11. [ADMINISTRATIVE PROVISIONS.] The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process. *All sums recovered by the special compensation fund as a result of actions under section 176.061, or recoveries of payments made by the special compensation fund under section 176.183 or 176.191 must be credited to the special compensation fund.*

Sec. 7. Minnesota Statutes 1986, section 176.129, subdivision 13, is amended to read:

Subd. 13. [EMPLOYER REPORTS.] All employers and insurers shall make reports to the commissioner as required for the proper administration of this section and ~~section~~ sections 176.131 and 176.132. *Employers and insurers may not be reimbursed from the special compensation fund for any periods for which the employer has not properly filed reports as required by this section and made all payments due to the special compensation fund under subdivision 3.*

Sec. 8. Minnesota Statutes 1986, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability *from that injury alone* that is substantially greater, because of a preexisting physical impairment, than what would have resulted from the personal injury alone, the employer or insurer shall pay all compensation provided by this chapter, but the employer shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and \$2,000 in medical expenses, subject to the ~~following~~ exceptions in paragraphs (a) and (b):

(a) *If the disability caused by the subsequent injury is made substantially greater by the employee's registered preexisting physical impairment, there must be apportionment of liability among all injuries. The special compensation fund may only reimburse for that portion of the compensation, medical expenses, and rehabilitation expenses attributed to the subsequent injury after the applicable deductible has been met.*

(b) *If the subsequent personal injury alone results in permanent partial disability to a scheduled member under the schedule adopted by the commissioner pursuant to section 176.105, the monetary and medical expense limitations shall not apply and the employer is liable for the compensation, medical expense, and rehabilitation attributable to the permanent partial disability, and may be reimbursed from the special compensation fund only*

for compensation paid in excess of the disability the special compensation fund may not reimburse permanent partial disability, medical expenses, or rehabilitation expenses.

Sec. 9. Minnesota Statutes 1986, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

“Physical impairment” means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment except that physical impairment is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease, *provided that objective medical evidence substantiates at least the minimum permanent partial disability listed in the workers' compensation permanent partial disability schedule,*
- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) Brain tumors,
- (p) Pott's disease,
- (q) Seizures,
- (r) Cancer of the bone,
- (s) Leukemia,
- (t) Any other physical impairment resulting in a disability rating of at least ten percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and
- (u) Any other physical impairments of a permanent nature which the commissioner may by rule prescribe;

“Compensation” has the meaning defined in section 176.011;

“Employer” includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or rehabilitation.

Sec. 10. Minnesota Statutes 1986, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (4) (a) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. The commissioner of commerce may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner

as the award may be enforced.

(2)(a) (b) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) (c) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(e) (d) Any three or more employers, excluding the state and its political subdivisions, as described in section 471.617, subdivision 1, who are liable for compensation according to this chapter may jointly self-insure that liability. Joint plans must meet the following requirements:

(1) A joint self-insurance plan must include aggregate excess stop-loss coverage provided by an insurance company licensed by the state of Minnesota. Aggregate excess stop-loss coverage must include provisions to cover incurred, unpaid claim liability in the event of plan termination. The excess or stop-loss insurer must bear the risk of coverage for any member of the pool that becomes insolvent with an outstanding contribution due. In addition, the plan of self-insurance must have participants fund an amount at least equal to the point at which the excess or stop-loss insurer must assume 100 percent of additional liability. A joint self-insurance plan must submit its proposed excess or stop-loss insurance contract to the commissioner of commerce at least 30 days prior to the proposed plan's effective date and at least 30 days subsequent to any renewal date. The commissioner shall review the contract to determine if it meets the standards established by this subdivision and respond within a 30-day period. The initial excess or stop-loss insurance coverage must be non-cancelable for a minimum term of two years. Subsequent contracts must provide for at least 60 days' notice of cancellation or nonrenewal thereafter. This notice must be given to the commissioner as well as the joint self-insurance plan.

(2) If the joint self-insurance plan is unable to obtain excess or stop-loss insurance in the private market, the workers' compensation reinsurance association must provide such coverage to the joint self-insurance plan. Inability to obtain coverage in the private market is deemed to be established, with no further proof required, if the joint self-insurance plan has been refused by at least two insurers licensed to do business in this state, who offer excess or stop-loss insurance.

(3) The workers' compensation reinsurance association shall adopt initial forms and rates for such coverage 180 days after the effective date of this subdivision. Thereafter, the forms and rates may be modified in the

usual manner for the association's forms and rates. The workers' compensation reinsurance association shall offer limits of coverage to a joint self-insurance plan in at least the amounts required by the commissioner for the plan.

(4) No joint self-insurance plan may offer marketing, risk management, or administrative services unless these services are provided by vendors duly licensed by the commissioner to provide these services. No vendor of these services may be a trustee of a joint self-insurance plan for which they provide marketing, risk management, or administrative services.

(5) A joint self-insurance plan is subject to the requirements of the applicable parts of chapters 60A, 72A, 72B, 72C, and 79 unless otherwise specifically exempt. A joint self-insurance plan must offer a plan which complies with all applicable rules and statutes.

(6) Funds collected from the participants under joint self-insurance plans must be held in trust subject to the following requirements:

(i) A board of trustees elected by the participants shall serve as fund managers on behalf of participants. Trustees must be plan participants. No participants may be represented by more than one trustee. A minimum of three and a maximum of seven trustees may be elected. Trustees shall receive no remuneration, but they may be reimbursed for actual and reasonable expenses incurred in connection with duties as trustees.

(ii) Trustees shall be bonded in an amount not less than \$100,000 nor more than \$500,000 from a licensed bonding company.

(iii) Investment of plan funds is subject to the same restrictions as are applicable to political subdivisions pursuant to section 475.66. All investments must be managed by a bank or other investment organization licensed to operate in Minnesota.

(iv) Trustees, on behalf of the fund, shall file annual reports with the commissioner of commerce within 30 days immediately following the end of each calendar year. The reports must summarize the financial condition of the fund, itemize collection from participants, and detail all fund expenditures.

(7) A joint self-insurance plan shall pay a two percent revenue fee. This revenue must be computed based on two percent of the paid claims level for the most recently completed calendar year. This revenue must be deposited in the fund.

(8) Workers' compensation insurance contracts in effect at the time of enactment of this clause may be canceled without penalty until July 1, 1988, by employers who participate in a joint self-insurance plan established under this clause. The premium for any policy so canceled shall be refunded on a pro rata basis.

(e) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.01 to 14.70. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) (3) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) (4) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) (5) establish standards or guidelines governing the formation, operation, administration and dissolution of self-insurance plans; and

(vi) (6) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 11. Minnesota Statutes 1986, section 176.181, subdivision 3, is amended to read:

Subd. 3. [FAILURE TO INSURE, PENALTY.] Any employer who fails to comply with the provisions of subdivision 2 to secure payment of compensation is liable to the state of Minnesota for a penalty of ~~\$100~~ \$750, if the number of uninsured employees is less than five and for a penalty of ~~\$400~~ \$1,500 if the number of such uninsured employees is five or more. If the commissioner determines that the failure to comply with the provisions of subdivision 2 was willful and deliberate, the employer shall be liable to the state of Minnesota for a penalty of ~~\$500~~ \$2,500, if the number of uninsured employees is less than five, and for a penalty of ~~\$2,000~~ \$5,000 if the number of uninsured employees is five or more. If the employer continues noncompliance, the employer is liable for five times the lawful premium for compensation insurance for such employer for the period the employer fails to comply with such provisions, commencing ten days after notice has been served upon the employer by the commissioner of the department of labor and industry by certified mail. These penalties may be recovered jointly or separately in a civil action brought in the name of the state by the attorney general in any court having jurisdiction. Whenever any such failure occurs the commissioner of the department of labor and industry shall immediately certify ~~the~~ *that* fact ~~thereof~~ to the attorney general. Upon receipt of such certification the attorney general shall forthwith commence and prosecute ~~such~~ *the* action. All penalties recovered by the state in any such action shall be paid into the state treasury and credited to the special compensation fund. If an employer fails to comply with the provisions of subdivision 2, to secure payment of compensation after having been notified of the employer's duty, the attorney general, upon request of the commissioner, may proceed against the employer in any court having jurisdiction for an order restraining the employer from having any person in employment at any time when the employer is not complying with the provisions of subdivision 2 *or for an order compelling the employer to comply with subdivision 2.*

Sec. 12. Minnesota Statutes 1986, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state *or local* licensing agency shall withhold the issuance *or renewal* of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2, *by providing the name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. The commissioner shall assess a penalty to the employer of \$1,000 payable to the*

special compensation fund, if the information is not reported or is falsely reported.

Neither the state nor any governmental subdivision of the state shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 13. Minnesota Statutes 1986, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee sustains an injury arising out of and in the course of employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or the employee's dependents shall nevertheless receive benefits as provided for in this chapter from the special compensation fund, and the commissioner has a cause of action against the employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. As used in this subdivision, "employer" includes officers of corporations who have legal control, either individually or jointly with another or others, of the payment of wages. An action to recover the moneys shall be instituted unless the commissioner determines that no recovery is possible. ~~All moneys recovered shall be deposited in the general fund.~~ There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 14. Minnesota Statutes 1986, section 176.183, subdivision 1a, is amended to read:

Subd. 1a. When an employee or the employee's dependent is entitled to benefits under this chapter from a self-insurer, present or past, other than the state and its municipal subdivisions, but the self-insurer fails to pay the benefits, the employee or the employee's dependents, regardless of the date when the accident, personal injury, occupational disease, or death occurred, shall nevertheless receive the benefits from the special compensation fund. The commissioner has a cause of action against the self-insuring employer for reimbursement for all benefits and other expenditures paid out or to be paid out and, in the discretion of the court, the self-insurer is liable for punitive damages in an amount not to exceed 50 percent of the total of all benefits and other expenditures paid out or to be paid out. The commissioner shall institute an action to recover the total expenditures from the fund unless the commissioner determines that no recovery is possible. All proceeds recovered shall be deposited in the ~~general~~ *special compensation fund.*

By assumption of the obligations of a self-insured employer pursuant to this subdivision, the special compensation fund has the right to direct reimbursement under the same conditions and in the same amounts from the workers' compensation insurers reinsurance association and from any

other agreement, contract, or insurance policies which would have reimbursed or indemnified the self-insured employer for payments made pursuant to this chapter.

Sec. 15. Minnesota Statutes 1986, section 176.183, subdivision 2, is amended to read:

Subd. 2. The commissioner of labor and industry, in accordance with the terms of the order awarding compensation, shall pay compensation to the employee or the employee's dependent from the special compensation fund. The commissioner of labor and industry shall certify to the commissioner of finance and to the legislature annually the total amount of compensation paid from the special compensation fund under subdivisions 1 and 1a. The commissioner of finance shall upon proper certification reimburse the special compensation fund from the general fund appropriation provided for this purpose. The amount reimbursed shall be limited to the certified amount paid under this section or the appropriation made for this purpose, whichever is the lesser amount. Compensation paid under this section which is not reimbursed by the general fund shall remain a liability of the special compensation fund and shall be financed by the percentage assessed under section ~~176.131~~, subdivision ~~40~~ 176.129.

Sec. 16. [176.184] [INSPECTIONS; ENFORCEMENT.]

Subdivision 1. [PROOF OF INSURANCE.] The commissioner of labor and industry in order to carry out the purpose of section 176.181 may request satisfactory proof of authority to self-insure workers' compensation liability or satisfactory proof of insurance coverage for workers' compensation liability. If an employer does not provide satisfactory proof as requested within seven working days of the mailing of the request, the commissioner may proceed in accordance with the provisions of subdivisions 2 to 7.

Subd. 2. [AT PLACE OF EMPLOYMENT.] In order to carry out the purposes of section 176.181, the commissioner, upon presenting appropriate credentials to the owner, operator, or agent in charge, is authorized to enter without delay and at reasonable times any place of employment and to inspect and investigate during regular working hours and at other reasonable times, within reasonable limits, and in a reasonable manner, any records pertaining to that employer's workers' compensation insurance policy, number of employees, documents governing conditions and benefits of employment, contracts with employees and their authorized representatives, and any other documents which may be relevant to the enforcement of section 176.181, and to question privately any employer, owner, operator, agent, or employee with respect to matters relevant to the enforcement of section 176.181.

Subd. 3. [POWERS; COMMISSIONER AND DISTRICT COURT.] In making inspections and investigations under this chapter, the commissioner has the power to administer oaths, certify official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. In case of failure of any person to comply with any subpoena lawfully issued, or on the refusal of any witness to produce evidence or to testify to any matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the commissioner, compel obedience in proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal

to testify.

Subd. 4. [RIGHTS OF EMPLOYER AND EMPLOYEE REPRESENTATIVE.] A representative of the employer and a representative authorized by employees must be given an opportunity to participate in any conference or discussion held prior to, during, or after any inspection. Where there is no authorized employee representative, the commissioner shall consult with a reasonable number of employees. No employee as a consequence of aiding an inspection may lose any privilege or payment that the employee would otherwise earn.

Subd. 5. [REQUEST FOR INVESTIGATION BY EMPLOYEE.] (a) Any employee or representative of an employee who believes that their employer is uninsured against workers' compensation liability may request an inspection by giving notice to the commissioner of the belief and grounds for the belief. Any notice must be written, shall set forth with reasonable particularity the grounds for the notice, and must be signed by the employee or representative of employees. A copy of the notice must be provided the employer, representative, or agent no later than the time of inspection, except that, upon the request of a person giving the notice, the employee's name and the names of individual employees referred to in the notice may not appear in the copy or on any record published, released, or made available. If upon receipt of the notification the commissioner determines that reasonable grounds exist to believe that the employer is uninsured against workers' compensation liability, the commissioner shall make an inspection in accordance with this section as soon as practicable. If the commissioner determines that there are not reasonable grounds to believe that a violation exists, the commissioner shall so notify the employee or representative of employees in writing. Upon notification, the employee or the employee representative may request the commissioner to reconsider the determination. Upon receiving the request, the commissioner shall review the determination.

(b) The commissioner, upon receipt of a report of violation of the mandatory insurance provisions of sections 176.181 or 176.185 verified by review of the department's insurance registration records and other relevant information, shall initiate a preliminary investigation to determine if reasonable grounds exist to believe that the employer is uninsured against workers' compensation liability, and upon certification of reasonable belief that the employer is uninsured the commissioner shall make an inspection in accordance with paragraph (a).

Subd. 6. [ORDER PERMITTING ENTRY.] Upon the refusal of an owner, operator, or agent in charge to permit entry as specified in this section, the commissioner may apply for an order in the district court in the county in which entry was refused, to compel the employer to permit the commissioner to enter and inspect the place of employment.

Subd. 7. [ADVANCE NOTICE.] Advance notice may not be authorized by the commissioner except:

(1) in circumstances where the inspection can most effectively be conducted after regular business hours or where special preparations are necessary for an inspection;

(2) where necessary to assure the presence of representatives of the employer and employees or the appropriate personnel needed to aid in the inspection; and

(3) in other circumstances where the commissioner determines that the giving of advance notice would enhance the probability of an effective and thorough inspection.

When advance notice is given to an employer, notice must also be given by the commissioner to the authorized representative of employees if the identity of the representative is known to the employer.

Sec. 17. Minnesota Statutes 1986, section 176.225, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF BOOKS AND RECORDS.] To determine whether an employer or insurer is liable for the payment provided by subdivision 1, the division, a compensation judge, or the workers' compensation court of appeals upon appeal may examine the books and records of the employer or insurer relating to the payment of compensation, and may require the employer or insurer to furnish any other information relating to the payment of compensation.

The right of the division to review the records of an employer or insurer includes the right of the special compensation fund to examine records for the proper administration of sections 176.129, 176.131, 176.132, 176.181, and 176.183. The special compensation fund may not review the records of the employer or insurer relating to a claim under section 176.131 until the special compensation fund has accepted liability under that section or a final determination of liability under that section has been made. The special compensation fund may withhold reimbursement to the employer or insurer under section 176.131 or 176.132 if the employer or insurer denies access to records requested for the proper administration of section 176.129, 176.131, 176.132, 176.181, or 176.183.

Sec. 18. [APPROPRIATIONS; COMPLEMENT INCREASE.]

There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the special compensation fund:

1988	1989
\$197,000	\$197,000

The approved complement of the department of labor and industry is increased by one and is to be used to enforce mandatory insurance requirements."

Delete the title and insert:

"A bill for an act relating to workers' compensation; requiring security of self-insurers; providing for liability for compensation; specifying duties of the workers' compensation advisory council; regulating special compensation fund assessments and liability; creating a self-insurer insolvency fund; regulating self-insurance; authorizing certain inspections; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 175.007, subdivision 2; 176.021, subdivision 1; 176.041, subdivision 4; 176.129, subdivisions 9, 11, and 13; 176.131, subdivisions 1 and 8; 176.181, subdivisions 2 and 3; 176.182; 176.183, subdivisions 1, 1a, and 2; 176.225, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 60A and 176."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 642: A bill for an act relating to human services; prohibiting licensing of supportive living residences; requiring monitoring of facilities; providing for various levels of care for persons with mental illness; directing the commissioner of human services to review and alter rules relating to residential care facilities for persons with mental illness; requiring study of housing needs for persons with mental illness; prohibiting payment to newly-licensed facilities having more than four residents with mental illness; amending Minnesota Statutes 1986, sections 245.802, subdivision 1a, and by adding subdivisions; 256D.01, by adding a subdivision; and 256D.37, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 921: A bill for an act relating to local government; allocating community service block grant discretionary funds; designating certain counties eligible entities for community action funds; amending Minnesota Statutes 1986, sections 268.52, subdivision 2; and 268.53, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Page 2, line 17, delete "Sec. 2." and insert "Section 1."

Page 2, lines 28 to 30, delete the new language and insert "*For purposes of this subdivision, "eligible entity" also means any community action agency which qualified under all federal and state regulations applicable during the period from 1981 to September 30, 1984, which includes only Olmsted and Freeborn counties.*"

Amend the title as follows:

Page 1, lines 2 and 3, delete "allocating community service block grant discretionary funds;"

Page 1, line 6, delete "sections 268.52, subdivision 2; and" and insert "section"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 444: A bill for an act relating to insurance; regulating funeral and burial expenses; allowing persons to select funeral or burial services and supplies of their choice; amending Minnesota Statutes 1986, section 72A.325.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, delete "an" and insert "*a direct equity*"

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 405: A bill for an act relating to Forestville state park; adding property comprising Mystery Cave to Forestville state park; authorizing acquisition of lands and interests in lands therefor; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [85.012] [Subd. 19.] [MYSTERY CAVE ADDED TO FORESTVILLE STATE PARK.]

Subdivision 1. The commissioner of natural resources is authorized to acquire by gift or purchase the lands and interests in lands presently owned or controlled by the owners and operators of Mystery Cave, in Fillmore county, together with such other lands and interests in lands as may be necessary for the permanent development of Mystery Cave as a part of the state park system. These lands and interests in lands, when acquired, will constitute a part of Forestville state park, and shall be administered in the same manner as provided for in other state parks and shall be perpetually dedicated for such use. After necessary repairs and development, the commissioner may conduct guided tours of Mystery Cave and may establish fees therefor. These fees shall be deposited in the state park working capital fund. As necessary to the operation of Mystery Cave, the commissioner may enter into agreements with local road authorities for the maintenance or improvement of roads necessary to provide access to the cave.

Subd. 2. The lands and interests in lands which the commissioner may acquire by gift or purchase for Mystery Cave are described as follows:

(1) the North Half of the East 16 acres of the Southeast Quarter of the Southeast Quarter, the Southeast Quarter of the Southeast Quarter of the Southeast Quarter, and the East 1 acre of the Southwest Quarter of the Southeast Quarter of the Southeast Quarter in Section 19; the Southwest Quarter of the Southwest Quarter of the Southwest Quarter, and the North 20 acres of the East Half of the Southeast Quarter of Section 20; and a 2 rod cartway, the center line being described as follows: Commencing at a point 155 feet West of the northeast corner of the Southeast Quarter of the Southeast Quarter of the Southeast Quarter of Section 19, thence North 10 degrees 30 minutes West 600 feet, thence North 38 degrees 15 minutes West 196 feet, thence North 3 degrees West 460 feet to center of cartway; all in Township 102 North, Range 12 West, County of Fillmore; and

(2) subsurface estates and related rights and interests in lands needed for the permanent preservation of the cave and permanent development of those parts that will be open to the public. These subsurface estates shall include all minerals and mineral rights. The commissioner may exclude subsurface water and water rights from these acquisitions, on the condition that the location and drilling of wells be approved by the commissioner before drilling and that any water appropriation permit not substantially diminish the flow of any subterranean stream necessary to the natural condition of the cave. To the greatest extent possible, and for the purpose

of avoiding future damage to the cave, the commissioner shall specifically include, as a part of the subsurface interests acquired, all sand, gravel, rock, and any other rights that customarily are regarded as interests in surface estates.

Sec. 2. [NIAGARA CAVE FEASIBILITY STUDY.]

The legislature recognizes that caves are valuable natural resources to be used for educational purposes, scientific research, and promotion of economic development through tourism. It further recognizes that Niagara Cave of Harmony, Minnesota, one of two commercially operated caves in Minnesota, is a significant natural resource. In order to study, promote, and protect this privately owned resource, the commissioner of natural resources must, by June 30, 1989, complete a feasibility study to determine the best method of preserving, protecting, maintaining, and providing access to Niagara Cave, including:

- (1) the scientific quality of the Niagara Cave resource;*
- (2) the need for protection of the Niagara Cave resource;*
- (3) the feasibility and desirability of adding Niagara Cave to the state outdoor recreation system;*
- (4) alternative public and private ownership options;*
- (5) the amount and availability of funding necessary to preserve and operate Niagara Cave under public and private ownership options; and*
- (6) other such related issues as determined necessary by the commissioner.*

The feasibility study shall be accomplished using a citizens advisory committee which must include local citizens concerned for the welfare of Niagara Cave.

Sec. 3. [APPROPRIATION.]

\$212,000 is appropriated from the general fund to the commissioner of natural resources to be available until expended for the following purposes to implement the acquisition of Mystery Cave as part of Forestville state park under section 1. The following amounts are appropriated from the general fund to the commissioner for the purposes specified:

<i>(a) for additional equipment</i>	<i>\$ 30,000</i>
<i>(b) for maintenance and operation</i>	<i>\$132,000</i>
<i>(c) for repair and maintenance of access roads under the jurisdiction of local road authorities</i>	<i>\$ 50,000</i>

The approved complement of the department of natural resources is increased by one position in the classified service.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "providing for a Niagara Cave feasibility study;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 463: A bill for an act relating to commerce; regulating securities; restricting certain charges made by investment advisors and broker dealers; providing for the denial, suspension, and revocation of licenses and the censure of licensees; exempting the sale of certain stock of a closely-held corporation; exempting certain industrial revenue bond transactions; regulating real estate brokers and salespersons; prohibiting commission-splitting and rebating on timeshare and other recreational lands; providing for continuing education of brokers; regulating licensees acting as principals; regulating business corporations; providing for the indemnification of certain persons against expenses and liabilities; regulating abandoned property; establishing a presumption of abandonment for certain profits or sums held by a cooperative; regulating the preparation and retention of abstracts of title to real property; transferring the powers and duties of the commissioner for the regulation of social and charitable organizations to the attorney general; amending Minnesota Statutes 1986, sections 80A.06, subdivision 5; 80A.07, subdivision 1; 80A.14, subdivision 18; 80A.15, subdivision 2; 82.17, subdivision 4; 82.19, subdivision 3; 82.21, subdivision 1; 82.22, subdivision 6; 82.24, subdivision 2; 82.34, subdivision 19; 302A.161, subdivision 22; 345.39; 386.375; and 302A.521, by adding a subdivision; repealing Minnesota Statutes 1986, section 309.55.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [45.025] [REGULATION OF BUSINESS OF FINANCIAL PLANNING.]

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

(a) "Person" means an individual, corporation, partnership, joint venture, joint stock association, trust, or unincorporated association.

(b) "Financial planner" means a person who provides or offers to provide financial planning services or financial counseling or advice on a group or individual basis. A person who, on advertisements, cards, signs, circulars, letterheads, or in another manner, indicates that the person is a "financial planner," "financial counselor," "financial adviser," "investment counselor," "estate planner," "investment adviser," "financial consultant," or other similar designation, title, or combination is considered to be representing himself or herself to be engaged in the business of financial planning.

(c) "Advertisement" includes:

(1) printed or published material, audiovisual material, and descriptive literature of a financial planner used in direct mail, newspapers, magazines, other periodicals, radio scripts, television scripts, billboards, and other similar displays, excluding advertisements prepared for the sole purpose of obtaining employees, agents, or agencies;

(2) descriptive literature and sales ads of all kinds issued by a financial planner for presentation to members of the public, including but not limited to, circulars, leaflets, booklets, depictions, illustrations, and form letters;

(3) prepared sales talks, presentations, and materials for use by a fi-

financial planner and any representations made by a financial planner in accordance with these talks, presentations, and materials; and

(4) statements, written or oral, by a financial planner.

Subd. 2. [LIABILITY.] A person who represents himself or herself as a financial planner is liable to a person for whom the services are performed for compensation and who is damaged by reason of reliance upon the services unless the person rendering the services proves that the services were performed with due care and skill reasonably expected of a person who is an expert.

A person damaged through reliance upon the services of a financial planner may bring a civil action for equitable relief as determined by the court and for damages resulting from the reliance, together with costs and disbursements, including the cost of investigation and attorney fees.

Subd. 3. [PENALTY.] A financial planner who damages a person in the course of rendering financial planning services is subject to the penalties specified in chapter 45.

Sec. 2. [45.026] [INVESTIGATIONS AND SUBPOENAS.]

Subdivision 1. [GENERAL POWERS.] In connection with the administration of chapters 45 to 83, 309, and 332, the commissioner of commerce may:

(1) make such public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate chapters 45 to 83, 309, and 332 or any rule or order under those chapters, or to aid in the enforcement of chapters 45 to 83, 309, and 332, or in the prescribing of rules or forms under those chapters;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the administration of chapters 45 to 83, 309, and 332;

(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in chapters 45 to 83, 309, and 332 to the legislature;

(5) examine the books, accounts, records, and files of every licensee under chapters 45 to 83, 309, and 332 and of every person who is engaged in any activity regulated under chapters 45 to 83, 309, and 332; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner; and

(7) require any person subject to chapters 45 to 83, 309, and 332 to report all sales or transactions that are regulated under chapters 45 to 83, 309, and 332. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by

a court of competent jurisdiction.

Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, or proceeding under chapters 45 to 83, 309, and 332, the commissioner or a designated representative may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

Subd. 3. [COURT ORDERS.] In case of contumacy by, or refusal to obey a subpoena issued to any person, the district court, upon application by the commissioner, may issue to any person an order directing that person to appear before the commissioner, or the officer designated by the commissioner, there to produce documentary evidence if so ordered or to give evidence relating to the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt of court.

Subd. 4. [SCOPE OF PRIVILEGE.] No person is excused from attending and testifying or from producing any document or record before the commissioner, or from obedience to the subpoena of the commissioner or any officer designated by the commissioner or in a proceeding instituted by the commissioner, on the ground that the testimony or evidence required may tend to incriminate that person or subject that person to a penalty of forfeiture. No person may be prosecuted or subjected to a penalty or forfeiture for or on account of a transaction, matter, or thing concerning which the person is compelled, after claiming the privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that the individual is not exempt from prosecution and punishment for perjury or contempt committed in testifying.

Subd. 5. [LEGAL ACTIONS; INJUNCTIONS; CEASE AND DESIST ORDERS.] Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapters 45 to 83, 309, and 332, or any rule or order adopted under those chapters, the commissioner has the following powers: (1) the commissioner may bring an action in the name of the state in the district court of the appropriate county to enjoin the acts or practices and to enforce compliance with chapters 45 to 83, 309, and 332, or any rule or order adopted or issued under those chapters, or the commissioner may refer the matter to the attorney general or the county attorney of the appropriate county. Upon a proper showing, a permanent or temporary injunction, restraining order, or other appropriate relief must be granted; (2) the commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from violations of chapters 45 to 83, 309, and 332, or any rule or order adopted or issued under those chapters. The order must be calculated to give reasonable notice of the rights of the person to request a hearing and must state the reasons for the entry of the order. A hearing must be held not later than seven days after the request for the hearing is received by the commissioner, after which and within 20 days after receiving the administrative law judge's report, the commissioner shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order will become final and will remain in effect until it is modified or vacated by the commissioner. Unless otherwise provided, all hearings must be conducted in

accordance with chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person is in default, and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true. The commissioner may adopt rules of procedure concerning all proceedings conducted under this subdivision.

Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed \$2,000 per violation upon a person who violates chapters 45 to 83, 309, and 332, unless a different penalty is specified.

Subd. 7. [ACTIONS AGAINST LICENSEES.] In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to chapters 45 to 83, 309, or 332, or censure that person if the commissioner finds that:

- (1) the order is in the public interest; or
- (2) the person has violated chapters 45 to 83, 309, or 332.

Subd. 8. [STOP ORDER.] In addition to any other actions authorized by this section, the commissioner may issue a stop order denying effectiveness to or suspending or revoking any registration subject to chapters 45 to 83, 309, or 332.

Subd. 9. [POWERS ADDITIONAL.] The powers contained in subdivisions 1 to 8 are in addition to all other powers of the commissioner.

Sec. 3. [45.027] [SERVICE OF PROCESS.]

Subdivision 1. [REQUIREMENT.] When a person, including any non-resident of this state, engages in conduct prohibited or made actionable by chapters 45 to 83, 309, and 332, or any rule or order under those chapters, and the person has not filed a consent to service of process under chapters 45 to 83, 309, and 332, that conduct is equivalent to an appointment of the commissioner as the person's attorney to receive service of process in any noncriminal suit, action, or proceeding against the person which is based on that conduct and is brought under chapters 45 to 83, 309, and 332, or any rule or order under those chapters.

Subd. 2. [HOW MADE.] Service of process under this section may be made by leaving a copy of the process in the office of the commissioner, and is not effective unless: (1) the plaintiff, who may be the commissioner in an action or proceeding instituted by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last known address; and (2) the plaintiff's affidavit of compliance is filed in the action or proceeding on or before the return day of the process, if any, or within such further time as the court allows.

Sec. 4. [47.206] [INTEREST RATE COMMITMENTS.]

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

(a) "Lender" means any person or entity referred to in section 47.20, subdivision 1, or any person making a conventional loan as defined under section 47.20, subdivision 2, clause (3), or cooperative apartment loan as defined under section 47.20, subdivision 2, clause (4), except that conventional loans or cooperative apartment loans include any loan or

advance of credit in an original principal balance of less than \$200,000.

(b) "Loan" means all loans and advances of credit authorized under section 47.20, subdivision 1, clauses (1) to (4), and conventional loans as defined under section 47.20, subdivision 2, clause (3), or cooperative apartment loans as defined under section 47.20, subdivision 2, clause (4), except that conventional loans or cooperative apartment loans also include all such loans and advances of credit in an original principal balance of less than \$200,000.

(c) "Borrower" means a natural person who has submitted an application for a loan to a lender.

(d) "Commitment" means any promise or undertaking by a lender to make a loan, in the event the loan application is approved, at a particular rate of interest or points or both, and includes offers to lock in a rate of interest or points either indefinitely or for a specific time period.

Subd. 2. [DISCLOSURES; INTEREST RATE COMMITMENTS.] A lender offering borrowers the opportunity to obtain a commitment for a rate of interest or points or both in advance of closing shall disclose, in writing, to the borrowers at the time the offer is made: (1) the expiration date or term of the commitment, which may not be less than the reasonably anticipated closing date or time required to process, approve, and close the loan; (2) the circumstances under which the borrower will be permitted to close at a lower rate of interest or points than expressed in the commitment under any circumstances; (3) that the commitment is enforceable by the borrower; and (4) any consideration required for the commitment.

Subd. 3. [COMMITMENTS IN WRITING.] If the lender permits the borrower to orally communicate his acceptance of a rate of interest or points, the commitment must be confirmed by an agreement in writing conforming to the requirements of section 513.33, subdivision 2, within three business days of the oral acceptance.

Subd. 4. [LIABILITY.] If a lender fails to honor a commitment for a rate of interest or points or causes unreasonable delay in obtaining the commitment and the failure or delay results in additional costs and expenses to the borrower, either to close the loan or secure a replacement loan, the lender is liable to the borrower for such costs and expenses. In addition, the lender is liable to the borrower for \$500 for each failure to honor a commitment or unreasonable delay in obtaining a commitment. This subdivision applies to a commitment entered into after January 1, 1987.

Sec. 5. Minnesota Statutes 1986, section 60A.17, subdivision 6c, is amended to read:

Subd. 6c. [REVOCAION OR SUSPENSION OF LICENSE.] (a) The commissioner may by order suspend or revoke an insurance agent's or agency's license issued to a natural person or impose a civil penalty appropriate to the offense, not to exceed \$5,000 upon that licensee, or both, if, after notice and hearing, the commissioner finds as to that licensee any one or more of the following conditions:

(1) any materially untrue statement in the license application;

(2) any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner at the time of issuance;

(3) violation of, or noncompliance with, any insurance law or violation of any rule or order of the commissioner or of a commissioner of insurance of another state or jurisdiction;

(4) obtaining or attempting to obtain any license through misrepresentation or fraud;

(5) improperly withholding, misappropriating, or converting to the licensee's own use any moneys belonging to a policyholder, insurer, beneficiary, or other person, received by the licensee in the course of the licensee's insurance business;

(6) misrepresentation of the terms of any actual or proposed insurance contract;

(7) conviction of a felony or of a gross misdemeanor or misdemeanor involving moral turpitude;

(8) that the licensee has been found guilty of any unfair trade practice, as defined in chapters 60A to 72A, or of fraud;

(9) that in the conduct of the agent's affairs under the license, the licensee has used fraudulent, coercive, or dishonest practices, or the licensee has been shown to be incompetent, untrustworthy, or financially irresponsible;

(10) that the agent's license has been suspended or revoked in any other state, province, district, territory, or foreign country;

(11) that the licensee has forged another's name to an application for insurance; or

(12) that the licensee has violated subdivision 6b.

(b) The commissioner may by order suspend or revoke an insurance agent's or insurance agency's license issued to a partnership or corporation or impose a civil penalty not to exceed \$5,000 upon that licensee, or both, if, after notice and hearing, the commissioner finds as to that licensee, or as to any partner, director, shareholder, officer, or employee of that licensee, any one or more of the conditions set forth in paragraph (a).

(c) A revocation of a license shall prohibit the licensee from making a new application for a license for at least one year. Further, the commissioner may, as a condition of relicensure, require the applicant to file a reasonable bond for the protection of the citizens of this state, which bond shall be maintained by the licensee in full force for a period of five years immediately following issuance of the license, unless the commissioner at the commissioner's discretion shall after two years permit the licensee to sooner terminate the maintenance filing of the bond.

(d) Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapters 60A to 72A or of any rule or order of the commissioner:

(1) The commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from the violation. The order shall give reasonable notice of the time and place of hearing and shall state the reasons for the entry of the order. A hearing shall be held not later than seven days after the issuance of the order unless the person requests a delay. After the hearing and within 30 days of filing of any exceptions to the administrative law judge's report, the commissioner shall issue an order vacating the cease and desist order or making it permanent

as the facts require. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true;

(2) The commissioner may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with chapters 60A to 72A and any rule or order of the commissioner; and

(3) In any proceeding under chapters 60A to 72A relating to injunction, the request for injunction may be brought on for hearing and disposition upon an order to show cause returnable upon not more than eight days notice to the defendant. The case shall have precedence over other matters on the court calendar and shall not be continued without the consent of the state of Minnesota, except upon good cause shown to the court, and then only for a reasonable length of time as may be necessary in the opinion of the court to protect the rights of the defendant.

(e) The commissioner may, in the manner prescribed by chapter 14, impose a civil penalty not to exceed \$5,000 upon a person whose license has lapsed, or been suspended, revoked, or otherwise terminated, for engaging in conduct prohibited by paragraph (a) before, during, or after the period of licensure.

Sec. 6. Minnesota Statutes 1986, section 80A.06, subdivision 5, is amended to read:

Subd. 5. No investment adviser who shall recommend the purchase or sale of a security to a client, and no licensed broker-dealer acting as a broker-dealer for a customer in the purchase or sale of a security shall take or accept any remuneration or other thing of value from any person other than the client or customer in connection with ~~such~~ the purchase or sale unless, prior to or contemporaneously with ~~such~~ the recommendation in the case of an investment adviser and prior to or contemporaneously with the confirmation of the transaction in the case of a licensed broker-dealer so acting, written disclosure to the client or customer is made of the acceptance or intended acceptance of ~~such~~ the remuneration or other thing of value and of the amount thereof of it. All charges made by an investment adviser for services and all charges by a licensed broker-dealer for services rendered as a broker-dealer or for advice with respect to securities shall be reasonable, and *except in compliance with rules adopted by the commissioner*, no ~~such~~ charges shall be based upon or measured by profits accrued or to accrue from transactions recommended or carried out by an investment adviser, or licensed broker-dealer. This subdivision shall not be construed to prohibit charges by an investment adviser based upon the total value of the assets under management averaged over a definite period, or as of definite dates, or taken as of a definite date, nor charges based upon the performance of the managed assets as compared to an established index in compliance with rules ~~promulgated~~ *adopted* by the commissioner.

Sec. 7. Minnesota Statutes 1986, section 80A.07, subdivision 1, is amended to read:

Subdivision 1. The commissioner may by order deny, suspend, or revoke any license or may censure the licensee, if the commissioner finds (a) that the order is in the public interest and (b) that the applicant or licensee or,

in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:

(1) has filed an application for license which as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact;

(2) has willfully violated or failed to comply with any provision of this chapter or a predecessor law or any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or order under any of these statutes, or any order thereunder of which that person has notice and is subject;

(3) has been convicted, within the past ten years, of any misdemeanor involving a security or any aspect of the securities business, or any felony;

(4) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business;

(5) is the subject of an order of the commissioner denying, suspending, or revoking a license as a broker-dealer, agent or investment adviser;

(6) is the subject of an order entered within the past five years by the securities administrator of any other state or by the securities and exchange commission denying or revoking registration or license as a broker-dealer, agent, or investment adviser, or is the subject of an order of the securities and exchange commission suspending or expelling that person from a national securities exchange or association registered under the Securities Exchange Act of 1934, or is the subject of a United States post office fraud order. The commissioner may not institute a revocation or suspension proceeding under this clause more than one year from the date of the order relied on, and may not enter an order under this clause on the basis of an order under another state law unless the order was based on facts which would currently constitute a ground for an order under this section;

(7) has engaged in dishonest or fraudulent practices in the securities business;

(8) has failed to maintain the minimum net capital or to comply with the limitation on aggregate indebtedness which the commissioner by rule prescribes;

(9) is not qualified on the basis of such factors as training, experience, and knowledge of the securities business;

(10) has failed reasonably to supervise agents, investment adviser representatives, or employees to assure their compliance with this chapter;

(11) has failed to pay the proper filing fee, but the commissioner shall vacate the order when the deficiency has been corrected;

(12) has offered or sold securities in this state through any unlicensed agent;

(13) has made any material misrepresentation to the commissioner, or

upon request reasonably made by the commissioner, has withheld or concealed information from, or refused to furnish information to, the commissioner; or

(14) has failed to reasonably supervise agents, investment adviser representatives, or employees if that person has assumed or has been designated to carry out the supervisory procedures of the broker-dealer or investment adviser; or

(15) has failed, within 20 business days after receiving written instructions from a customer, to do any of the following:

(a) transfer or deliver securities which have been purchased;

(b) transfer or deliver any free credit balances reflecting completed transactions; or

(c) transfer or deliver a customer's account securities positions and balances to another broker-dealer.

This clause shall not serve as a basis for denial, suspension, or revocation of a broker-dealer's or agent's license if: (i) the transfer or delivery is between broker-dealers and meets the rules and requirements established by the New York stock exchange with regard to such transfers or deliveries; or (ii) the delivery of securities to a customer cannot be accomplished within 20 business days, and the broker-dealer or agent has notified the customer in writing of the inability to deliver the securities and the reasons for the nondelivery within 20 business days of receiving the customer's written instructions.

Sec. 8. Minnesota Statutes 1986, section 80A.09, subdivision 1, is amended to read:

Subdivision 1. The following securities may be registered by notification:

(a) any industrial revenue bond issued by the state of Minnesota or any of its political subdivisions, municipalities, governmental agencies, or instrumentalities; and

(b) any securities issued by a person organized exclusively for social, religious, educational, benevolent, fraternal, charitable, reformatory, athletic, chamber of commerce, trade, industrial development, or professional association purposes and not for pecuniary gain, and no part of the net earnings of which inures to the benefit of any private stockholder or individual; provided that no securities issued by any person offering and furnishing a burial service or funeral benefit, directly or indirectly for financial consideration, may be registered under this section.

Sec. 9. Minnesota Statutes 1986, section 80A.12, is amended by adding a subdivision to read:

Subd. 11. Within two business days after receipt of an order of the commissioner withdrawing, suspending, or revoking effectiveness of an issuer's registration statement, the issuer must notify all persons making a market in the issuer's securities of the termination of the effectiveness of the registration statement. Failure to provide this notice may result in the imposition of a civil penalty not to exceed \$2,000 per violation.

Sec. 10. Minnesota Statutes 1986, section 80A.14, subdivision 18, is amended to read:

Subd. 18. [SECURITY.] (a) "Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable shares; investment contract; investment metal contract or investment gem contract; voting trust certificate; certificate of deposit for a security; certificate of interest or participation in an oil, gas or mining right, title or lease or in payments out of production under the right, title or lease; or, in general, any interest or instrument commonly known as a security, or any certificate of interest or participation in, temporary or interim certificate for, receipt for guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. "Security" does not include:

(a) any insurance or endowment policy or annuity contract under which an insurance company promises to pay money either in a lump sum or periodically for life or for some other specified period; or

(b) *stock of a closely-held corporation offered or sold pursuant to a transaction in which 100 percent of the stock of that corporation is sold as a means to effect the sale of the business of the corporation if the transaction has been negotiated on behalf of all purchasers, and if all purchasers have access to inside information regarding the corporation before consummating the transaction.*

Sec. 11. Minnesota Statutes 1986, section 80A.15, subdivision 1, is amended to read:

Subdivision 1. The following securities are exempted from sections 80A.08 and 80A.16:

(a) Any security, including a revenue obligation, issued or guaranteed by the United States, any state, any political subdivision of a state or any corporate or other instrumentality of one or more of the foregoing; but this exemption shall not include any industrial revenue bond. Pursuant to section 106(c) of the Secondary Mortgage Market Enhancement Act of 1984, Public Law Number 98-440, this exemption does not apply to a security that is offered or sold pursuant to section 106(a)(1) or (2) of that act.

(b) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any province, any agency or corporate or other instrumentality of one or more of the foregoing, if the security is recognized as a valid obligation by the issuer or guarantor; but this exemption shall not include any revenue obligation payable solely from payments to be made in respect of property or money used under a lease, sale or loan arrangement by or for a nongovernmental industrial or commercial enterprise.

(c) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank, savings institution or trust company organized under the laws of any state and subject to regulation in respect of the issuance or guarantee of its securities by a governmental authority of that state.

(d) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state.

(e) Any security issued or guaranteed by any federal credit union or any credit union, or similar association organized and supervised under the

laws of this state.

(f) Any security listed or approved for listing upon notice of issuance on the New York Stock Exchange, the American Stock Exchange, the Midwest Stock Exchange, the Pacific Stock Exchange, or the Chicago Board Options Exchange; any other security of the same issuer which is of senior or substantially equal rank; any security called for by subscription rights or warrants so listed or approved; or any warrant or right to purchase or subscribe to any of the foregoing.

(g) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of the paper which is likewise limited, or any guarantee of the paper or of any renewal which are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television or direct mailing.

(h) Any interest in any employee's savings, stock purchase, pension, profit sharing or similar benefit plan, or a self-employed person's retirement plan.

(i) Any security issued or guaranteed by any railroad, other common carrier or public utility which is subject to regulation in respect to the issuance or guarantee of its securities by a governmental authority of the United States.

(j) Any interest in a common trust fund or similar fund maintained by a state bank or trust company organized and operating under the laws of Minnesota, or a national bank wherever located, for the collective investment and reinvestment of funds contributed thereto by the bank or trust company in its capacity as trustee, executor, administrator, or guardian; and any interest in a collective investment fund or similar fund maintained by the bank or trust company, or in a separate account maintained by an insurance company, for the collective investment and reinvestment of funds contributed thereto by the bank, trust company or insurance company in its capacity as trustee or agent, which interest is issued in connection with an employee's savings, pension, profit sharing or similar benefit plan, or a self-employed person's retirement plan.

(k) Any security which meets all of the following conditions:

(1) If the issuer is not organized under the laws of the United States or a state, it has appointed a duly authorized agent in the United States for service of process and has set forth the name and address of the agent in its prospectus;

(2) A class of the issuer's securities is required to be and is registered under section 12 of the Securities Exchange Act of 1934, and has been so registered for the three years immediately preceding the offering date;

(3) Neither the issuer nor a significant subsidiary has had a material default during the last seven years, or for the period of the issuer's existence if less than seven years, in the payment of (i) principal, interest, dividend, or sinking fund installment on preferred stock or indebtedness for borrowed money, or (ii) rentals under leases with terms of three years or more;

(4) The issuer has had consolidated net income, before extraordinary items and the cumulative effect of accounting changes, of at least \$1,000,000 in four of its last five fiscal years including its last fiscal year; and if the

offering is of interest bearing securities, has had for its last fiscal year, net income, before deduction for income taxes and depreciation, of at least 1-1/2 times the issuer's annual interest expense, giving effect to the proposed offering and the intended use of the proceeds. For the purposes of this clause "last fiscal year" means the most recent year for which audited financial statements are available, provided that such statements cover a fiscal period ended not more than 15 months from the commencement of the offering;

(5) If the offering is of stock or shares other than preferred stock or shares, the securities have voting rights and the rights include (i) the right to have at least as many votes per share, and (ii) the right to vote on at least as many general corporate decisions, as each of the issuer's outstanding classes of stock or shares, except as otherwise required by law; and

(6) If the offering is of stock or shares, other than preferred stock or shares, the securities are owned beneficially or of record, on any date within six months prior to the commencement of the offering, by at least 1,200 persons, and on that date there are at least 750,000 such shares outstanding with an aggregate market value, based on the average bid price for that day, of at least \$3,750,000. In connection with the determination of the number of persons who are beneficial owners of the stock or shares of an issuer, the issuer or broker-dealer may rely in good faith for the purposes of this clause upon written information furnished by the record owners.

(1) Any certificate of indebtedness sold or issued for investment, other than a certificate of indebtedness pledged as a security for a loan made contemporaneously therewith, and any savings account or savings deposit issued, by an industrial loan and thrift company.

Sec. 12. Minnesota Statutes 1986, section 80A.15, subdivision 2, is amended to read:

Subd. 2. The following transactions are exempted from sections 80A.08 and 80A.16:

(a) Any isolated sales, whether or not effected through a broker-dealer, provided that no person shall make more than ten sales of securities of the same issuer pursuant to this exemption during any period of 12 consecutive months; provided further, that in the case of sales by an issuer, except sales of securities registered under the Securities Act of 1933 or exempted by section 3(b) of that act, (1) the seller reasonably believes that all buyers are purchasing for investment, and (2) the securities are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone.

(b) Any nonissuer distribution of an outstanding security if (1) either Moody's, Fitch's, or Standard & Poor's Securities Manuals, or other recognized manuals approved by the commissioner contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of the sale, and a profit and loss statement for the fiscal year preceding the date of the balance sheet, and (2) the issuer or its predecessor has been in active, continuous business operation for the five-year period next preceding the date of sale, and (3) if the security has a fixed maturity or fixed interest or dividend provision,

the issuer has not, within the three preceding fiscal years, defaulted in payment of principal, interest, or dividends on the securities.

(c) The execution of any orders by a licensed broker-dealer for the purchase or sale of any security, pursuant to an unsolicited offer to purchase or sell; provided that the broker-dealer acts as agent for the purchaser or seller, and has no direct material interest in the sale or distribution of the security, receives no commission, profit, or other compensation from any source other than the purchaser and seller and delivers to the purchaser and seller written confirmation of the transaction which clearly itemizes the commission, or other compensation.

(d) Any nonissuer sale of notes or bonds secured by a mortgage lien if the entire mortgage, together with all notes or bonds secured thereby, is sold to a single purchaser at a single sale.

(e) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction.

(f) The sale, by a pledge holder, of a security pledged in good faith as collateral for a bona fide debt.

(g) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(h) Any sales by an issuer to the number of persons that shall not exceed 25 persons in this state, or 35 persons if the sales are made in compliance with Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.501 to 230.506, (other than those designated in paragraph (a) or (g)), whether or not any of the purchasers is then present in this state, if (1) the issuer reasonably believes that all of the buyers in this state (other than those designated in clause (g)) are purchasing for investment, and (2) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in clause (g)), except reasonable and customary commissions paid by the issuer to a broker-dealer licensed under this chapter, and (3) the issuer has, ten days prior to any sale pursuant to this paragraph, supplied the commissioner with a statement of issuer on forms prescribed by the commissioner, containing the following information: (i) the name and address of the issuer, and the date and state of its organization; (ii) the number of units, price per unit, and a description of the securities to be sold; (iii) the amount of commissions to be paid and the persons to whom they will be paid; (iv) the names of all officers, directors and persons owning five percent or more of the equity of the issuer; (v) a brief description of the intended use of proceeds; (vi) a description of all sales of securities made by the issuer within the six-month period next preceding the date of filing; and (vii) a copy of the investment letter, if any, intended to be used in connection with any sale. Sales that are made more than six months before the start of an offering made pursuant to this exemption or are made more than six months after completion of an offering made pursuant to this exemption will not be considered part of the offering, so long as during those six-month periods there are no sales of unregistered securities (other than those made pursuant to paragraph (a) or (g)) by or for the issuer that are of the same or similar class as those sold under this exemption. The commissioner may by rule

or order as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase the number of offers and sales permitted, or waive the conditions in clause (1), (2), or (3) with or without the substitution of a limitation or remuneration.

(i) Any offer (but not a sale) of a security for which a registration statement has been filed under sections 80A.01 to 80A.31, if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending; and any offer of a security if the sale of the security is or would be exempt under this section. The commissioner may by rule exempt offers (but not sales) of securities for which a registration statement has been filed as the commissioner deems appropriate, consistent with the purposes of sections 80A.01 to 80A.31.

(j) The offer and sale by a cooperative association organized under chapter 308, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in such association, or when such securities are issued as patronage dividends.

(l) The issuance and delivery of any securities of one corporation to another corporation or its security holders in connection with a merger, exchange of shares, or transfer of assets whereby the approval of stockholders of the other corporation is required to be obtained, provided, that the commissioner has been furnished with a general description of the transaction and with other information as the commissioner by rule prescribes not less than ten days prior to the issuance and delivery.

(m) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters.

(n) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution; or upon conversion of an outstanding convertible security; or pursuant to a stock split or reverse stock split.

(o) Any offer or sale of securities by an affiliate of the issuer thereof if: (1) a registration statement is in effect with respect to securities of the same class of the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe no less than ten days prior to the transaction.

(q) Any nonissuer sales of industrial revenue bonds issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities.

Sec. 13. Minnesota Statutes 1986, section 80A.19, subdivision 1, is amended to read:

Subdivision 1. This chapter shall be administered by the commissioner of commerce. ~~The commissioner shall appoint two deputy commissioners~~

and shall file with the secretary of state an order delegating authority to one of such deputy commissioners to exercise all of the rights and powers and perform all of the duties of the commissioner during the disability of the commissioner, the commissioner's absence from the office or during a vacancy in the office of the commissioner pending the filling thereof as provided by law.

Sec. 14. Minnesota Statutes 1986, section 82.17, subdivision 4, is amended to read:

Subd. 4. "Real estate broker" or "broker" means any person who:

(a) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase or rental of an interest or estate in real estate, or advertises or holds out as engaged in these activities;

(b) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly negotiates or offers or attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance on real estate;

(c) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys, rents, manages, offers or attempts to negotiate a sale, option, exchange, purchase or rental of any business opportunity or business, or its good will, inventory, or fixtures, or any interest therein;

(d) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly offers, sells or attempts to negotiate the sale of property that is subject to the registration requirements of chapter 83, concerning subdivided land;

(e) engages in the business of charging an advance fee or contracting for collection of a fee in connection with any contract whereby the person undertakes to promote the sale of real estate through its listing in a publication issued primarily for this purpose;

(f) engages wholly or in part in the business of selling real estate to the extent that a pattern of real estate sales is established, whether or not the real estate is owned by the person. A person shall be presumed to be engaged in the business of selling real estate if the person engages as principal in five or more transactions during any 12-month period, unless the person is represented by a licensed real estate broker or salesperson;

(g) offers or makes more than five ~~conventional~~ loans ~~under section 47-20~~ secured by real estate during any 12-month period and who is not a bank, savings bank, mutual savings bank, building and loan association, or savings and loan association organized under the laws of this state or the United States, trust company, trust company acting as a fiduciary, or other financial institution subject to the supervision of the commissioner of commerce, or mortgagee or lender approved or certified by the secretary of housing and urban development or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the Farmers Home Administration, or approved or certified by the Federal Home Loan Mortgage Corporation, or approved or certified by the Federal

National Mortgage Association.

Sec. 15. Minnesota Statutes 1986, section 82.19, subdivision 3, is amended to read:

Subd. 3. No real estate broker or salesperson shall offer, pay or give, and no person shall accept, any compensation or other thing of value from any real estate broker or salesperson by way of commission-splitting, rebate, finder's fees or otherwise, in connection with any real estate or business opportunity transaction; provided this subdivision does not apply to transactions (1) between a licensed real estate broker or salesperson and the person by whom the broker or salesperson is engaged to purchase or sell real estate or business opportunity, (2) among persons licensed as provided herein, *and* (3) between a licensed real estate broker or salesperson and persons from other jurisdictions similarly licensed in that jurisdiction, and (4) involving timeshare or other recreational lands where the amount offered or paid does not exceed \$150, and payment is not conditioned upon any sale but is made merely for providing the referral and the person paying the fee is bound by any representations the person receiving the fee makes. A licensed real estate broker or salesperson may assign or direct that commissions or other compensation earned in connection with any real estate or business opportunity transaction be paid to a corporation of which the licensed real estate broker or salesperson is the sole owner.

Sec. 16. Minnesota Statutes 1986, section 82.21, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees shall be paid to the commissioner:

(a) A fee of \$50 for each initial individual broker's license, and a fee of \$25 for each annual renewal thereof;

(b) A fee of \$25 for each initial salesperson's license, and a fee of \$10 for each annual renewal thereof;

(c) A fee of \$50 for each initial corporate or partnership license, and a fee of \$25 for each annual renewal thereof;

(d) A fee not to exceed \$40 per year for payment to the education, research and recovery fund in accordance with section 82.34;

(e) A fee of \$10 for each transfer;

(f) A fee of \$25 for a corporation or partnership name change;

(g) A fee of \$5 for an agent name change;

(h) A fee of \$10 for a license history;

(i) A fee of \$15 for a NSF check;

(j) A fee of \$50 for an initial course approval;

(k) A fee of \$10 for notices of repeat course offerings;

(l) A fee of \$50 for instructor or coordinator approval; and

~~(m)~~ A fee of \$5 for a duplicate license; and

(j) A fee of \$5 for each hour or fraction of one hour of course approval sought.

Sec. 17. Minnesota Statutes 1986, section 82.22, subdivision 6, is amended to read:

Subd. 6. [INSTRUCTION; NEW LICENSES.] (a) After January 1, 1987, every applicant for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. After January 1, 1987, every applicant for a salesperson's license shall be required to successfully complete an additional course of study in the real estate field consisting of 60 hours of instruction approved by the commissioner before filing an application for the license. Every salesperson licensed after January 1, 1987, shall, within one year of licensure, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner.

(b) After December 31, 1983, and before January 1, 1987, every applicant for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. After December 31, 1983, and before January 1, 1987, every applicant for a salesperson's license shall be required to successfully complete an additional course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before filing an application for the license. Every salesperson licensed after December 31, 1983, and before January 1, 1987, shall, within one year of the date a license was first issued, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner.

(c) The commissioner may approve courses of study in the real estate field offered in educational institutions of higher learning in this state or courses of study in the real estate field developed by and offered under the auspices of the national association of realtors, its affiliates, or private real estate schools. *The commissioner shall not approve any course offered by, sponsored by, or affiliated with any person or company licensed to engage in the real estate business.* The commissioner may by rule prescribe the curriculum and qualification of those employed as instructors.

(d) *After January 1, 1988, an applicant for a broker's license must successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner. The course must have been completed within six months prior to the date of application for the broker's license.*

Sec. 18. Minnesota Statutes 1986, section 82.24, subdivision 2, is amended to read:

Subd. 2. [LICENSEE ACTING AS PRINCIPAL.] ~~Any licensed A real estate broker or salesperson licensee~~ acting in the capacity of principal ~~in the sale or rental of interests in a real estate owned or rented by the licensee~~ in a transaction where the seller retains any liability, contingent or otherwise, for the payment of an obligation on the property shall deposit in a Minnesota bank or trust company, any foreign bank which authorizes the commissioner to examine its records of the deposits, or an industrial loan and thrift company organized under chapter 53 with deposit liabilities, in a trust account, those parts of all payments received on contracts that are necessary to meet any amounts concurrently due and payable on any existing

mortgages, contracts for deed or other conveyancing instruments, and reserve for taxes and insurance or any other encumbrance on the receipts. The deposits must be maintained until disbursement is made under the terms of the encumbrance and proper accounting on the property made to the parties entitled to an accounting. The provisions of this subdivision relating to rental of interests in real estate apply only to single-family residential property.

Sec. 19. Minnesota Statutes 1986, section 82.34, subdivision 19, is amended to read:

Subd. 19. The commissioner shall include in the annual report of the department of commerce pursuant to section 45.033, on or before October 1 in each even-numbered year, prepare and file in the office of the governor for the preceding two fiscal years ending June 30 a report on the activities of the real estate education, research and recovery fund; noting the amount of money received by the fund, the amount of money expended and the purposes therefor.

Sec. 20. Minnesota Statutes 1986, section 308.12, is amended by adding a subdivision to read:

Subd. 5. Notwithstanding the provisions of section 345.43, a cooperative association organized under the laws of this state may, in lieu of paying or delivering to the commissioner of commerce the unclaimed property specified in its report of unclaimed property, distribute the unclaimed property to a corporation or organization which is exempt from taxation under section 290.05, subdivision 1, paragraph (b), or 2. A cooperative association making this election shall, within 20 days after the time specified in section 345.42 for claiming the property from the holder, file with the commissioner a verified written explanation of the proof of claim of any owner establishing a right to receive the abandoned property; any error in the presumption of abandonment; and the name, address, and exemption number of the corporation or organization to which the property was or is to be distributed and the approximate date of distribution. Nothing in this subdivision alters the procedure provided in sections 345.41 and 345.42 whereby cooperative associations report unclaimed property to the commissioner and claims of owners are made to the cooperative associations for a period of 65 days following the publication of lists of abandoned property. The rights of an owner to unclaimed property held by a cooperative association is extinguished upon the disbursement of the property by the cooperative association to a tax-exempt organization in accordance with this section.

Sec. 21. Minnesota Statutes 1986, section 309.50, subdivision 6, is amended to read:

Subd. 6. "Professional fund raiser" means any person who for financial compensation or profit participates in public solicitation in this state of contributions for, or on behalf of any charitable organization performs for a charitable organization any service in connection with which contributions are, or will be, solicited in this state by such compensated person or by any compensated person he or she employs, procures, or engages to solicit; or any person who for compensation or profit plans, manages, advises, consults, or prepares material for, or with respect to, the solicitation in this state of contributions for a charitable organization. No investment adviser, investment adviser representative, broker-dealer, or agent licensed pursuant to chapter 80A, or lawyer, accountant, or banker who

advises a person to make a charitable contribution or who provides legal, accounting, or financial advice in the ordinary course of their profession or business shall be deemed, as a result of such advice, to be a professional fund raiser. A bona fide salaried officer or, employee, or volunteer of a charitable organization is not a professional fund raiser unless the officer's or employee's salary or other compensation is computed on the basis of funds to be raised, or actually raised.

Sec. 22. Minnesota Statutes 1986, section 309.515, subdivision 1, is amended to read:

Subdivision 1. Subject to the provisions of subdivisions 2 and 3, sections 309.52 and 309.53 shall not apply to any of the following:

(a) Charitable organizations:

(1) which did not receive total contributions in excess of ~~\$10,000~~ \$25,000 from the public within or without this state during the accounting year last ended, and

(2) which do not plan to receive total contributions in excess of such amount from the public within or without this state during any accounting year, and

(3) whose functions and activities, including fund raising, are performed wholly by persons who are unpaid for their services, and

(4) none of whose assets or income inure to the benefit of or are paid to any officer.

For purposes of this chapter, a charitable organization shall be deemed to receive in addition to contributions solicited from the public by it, the contributions solicited from the public by any other person and transferred to it. Any organization constituted for a charitable purpose receiving an allocation from a community chest, united fund or similar organization shall be deemed to have solicited that allocation from the public.

(b) A religious society or organization which is exempt from filing a federal annual information return pursuant to Internal Revenue Code, section 6033(a)(2)(A)(i) and (iii), and Internal Revenue Code, section 6033(a)(2)(C)(i).

(c) Any educational institution which is under the general supervision of the state board of education, the state university board, the state board for community colleges, or the University of Minnesota or any educational institution which is accredited by the University of Minnesota or the North Central association of colleges and secondary schools, or by any other national or regional accrediting association.

(d) A fraternal, patriotic, social, educational, alumni, professional, trade or learned society which limits solicitation of contributions to persons who have a right to vote as a member. The term "member" shall not include those persons who are granted a membership upon making a contribution as the result of a solicitation.

(e) A charitable organization soliciting contributions for any person specified by name at the time of the solicitation if all of the contributions received are transferred to the person named with no restrictions on the person's expenditure of it and with no deductions whatsoever.

(f) A private foundation, as defined in section 509(a) of the Internal

Revenue Code of 1954, which did not solicit contributions from more than 100 persons during the accounting year last ended.

Sec. 23. Minnesota Statutes 1986, section 309.52, subdivision 1a, is amended to read:

Subd. 1a. A charitable organization whose total contributions received during any accounting year are in excess of ~~\$10,000~~ \$25,000 shall file a registration statement with the ~~department~~ attorney general within 30 days after the date on which the organization's total contributions exceeded ~~\$10,000~~ \$25,000. The registration shall exist unless revoked by a court of competent jurisdiction, or the ~~department~~ attorney general, or as provided in subdivision 7. This subdivision shall not apply to a charitable organization which had filed a registration statement pursuant to this section for the accounting year last ended or to organizations described in section 309.515, subdivision 1.

Sec. 24. Minnesota Statutes 1986, section 309.52, subdivision 2, is amended to read:

Subd. 2. The first registration statement filed by a charitable organization shall include a registration fee of \$25 and a financial statement of ~~its~~ the organization's operation for its most recent 12 months period immediately preceding the filing of the first registration statement.

Sec. 25. Minnesota Statutes 1986, section 309.53, subdivision 1a, is amended to read:

Subd. 1a. A charitable organization may, but need not, file an annual report pursuant to this section if the organization:

(a) Did not receive total contributions in excess of ~~\$10,000~~ \$25,000 from the public within or without this state during the accounting year last ended.

(b) Does not plan to receive total contributions in excess of ~~\$10,000~~ \$25,000 from the public within or without this state during any accounting year, and

(c) Does not employ a professional fund raiser.

Sec. 26. Minnesota Statutes 1986, section 309.53, subdivision 3, is amended to read:

Subd. 3. The financial statement shall include a balance sheet, statement of income and expense, and statement of functional expenses, shall be consistent with forms furnished by the ~~department~~ attorney general, and shall be prepared in accordance with generally accepted accounting principles so as to make a full disclosure of the following, including necessary allocations between each item and the basis of such allocations:

(a) Total receipts and total income from all sources;

(b) Cost of management and general;

(c) Cost of fund raising;

(d) Cost of public education;

(e) Funds or properties transferred out of state, with explanation as to recipient and purpose;

(f) Total net amount disbursed or dedicated within this state, broken down into total amounts disbursed or dedicated for each major purpose, charitable

or otherwise;

(g) Names of professional fund raisers used during the accounting year and the financial compensation or profit resulting to each professional fund raiser. Unless otherwise required by this subdivision, the financial statement need not be certified.

A financial statement of a charitable organization which has solicited from the public within or outside this state total contributions in excess of ~~\$50,000~~ \$100,000 for the 12 months of operation covered by the statement shall be accompanied by an opinion signed by a certified public accountant that such statement fairly represents the financial operations of the charitable organization in sufficient detail to permit public evaluation of its operations an audited financial statement prepared in accordance with generally accepted accounting principles which has been examined by an independent certified public accountant for the purpose of expressing an opinion thereon. In giving such opinion preparing the audit the certified public accountant shall take into consideration capital, endowment or other reserve funds, if any, controlled by the charitable organization. The opinion need not conform to the wording of the opinion form of the annual report forms provided by the department.

Sec. 27. Minnesota Statutes 1986, section 309.53, subdivision 4, is amended to read:

Subd. 4. Where a registration statement has been filed by a parent organization or affiliate as provided in section 309.52, subdivision 4, the registered parent organization may file the annual report required under this section on behalf of the chapter, branch, area office, similar affiliate or person in addition to or as part of its own report or the registered affiliate may file the annual report required under this section on behalf of the parent organization in addition to or as part of its own report. The accounting information required under this section shall be set forth separately and not in consolidated form with respect to every chapter, branch, area office, similar affiliate or person within the state which raises or expends more than ~~\$10,000~~ \$25,000. The department of commerce attorney general may permit any chapter, branch, area office, similar affiliate or person to file a consolidated statement with any other chapter, branch, area office, similar affiliate or person or parent organization if the attorney general determines that the interests of the charitable beneficiaries will not be prejudiced thereby and that separate accounting information is not required for proper supervision.

Sec. 28. Minnesota Statutes 1986, section 309.53, is amended by adding a subdivision to read:

Subd. 8. A reregistration fee of \$25 shall be paid by every charitable organization submitting the annual report required by this section.

Sec. 29. Minnesota Statutes 1986, section 309.531, is amended to read:

309.531 [LICENSING REGISTRATION OF PROFESSIONAL FUND RAISERS; BOND REQUIRED.]

Subdivision 1. No person shall act as a professional fund raiser unless licensed by registered with the department attorney general. Applications for a license The registration statement as hereinafter described shall be in writing, under oath, in the form prescribed by the department attorney general and shall be accompanied by an application fee of ~~\$25~~ \$50. Each

license registration shall be effective for a period of not more than 12 months from the date of issuance, and in any event shall expire on July 30 next following the date of issuance. *The registration may be renewed for additional one-year periods upon application and payment of the fee.*

Subd. 2. *The department shall have the power, in connection with any application for license as a professional fund raiser, to require the applicant to file a surety bond in such amount, not exceeding \$20,000, and containing such terms and conditions as the department determines are necessary and appropriate for the protection of the public. The applicant may deposit cash in and with a depository acceptable to the department in such amount and in such a manner as may be prescribed and approved by the department in lieu of the bond. The registration statement of the professional fund raiser shall consist of the following:*

(a) If the professional fund raiser at any time has custody of contributions from a solicitation, the registration statement shall include a bond, in which the professional fund raiser shall be the principal obligor. The bond shall be in the sum of \$20,000, with one or more responsible sureties whose liability in the aggregate as such sureties will at least equal that sum. In order to maintain the registration, the bond shall be in effect for the full term of the registration. The bond, which may be in the form of a rider to a larger blanket liability bond, shall run to the state and to any person who may have a cause of action against the principal obligor of the bond for any liabilities resulting from the obligor's conduct of any activities subject to sections 309.50 to 309.61 or arising out of a violation of such statutes or any regulation adopted pursuant thereto.

(b) If the professional fund raiser, or any person the professional fund raiser employs, procures, or engages, solicits in this state, the registration statement shall include a completed "solicitation notice" on a form provided by the attorney general. The solicitation notice shall include a copy of the contract described in paragraph (c) of this subdivision, the projected dates when soliciting will commence and terminate, the location and telephone number from where the solicitation will be conducted, the name and residence address of each person responsible for directing and supervising the conduct of the campaign, a statement as to whether the professional fund raiser will at any time have custody of contributions, and a description of the charitable program for which the solicitation campaign is being carried out. The charitable organization on whose behalf the professional fund raiser is acting shall certify that the solicitation notice and accompanying material are true and complete to the best of its knowledge.

(c) The professional fund raiser shall also include, as part of the registration statement, a copy of the contract between the charitable organization and the professional fund raiser. The contract shall:

(1) be in writing;

(2) contain such information as will enable the attorney general to identify the services the professional fund raiser is to provide, including whether the professional fund raiser will at any time have custody of contributions; and

(3) if the professional fund raiser or any person the professional fund raiser employs, procures, or engages, directly or indirectly, solicits in this state, the contract shall disclose the percentage or a reasonable estimate of the percentage of the total amount solicited from each person which

shall be received by the charitable organization for charitable purposes.

The stated percentages required by this section and section 309.556, subdivision 2, shall exclude any amount which the charitable organization is to pay as expenses of the solicitation campaign, including the cost of merchandise or services sold or events staged.

(d) The registration statement shall also include the financial report for previous campaigns conducted by the professional fund raiser in this state as set forth in subdivision 4 of this section.

Subd. 3. No professional fund raiser shall ~~solicit in~~ use the name of or ~~in solicit on~~ behalf of any charitable organization unless such solicitor has written authorization from two officers of such organization, a copy of which shall be filed with the ~~department~~ attorney general. Such written authorization shall ~~bear the signature of the solicitor and shall expressly state on its face the period for which it is valid, which shall not exceed one year from the date issued conform to the requirements of the contract described in subdivision 2, clause (c), of this section.~~

Subd. 4. ~~The department may require that any licensed professional fund raiser submit financial reports, not more frequently than quarterly, in such form and containing such information as the department by rule or order requires. Within 90 days after a solicitation campaign has been completed, and on the anniversary of the commencement of a solicitation campaign lasting more than one year, the professional fund raiser who solicited contributions in this state in conjunction with a charitable organization shall file with the attorney general a financial report for the campaign, including gross revenue and an itemization of all expenses incurred. The report shall be completed on a form prescribed by the attorney general. The report shall be signed by an authorized official of the professional fund raiser and an authorized official from the charitable organization and they shall certify, under oath, that it is true to the best of their knowledge.~~

Sec. 30. Minnesota Statutes 1986, section 309.533, is amended by adding a subdivision to read:

Subd. 5. In connection with an investigation under this section, the attorney general may obtain discovery from any person regarding any matter, fact, or circumstance, not privileged, which is relevant to the subject matter involved in the investigation, in accordance with the provisions of section 8.31.

Sec. 31. Minnesota Statutes 1986, section 309.54, is amended to read:
309.54 [PUBLIC RECORD.]

Subdivision 1. Registration statements, annual reports, and other documents required to be filed shall become public records in the office of the ~~department~~ attorney general. *Investigative data obtained by the attorney general in anticipation of or in connection with litigation or an administration proceeding shall be nonpublic data.*

Subd. 2. Every person subject to sections 309.50 to 309.61 shall maintain, *for not less than three years from the date of preparation,* accurate and detailed books and records to provide the information required by sections 309.50 to 309.61. All such books and records shall be open to inspection at all reasonable times by ~~the department or by~~ the attorney general.

Subd. 3. Every charitable organization which is required to file an annual report under section 309.53 shall keep and maintain ~~within Minnesota~~, at the place designated in its registration statement, the original books and records, or true copies thereof, pertaining to all money or other property collected from residents of this state and to the disbursement of such money or property. Such books and records shall be preserved for a period of not less than ~~40~~ *three* years from the date of preparation thereof.

Sec. 32. Minnesota Statutes 1986, section 309.55, subdivision 6, is amended to read:

Subd. 6. No person shall, either as an individual or as agent, officer or employee of a charitable organization sell or otherwise furnish for a consideration to any other person any list of contributors *unless the contributor has consented to the transaction.*

Sec. 33. Minnesota Statutes 1986, section 309.556, is amended to read:
309.556 [PUBLIC DISCLOSURE REQUIREMENTS.]

Subdivision 1. [IDENTITY OF ORGANIZATION ~~AND~~; PERCENTAGE OF DEDUCTIBILITY; *DESCRIPTION OF PROGRAM.*] In connection with any charitable solicitation, the following information shall be clearly disclosed:

(a) The name, address and telephone number of each charitable organization on behalf of which the solicitation is made;

(b) The percentage of the contribution which may be deducted as a charitable contribution under both federal and state income tax laws;

(c) *A description of the charitable program for which the solicitation campaign is being carried out; and, if different, a description of the programs and activities of the organization on whose behalf the solicitation campaign is being carried out.*

If the solicitation is made by direct contact, the required information shall be disclosed prominently on a card which shall be exhibited to the person solicited. If the solicitation is made by radio, television, letter, telephone or any other means not involving direct personal contact, the required information shall be clearly disclosed in the solicitation.

Subd. 2. [PERCENTAGE RECEIVED FOR CHARITABLE PURPOSES.] In addition to the disclosures required by subdivision 1, any professional fund raiser soliciting contributions in this state shall also disclose the percentage *or a reasonable estimate of the percentage* of the total amount solicited from each person which shall be received by the charitable agency for charitable purposes. *A professional fund raiser shall also disclose the name of the professional fund raiser as on file with the attorney general and that the solicitation is being conducted by a "professional fund raiser."* The ~~disclosure~~ disclosures required by this subdivision shall be given in the same manner as the disclosures required by subdivision 1.

Sec. 34. Minnesota Statutes 1986, section 309.56, subdivision 1, is amended to read:

Subdivision 1. Any charitable organization or professional fund raiser which solicits contributions in this state, but does not maintain an office within the state shall be subject to service of process, as follows:

(a) By service thereof on its registered agent within the state, or if there

be no such registered agent, then upon the person, *if any*, who has been designated in the registration statement as having custody of books and records within this state; where service is effected upon the person so designated in the registration statement a copy of the process shall, in addition, be mailed to the charitable organization or professional fund raiser at its last known address;

(b) When a charitable organization or professional fund raiser has solicited contributions in this state, but maintains no office within the state, has no registered agent within the state, and no designated person having custody of its books and records within the state, or when a registered agent or person having custody of its books and records within the state cannot be found as shown by the return of the sheriff of the county in which such registered agent or person having custody of books and records has been represented by the charitable organization or professional fund raiser as maintaining an office, service may be made by leaving a copy of the process in the office of the commissioner. ~~Service upon the commissioner is not effective unless (a) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at that person's last known address or takes other steps which are reasonably calculated to give actual notice, and (b) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within a further time the court allows as in any other civil suit, or in the manner provided by section 303.13, subdivision 1, clause (3), or in such manner as the court may direct.~~

Sec. 35. Minnesota Statutes 1986, section 309.57, is amended to read:

309.57 [DISTRICT COURT JURISDICTION, PENALTIES, ENFORCEMENT.]

Subdivision 1. Upon the application of the attorney general the district court is vested with jurisdiction to restrain and enjoin violations of sections 309.50 to 309.61. *The court may make any necessary order or judgment including, but not limited to, injunctions, restitution, appointment of a receiver for the defendant or the defendant's assets, denial, revocation, or suspension of the defendant's registration, awards of reasonable attorney fees, and costs of investigation and litigation, and may award to the state civil penalties up to \$25,000 for each violation of sections 309.50 to 309.61. In ordering injunctive relief, the attorney general shall not be required to establish irreparable harm but only a violation of statute or that the requested order promotes the public interest. The court may, as appropriate, enter a consent judgment or decree without the finding of illegality.*

Subd. 2. *The attorney general may accept an assurance of discontinuance of any method, act, or practice in violation of sections 309.50 to 309.61 from any person alleged to be engaged or to have been engaged in such method, act, or practice. Such assurance may, among other terms, include a stipulation for the voluntary payment by such person of the costs of investigation, or of an amount to be held in escrow pending the outcome of an action or as restitution to aggrieved persons, or both. Any such assurance of discontinuance shall be in writing and be filed with the district court of the county in which the alleged violator resides or has his principal*

place of business or in Ramsey county. An assurance shall not be considered an admission of a violation for any purpose. Failure to comply with the assurance of discontinuance shall be punishable as contempt.

Sec. 36. Minnesota Statutes 1986, section 345.39, is amended to read:

345.39 [MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON.]

Subdivision 1. All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than five years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed wages or worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks. This section does not include money orders.

Subd. 2. [PRESUMED ABANDONMENT.] Notwithstanding subdivision 1, any profit, distribution, or other sum held or owing by a cooperative for or to a participating patron of the cooperative is presumed abandoned only if it has remained unclaimed by the owner for more than seven years after it became payable or distributable.

Sec. 37. Minnesota Statutes 1986, section 386.375, is amended to read:

386.375 [TRANSFER AND STORAGE OF ABSTRACTS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "lender" means all state banks and trust companies, national banking associations, state and federally chartered savings and loan associations, mortgage banks, mutual savings banks, insurance companies, credit unions making a loan, or any person making a conventional loan as defined under section 47.20, subdivision 2, clause (3), or cooperative apartment loan as defined under section 47.20, subdivision 2, clause (4). A "selling lender" is a lender who sells, assigns, or transfers a loan and/or the servicing of a loan to a "purchasing lender" or "servicing agent."

Subd. 2. [RESPONSIBILITY FOR STORAGE.] Any title company, lender, or anyone other than the mortgagor or fee simple owner holding an abstract of title to Minnesota real estate shall transfer the abstract of title to the mortgagor or fee simple owner of the real estate to which the abstract pertains before August 1, 1987. After August 1, 1987, the abstract of title shall be provided to the mortgagor or fee simple owner at the time of closing. This section does not apply if the holder of the abstract of title is the mortgagor or fee simple owner of the real estate to which the abstract pertains.

Subd. 3. [PENALTIES.] If a title company or lender fails to comply with the requirements of subdivision 2, the mortgagor or fee simple owner has the right to have an abstract made at the expense of the lender or title company holding the abstract.

Subdivision 1. [RESPONSIBILITY TO TRANSFER.] (a) A person hold-

ing an abstract of title to real estate located in Minnesota shall, at a closing of a sale of the property to which the abstract pertains, transfer the abstract of title to the mortgagor or fee owner at no charge to the mortgagor or fee owner, unless the abstract of title is being held after a closing for issuance of a final title opinion or policy of title insurance in which case the holder has a reasonable period of time to transfer the abstract. At closing a person may request, without charge, that the abstract be extended by the mortgagor.

(b) A person holding an abstract of title to real estate located in Minnesota shall, within ten days of written request from the mortgagor or fee owner of the property to which the abstract pertains, transfer the abstract of title to the mortgagor or fee owner at no charge to the mortgagor or fee owner. If the abstract of title is being held after a closing for a final title opinion, the holder has a reasonable period of time to transfer the abstract.

(c) If a person holding an abstract of title to real estate located in Minnesota fails to comply with the requirements of this subdivision, the mortgagor or fee owner of the property may have an abstract of title made at the expense of the last known person holding the abstract of title, and is also entitled to collect civil damages of up to \$500 from the person last known to hold the abstract of title.

Subd. 2. [STORAGE OF ABSTRACTS.] A lender, title company, or affiliate thereof may not impose a charge or fee to store an abstract of title to real estate located in Minnesota upon which it has a lien or has issued a lender's title insurance policy. A person violating this subdivision is subject to a penalty of \$100 for each violation.

Subd. 3. [CONSUMER EDUCATION INFORMATION.] (a) A person other than the mortgagor or fee owner who transfers or offers to transfer an abstract of title shall present to the mortgagor or fee owner basic information in plain English about abstracts of title. This information must contain at least the following items:

- (1) a definition and description of abstracts of title;
- (2) an explanation that holders of abstracts of title must maintain it with reasonable care;
- (3) an approximate cost or range of costs to replace a lost or damaged abstract of title; and
- (4) an explanation that abstracts of title may be required to sell, finance, or refinance real estate.

(b) A person violating this subdivision is subject to a penalty of \$100 for each violation.

Subd. 4. [STORAGE IN MINNESOTA.] After August 1, 1987, abstracts of title to real estate located in Minnesota must be stored within the state of Minnesota. Failure to comply with this subdivision entitles a mortgagor or fee owner to civil damages of up to \$500.

Subd. 5. [EXCEPTIONS.] This section does not apply if the person holding the abstract of title is the mortgagor or fee owner of the real estate to which the abstract pertains.

Sec. 38. [APPROPRIATIONS.]

\$65,066 is appropriated from the general fund to the attorney general to be available for fiscal year 1988. The sum of \$34,414 is appropriated from the general fund to the attorney general to be available for fiscal year 1989. The general fund complement of the attorney general is increased by one.

Sec. 39. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall substitute the term "attorney general" for the term "commissioner" or "commissioner of commerce" or "department" in Minnesota Statutes, sections 309.52, subdivisions 1 and 7; 309.53, subdivisions 1 and 2; 309.533, subdivision 1; 309.591; and 309.60.

The revisor of statutes shall delete all references to the "commissioner" in Minnesota Statutes, section 309.581.

Sec. 40. [REPEALER.]

Minnesota Statutes 1986, sections 72A.23; 72A.24; 72A.28; 80A.20; 80A.21; 80C.15; 80C.16, subdivision 1; 82.25; 82.26; 83.34; 83.35, subdivision 3; 238.085; 309.515, subdivision 3; 309.532; 309.533, subdivisions 2, 3, and 4; 309.534; 309.555; and 309.58, are repealed.

Sec. 41. [EFFECTIVE DATE.]

Section 20 is effective June 30, 1987."

Delete the title and insert:

"A bill for an act relating to commerce; providing enforcement powers; regulating securities; regulating the business of financial planning; restricting certain charges made by investment advisors and broker dealers; providing for the registration of securities; providing for disclosure of interest rate commitments; providing for the denial, suspension, and revocation of licenses and the censure of licensees; exempting the sale of certain stock of a closely-held corporation; exempting certain industrial revenue bond transactions; regulating real estate brokers and salespersons; prohibiting commission-splitting and rebating on timeshare and other recreational lands; providing for continuing education of brokers; regulating licensees acting as principals; regulating abandoned property; establishing a presumption of abandonment for certain profits or sums held by a cooperative; regulating the transfer and storage of abstracts of title to real property; transferring the powers and duties of the commissioner for the regulation of social and charitable organizations to the attorney general and providing for further regulation of such organizations; amending Minnesota Statutes 1986, sections 60A.17, subdivision 6c; 80A.06, subdivision 5; 80A.07, subdivision 1; 80A.09, subdivision 1; 80A.12, by adding a subdivision; 80A.14, subdivision 18; 80A.15, subdivisions 1 and 2; 80A.19, subdivision 1; 82.17, subdivision 4; 82.19, subdivision 3; 82.21, subdivision 1; 82.22, subdivision 6; 82.24, subdivision 2; 82.34, subdivision 19; 308.12, by adding a subdivision; 309.50, subdivision 6; 309.515, subdivision 1; 309.52, subdivisions 1a and 2; 309.53, subdivisions 1a, 3, 4, and by adding a subdivision; 309.531; 309.533, by adding a subdivision; 309.54; 309.55, subdivision 6; 309.556; 309.56, subdivision 1; 309.57; 345.39; and 386.375; proposing coding for new law in Minnesota Statutes, chapters 45 and 47; repealing Minnesota Statutes 1986, sections 72A.23; 72A.24; 72A.28; 80A.20; 80A.21; 80C.15; 80C.16, subdivision 1; 82.25; 82.26; 83.34; 83.35, subdivision 3; 238.085; 309.515, subdivision 3; 309.532; 309.533, subdivisions 2, 3, and 4; 309.534; 309.555; and 309.58."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1243: A bill for an act relating to elections; specifying the time for precinct caucuses; amending Minnesota Statutes 1986, section 202A.14, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, strike "8:00 p.m." and insert "7:30 p.m."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

H.F. No. 281: A bill for an act relating to elections; providing for experimental mail elections; proposing coding for new law in Minnesota Statutes, chapter 204B.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

H.F. No. 334: A bill for an act relating to elections; changing registration, absentee ballot, filing, training, administrative, electronic voting, ballot preparation, canvassing, and election contest provisions; amending Minnesota Statutes 1986, sections 201.071, subdivision 4; 201.091, subdivision 4; 203B.03, subdivision 1; 203B.06, subdivision 3; 204B.11, subdivision 1; 204B.27, subdivision 1; 204B.40; 204C.24, subdivision 1; 204C.27; 204C.31, subdivision 1; 204D.04, subdivision 2; 204D.11, subdivision 6; 206.61, subdivision 5; 206.82, subdivision 2; 206.90, subdivision 3; and 209.021, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 351.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 865: A bill for an act relating to environment; authorizing an assessment against public utilities to finance the state costs of controlling acid deposition; amending Minnesota Statutes 1986, section 116C.69, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 116C.69, subdivision 3, is amended to read:

Subd. 3. [FUNDING; ASSESSMENT.] The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

Until June 30, 1992, the assessment shall also include an amount sufficient to cover 60 percent of the costs to the pollution control agency of ~~developing~~ *achieving, maintaining, and monitoring compliance with the acid deposition control plan required by standard adopted under sections 116.42 to 116.45; and costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1.* This amount shall be certified to the board by the executive director of the pollution control agency. A work plan and budget shall be submitted annually to the legislative commission on Minnesota resources for approval before an assessment is levied. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all ~~such~~ *these* utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all ~~such~~ *these* utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision plus 60 percent of the annual budget of the pollution control agency for ~~developing the plan required by~~ *achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45 and for costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1.* The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board and the pollution control agency for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

The 60 percent assessment in this subdivision is composed of a 10 percent factor based on the ratio of Minnesota generated deposition to the total deposition in the state and a 50 percent factor allocated for the utilities' support of the work under this subdivision.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 717: A bill for an act relating to agriculture; relating to environment; providing for pesticide registration and regulation; licensing ap-

plicators; clarifying and recodifying pesticide laws; providing penalties; requiring a report; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 18B; repealing Minnesota Statutes 1986, sections 18A.21; 18A.22; 18A.23; 18A.24; 18A.25; 18A.26; 18A.27; 18A.28; 18A.29; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.36; 18A.37; 18A.38; 18A.39; 18A.40; 18A.41; 18A.42; 18A.43; 18A.44; 18A.45; and 18A.48.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"PESTICIDE REGULATION

Section 1. [18B.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.

Subd. 2. [APPROVED AGENCY.] "Approved agency" means a state agency, other than the department of agriculture, or an agency of a county, municipality, or other political subdivision that has signed a joint powers agreement under section 471.59 with the commissioner.

Subd. 3. [BENEFICIAL INSECTS.] "Beneficial insects" means insects that are: (1) effective pollinators of plants; (2) parasites or predators of pests; or (3) otherwise beneficial.

Subd. 4. [BULK PESTICIDE.] "Bulk pesticide" means a pesticide that is held in an individual container, with a pesticide content of 56 United States gallons or more, or 100 pounds or greater net dry weight.

Subd. 5. [COMMERCIAL APPLICATOR.] "Commercial applicator" means a person who has a commercial applicator license.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or an agent authorized by the commissioner.

Subd. 7. [DEVICE.] "Device" means an instrument or contrivance, other than a firearm, that is intended or used to destroy, repel, or mitigate a pest, a form of plant or animal life other than humans, or a bacterium, virus, or other microorganism on or in living animals, including humans. A device does not include equipment used for the application of pesticides if the equipment is sold separately from the instrument or contrivance.

Subd. 8. [DISTRIBUTE.] "Distribute" means offer for sale, sell, barter, ship, deliver for shipment, receive and deliver, and offer to deliver pesticides in this state.

Subd. 9. [ENVIRONMENT.] "Environment" means surface water, ground water, air, land, plants, humans, and animals and their interrelationships.

Subd. 10. [FIFRA.] "FIFRA" means the Federal Insecticide, Fungicide, Rodenticide Act, United States Code, title 7, sections 136 to 136y, and regulations under Code of Federal Regulations, title 40, subchapter E, parts 150 to 180.

Subd. 11. [HAZARDOUS WASTE.] "Hazardous waste" means any substance identified or listed as hazardous waste in the rules adopted under section 116.07, subdivision 4.

Subd. 12. [INCIDENT.] "Incident" means a flood, fire, tornado, trans-

portation accident, storage container rupture, portable container rupture, leak, spill, or other event that releases or threatens to release a pesticide accidentally or otherwise, and may cause unreasonable adverse effects on the environment. "Incident" does not include the lawful use or intentional release of a pesticide in accordance with its approved labeling.

Subd. 13. [LABEL.] "Label" means the written, printed, or graphic matter on, or attached to, the pesticide or device or their containers or wrappers.

Subd. 14. [LABELING.] "Labeling" means all labels and other written, printed, or graphic matter:

(1) accompanying the pesticide or device;

(2) referred to by the label or literature accompanying the pesticide or device; or

(3) that relates or refers to the pesticide or to induce the sale of the pesticide or device.

"Labeling" does not include current official publications of the United States Environmental Protection Agency, United States Department of Agriculture, United States Department of Interior, United States Department of Health, Education and Welfare, state agricultural experiment stations, state agricultural colleges, and other similar federal or state institutions or agencies authorized by law to conduct research in the field of pesticides.

Subd. 15. [NONCOMMERCIAL APPLICATOR.] "Noncommercial applicator" means a person with a noncommercial applicator license.

Subd. 16. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, joint stock company, unincorporated organization, the state, a state agency, or political subdivision.

Subd. 17. [PEST.] "Pest" means an insect, rodent, nematode, fungus, weed, terrestrial or aquatic plant, animal life, virus, bacteria, or other organism designated by rule as a pest, except a virus, bacteria, or other microorganism on or in living humans or other living animals.

Subd. 18. [PESTICIDE.] "Pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 19. [PESTICIDE DEALER.] "Pesticide dealer" means a person with a pesticide dealer license.

Subd. 20. [PLANT REGULATOR.] "Plant regulator" means a substance or mixture of substances intended through physiological action to accelerate or retard the rate of growth or rate of maturation of a plant, or to otherwise alter the behavior of ornamental or crop plants or the produce of the plants. Plant regulator does not include substances to the extent that they are intended as plant nutrients, trace elements, nutritional chemicals, plant inoculants, or soil amendments.

Subd. 21. [PRIVATE APPLICATOR.] "Private applicator" means a person certified to use or supervise use of restricted use pesticides.

Subd. 22. [REGISTRANT.] "Registrant" means a person that has registered a pesticide under this chapter.

Subd. 23. [RESPONSIBLE PARTY.] "Responsible party" means a person who at the time of an incident has custody of, control of, or responsibility for a pesticide, pesticide container, or pesticide rinsate.

Subd. 24. [RESTRICTED USE PESTICIDE.] "Restricted use pesticide" means a pesticide formulation designated as a restricted use pesticide under FIFRA or by the commissioner under this chapter.

Subd. 25. [RINSATE.] "Rinsate" means a dilute mixture of a pesticide or pesticides with water, solvents, oils, commercial rinsing agents, or other substances, that is produced by or results from the cleaning of pesticide application equipment or pesticide containers.

Subd. 26. [SAFEGUARD.] "Safeguard" means a facility, device, or system, or a combination of these, designed to prevent the escape or movement of a pesticide from the place it is stored or kept under conditions that might otherwise result in contamination of the environment.

Subd. 27. [SITE.] "Site" means all land and water areas, including air space, and all plants, animals, structures, buildings, contrivances, and machinery whether fixed or mobile, including anything used for transportation.

Subd. 28. [STRUCTURAL PEST.] "Structural pest" means a pest, other than a plant, in, on, under, or near a structure.

Subd. 29. [STRUCTURAL PEST CONTROL.] "Structural pest control" means the control of any structural pest through the use of a device, a procedure, or application of pesticides in or around a building or other structures, including trucks, boxcars, ships, aircraft, docks, and fumigation vaults, and the business activity related to use of a device, a procedure, or application of a pesticide.

Subd. 30. [STRUCTURAL PEST CONTROL APPLICATOR.] "Structural pest control applicator" means a person with a structural pest control license.

Subd. 31. [UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.] "Unreasonable adverse effects on the environment" means any unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide.

Subd. 32. [WILDLIFE.] "Wildlife" means all living things that are not human, domesticated, or pests.

ADMINISTRATION

Sec. 2. [18B.02] [PREEMPTION OF OTHER LAW.]

Except as specifically provided in this chapter, the provisions of this chapter preempt ordinances by local governments that prohibit or regulate any matter relating to the registration, labeling, distribution, sale, handling, use, application, or disposal of pesticides.

Sec. 3. [18B.03] [POWERS AND DUTIES OF COMMISSIONER.]

Subdivision 1. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer, implement, and enforce this chapter and the department of agriculture is the lead state agency for the regulation of pesticides.

Subd. 2. [DELEGATION OF DUTIES.] The functions vested in the commissioner by this chapter may be delegated to designated employees or agents of the department of agriculture.

Subd. 3. [DELEGATION TO APPROVED AGENCIES.] The commissioner may, by written agreements, delegate specific inspection, enforcement, and other regulatory duties of this chapter to officials of approved agencies. Agreements must not result in the displacement of employees of the department who perform similar duties.

Sec. 4. [18B.04] [PESTICIDE IMPACT ON WATER QUALITY.]

The commissioner shall:

(1) determine the impact of pesticides on surface and ground water in this state;

(2) develop best management practices involving pesticide distribution, storage, handling, use, and disposal; and

(3) cooperate with and assist other state agencies and local governments to protect public health and the environment from harmful exposure to pesticides.

Sec. 5. [18B.05] [PESTICIDE REGULATORY ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] A pesticide regulatory account is established in the state treasury. Fees and penalties except penalties collected under section 22, subdivision 4, collected under this chapter must be deposited in the state treasury and credited to the pesticide regulatory account.

Subd. 2. [ANNUAL APPROPRIATION.] Money in the account, including amount of interest attributable to money in the account and any money appropriated for the purposes of this chapter, is annually appropriated to the commissioner for the administration and enforcement of this chapter.

Sec. 6. [18B.06] [RULES.]

Subdivision 1. [AUTHORITY.] The commissioner shall adopt rules to implement and enforce this chapter including procedures addressing local control of pesticide regulation. Rules adopted under this chapter are part of this chapter and a violation of the rules is a violation of a provision of this chapter.

Subd. 2. [CONFORMITY WITH FIFRA.] Rules adopted under this chapter:

(1) may not allow pesticide use that is prohibited by FIFRA; or

(2) relating to private applicators of restricted use pesticides and special local needs registrations, may not be inconsistent with the requirements of FIFRA.

Subd. 3. [PESTICIDE USE, HANDLING, AND DISPOSAL.] The commissioner shall adopt rules, including emergency rules, to govern the distribution, use, storage, handling, and disposal of pesticides, rinsates, and pesticide containers.

PESTICIDE USE AND REGULATION

Sec. 7. [18B.07] [PESTICIDE USE, APPLICATION, AND EQUIPMENT CLEANING.]

Subdivision 1. [PESTICIDE USE.] Pesticides must be applied in accordance with the product label or labeling and in a manner that will not cause unreasonable adverse effects on the environment within limits prescribed by this chapter and FIFRA.

Subd. 2. [PROHIBITED PESTICIDE USE.] (a) A person may not use, store, handle, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

(1) inconsistent with labeling;

(2) that endangers humans, damages agricultural products, food, livestock, fish, wildlife, or beneficial insects; or

(3) that contaminates the environment.

(b) A person may not direct a pesticide on property beyond the boundaries of the target site. A person may not apply a pesticide resulting in damage to adjacent property.

(c) A person may not directly apply a pesticide on a human by overspray or target site spray.

(d) A person may not apply a pesticide in a manner so as to expose a worker in an immediately adjacent, open field.

Subd. 3. [POSTING.] (a) If the pesticide labels prescribe specific hourly or daily intervals for human reentry following application, the person applying the pesticide must post fields, buildings, or areas where the pesticide has been applied. The posting must be done with placards in accordance with label requirements and rules adopted under this section.

(b) Fields being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment.

Subd. 4. [CHEMIGATION REQUIREMENTS.] (a) A person may apply pesticides through an irrigation system if the pesticide is suitable and labeled for this method of application and the systems are fitted with effective antisiphon devices or check valves that prevent the backflow of pesticides or pesticide-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump discharge and the point of pesticide injection; and

(2) the point of pesticide injection and the pesticide supply.

(b) Chemigation under paragraph (a) may be used to apply pesticides on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

Subd. 5. [PESTICIDE SAFEGUARDS AT APPLICATION SITES.] A person may not allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in or on any site without safeguards adequate to prevent the escape or movement of the pesticides from the site.

Subd. 6. [USE OF PUBLIC WATER SUPPLIES FOR FILLING EQUIPMENT.] A person may not fill pesticide application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped with a backflow prevention device that complies with the Minnesota Plumbing Code under Minnesota Rules,

parts 4715.2000 to 4715.2280.

Subd. 7. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.] (a) A person may not fill pesticide application equipment directly from public waters of the state, as defined in section 105.37, subdivision 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

(b) This subdivision does not apply to permitted applications of aquatic pesticides to public waters.

Subd. 8. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.]

(a) A person may not:

(1) clean pesticide application equipment in surface waters of the state; or

(2) fill or clean pesticide application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, pesticides or materials contaminated with pesticides could enter or contaminate the surface waters, ground water, or wells, as a result of overflow, leakage, or other causes.

(b) This subdivision does not apply to permitted application of aquatic pesticides to public waters.

Subd. 9. [PESTICIDE, RINSATE, AND CONTAINER DISPOSAL.] A person may only dispose of pesticide, rinsate, and pesticide containers in accordance with this chapter and FIFRA. The manner of disposal must not cause unreasonable adverse effects on the environment.

Sec. 8. [18B.08] [PESTICIDE APPLICATION IN CITIES.]

Subdivision 1. [APPLICABILITY.] This section applies only to statutory and home rule charter cities that enact ordinances as provided in this section.

Subd. 2. [AUTHORITY.] Statutory and home rule charter cities may enact an ordinance containing the pesticide application warning information contained in subdivision 3, including their own licensing, penalty, and enforcement provisions. Statutory and home rule charter cities may not enact an ordinance that contains more restrictive pesticide application warning information than is contained in subdivision 3.

Subd. 3. [WARNING SIGNS FOR PESTICIDE APPLICATION.] (a) All commercial or noncommercial applicators who apply pesticides to turf areas must post or affix warning signs on the property where the pesticides are applied.

(b) Warning signs must project at least 18 inches above the top of the grass line. The warning signs must be of a material that is rain-resistant for at least a 48-hour period and must remain in place up to 48 hours from the time of initial application.

(c) The following information must be printed on the warning sign in contrasting colors and capitalized letters measuring at least one-half inch, or in another format approved by the commissioner. The sign must provide the following information:

(1) the name of the business organization, entity, or person applying the pesticide; and

(2) the following language: "This area chemically treated. Keep children and pets off until ____ (date of safe entry) ____" or a universally accepted symbol and text approved by the commissioner that is recognized as having the same meaning or intent as specified in this paragraph. The warning sign may include the name of the pesticide used.

(d) The warning sign must be posted on a lawn or yard between two feet and five feet from the sidewalk or street. For parks, golf courses, athletic fields, playgrounds, or other similar recreational property, the warning signs must be posted immediately adjacent to areas within the property where pesticides have been applied and at or near the entrances to the property.

Sec. 9. [18B.09] [ACTION TO PREVENT GROUND WATER CONTAMINATION.]

The commissioner may, by rule, special order, or delegation through written regulatory agreement with officials of other approved agencies, take action necessary to prevent the contamination of ground water resulting from leaching of pesticides through the soil, from the backsiphoning or back-flowing of pesticides through water wells, or from the direct flowage of pesticides to ground water.

Sec. 10. [18B.10] [SALE AND USE OF TCDD.]

A person may not sell, offer for sale, or use a pesticide containing in excess of 0.1 parts per million of 2,3,7, 8-tetrachlorodibenzo-para-dioxin (TCDD).

Sec. 11. [SALE AND DISTRIBUTION OF ADULTERATED PESTICIDES.]

A person may not offer for sale or distribute a pesticide that is determined by the commissioner to be adulterated, including a pesticide that has:

(1) a strength or purity that does not meet the standard of quality expressed on its label;

(2) a constituent entirely or partially substituted; or

(3) an important or necessary constituent entirely or partially removed.

Sec. 12. [SALE AND DISTRIBUTION OF MISBRANDED PESTICIDES AND DEVICES.]

A person may not offer for sale or distribute a pesticide or device determined by the commissioner to be misbranded, including a pesticide or device that:

(1) is an imitation of or is offered for sale under the name of another pesticide or device; or

(2) does not comply with the labeling requirements under this chapter or FIFRA.

Sec. 13. [18B.11] [PESTICIDE STORAGE.]

Subdivision 1. [DISPLAY AND STORAGE.] (a) A person may store or display pesticides and their containers only in the original container and separated from food, feed, seed, livestock remedies, drugs, plants, and other products or materials stored, displayed, or offered for sale in a manner that prevents contamination which would cause injury or damage to the other products or materials.

(b) A person may not allow open pesticide containers to be displayed for sale under any circumstances.

Subd. 2. [BULK PESTICIDE STORAGE.] (a) A person storing pesticides in containers of a rated capacity of 500 gallons or more must obtain a pesticide storage permit from the commissioner.

(b) Applications must be on forms provided by the commissioner containing information established by rule. The initial application for a permit must be accompanied by a nonrefundable application fee of \$100 for each location where the pesticides are stored.

(c) The commissioner shall by rule develop and implement a program to regulate bulk pesticides. The rules must include installation of secondary containment devices, storage site security, safeguards, notification of storage site locations, criteria for permit approval, a schedule for compliance, and other appropriate requirements necessary to minimize potential adverse effects on the environment. The rules must conform with existing rules of the pollution control agency.

Sec. 14. [18B.12] [PESTICIDE RELEASE INCIDENTS.]

Subdivision 1. [DUTIES OF RESPONSIBLE PARTY.] (a) A responsible party involved in an incident must immediately report the incident to the department of agriculture and provide information as requested by the commissioner. The responsible party must immediately take all action necessary to minimize or abate the release and to recover pesticides involved in the incident.

(b) The responsible party must submit a written report of the incident to the commissioner containing the information requested by the commissioner within the time specified by the commissioner.

Subd. 2. [COMMISSIONER'S ACTION.] (a) If in the judgment of the commissioner the responsible party does not take immediate and sufficient action to abate the release of and to recover the pesticide, the commissioner may take action necessary to mitigate or correct the conditions resulting from an incident. The responsible party must reimburse the commissioner for the costs incurred by the commissioner in the enforcement of this subdivision.

(b) The department of agriculture is the lead state agency for responding to and taking action with regard to pesticide incidents.

Sec. 15. [18B.13] [EMPLOYER LIABILITY FOR EMPLOYEES.]

Structural pest control applicators, commercial applicators, noncommercial applicants and pesticides dealers are criminally liable for violations of this chapter by their employees and agents.

INSPECTIONS AND ENFORCEMENT

Sec. 16. [18B.15] [COOPERATIVE INSPECTION AND ENFORCEMENT AGREEMENTS.]

The commissioner may enter into cooperative agreements with federal and state agencies for training, certification, inspection, and enforcement programs and may make reports to the United States Environmental Protection Agency and other federal agencies as required or requested. The commissioner may adopt and enforce federal standards, regulations, or orders relating to pesticide regulation when determined to be in the best

interest of citizens of the state.

Sec. 17. [18B.16] [INSPECTION.]

Subdivision 1. [ACCESS AND ENTRY.] *(a) The commissioner, and the commissioner's agents, upon issuance of a notice of inspection, must be granted access at reasonable times to (1) sites where a restricted use pesticide is used; (2) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a pesticide in violation of provisions of this chapter; and (3) to all sites affected, or possibly affected, by the use of a pesticide, rinsate, pesticide container, or device in violation of a provision of this chapter.*

(b) The commissioner and commissioner's agents may enter sites for:

(1) inspection of equipment for the manufacture, formulation, distribution, disposal, or application of pesticides and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to pesticides;

(3) inspection of storage, handling, distribution, use, or disposal areas of pesticides or pesticide containers;

(4) inspection or investigation of complaints of injury to humans, wildlife, domesticated animals, crops, or the environment;

(5) sampling of pesticides;

(6) observation of the use and application of a pesticide;

(7) inspection of records related to the manufacture, distribution, use, or disposal of pesticides; and

(8) other purposes necessary to implement this chapter.

Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.] *Before leaving the premises inspected, the commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.*

Sec. 18. [18B.17] [PRIVATE REQUEST FOR INSPECTION OF VIOLATION.]

Subdivision 1. [STATEMENT OF VIOLATION.] *A person that suspects a provision of this chapter has been violated may file a written inspection request with the commissioner. The written request must contain:*

(1) the person's name and address;

(2) the name of the person for whom the application was done;

(3) the name of the applicator;

(4) the date of the application;

(5) a description of the suspected violation; and

(6) other information the commissioner may require.

Subd. 2. [INSPECTION FOR SUSPECTED VIOLATION.] *If the request for inspection is filed within 60 days after the pesticide was applied or damage has occurred, the commissioner shall investigate to determine if provisions of this chapter have been violated. The commissioner may dis-*

continue the investigation after determining provisions of this chapter have not been violated.

Subd. 3. [INSPECTION FILE DISCLOSURE.] Copies of completed inspection files are available to the person making the inspection request, the applicator, or their agents, upon written request.

Sec. 19. [18B.18] [ENFORCEMENT.]

Subdivision 1. [ENFORCEMENT REQUIRED.] (a) The commissioner shall enforce this chapter.

(b) Upon the request of the commissioner or an agent authorized by the commissioner; county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws shall take action to the extent of their authority necessary or proper for the enforcement of this chapter, or special orders, standards, stipulations, and agreements of the commissioner.

Subd. 2. [CRIMINAL ACTIONS.] For a criminal action, the county attorney where a violation occurred is responsible for prosecuting a violation of a provision of this chapter. If the county attorney refuses to prosecute, the attorney general may prosecute.

Subd. 3. [CIVIL ACTIONS.] Civil judicial enforcement actions may be brought by the attorney general in the name of the state on behalf of the commissioner. A county attorney may bring a civil judicial enforcement action upon the request of the commissioner and the attorney general.

Subd. 4. [INJUNCTION.] The commissioner may apply to a court with jurisdiction for a temporary or permanent injunction to prevent, restrain, or enjoin violations of provisions of this chapter.

Subd. 5. [AGENT FOR SERVICE OF PROCESS.] All nonresident commercial and structural pest control applicator licensees licensed as individuals must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee.

Subd. 6. [SUBPOENAS.] The commissioner may issue subpoenas to compel the attendance of witnesses or submission of books, documents, and records affecting the authority or privilege granted by a license, registration, certification, or permit issued under this chapter.

Sec. 20. [18B.19] [ADMINISTRATIVE ACTION.]

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations by a written warning, administrative meeting, cease and desist, stop-use, stop-sale, or other special order, seizure, stipulation, or agreement, if the commissioner determines that the remedy is in the public interest.

Subd. 2. [REVOCAION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to renew a registration, permit, license, or certification if a person violates a provision of this chapter.

Subd. 3. [REMEDIAL ACTION ORDERS.] (a) If the commissioner has probable cause that a pesticide, pesticide container, rinsate, pesticide equipment, or device is being used, manufactured, distributed, stored, or disposed of in violation of a provision of this chapter, the commissioner

may investigate and issue a written cease and desist, stop-sale, stop-use, or removal order or other remedial action to the owner, custodian, or other responsible party. If the owner, custodian, or other responsible party is not available for service of the order, the commissioner may attach the order to the pesticide, pesticide container, rinsate, pesticide equipment, or device or facility and notify the owner, custodian, other responsible party, or the registrant. The pesticide, pesticide container, rinsate, pesticide equipment, or device may not be sold, used, or removed until the violation has been corrected and the pesticide, pesticide container, rinsate, pesticide equipment, or device has been released in writing under conditions specified by the commissioner, or until the violation has been otherwise disposed of by a court.

(b) If a violation of a provision of this chapter results in conditions that may have an unreasonable adverse effect on humans, domestic animals, wildlife, or the environment, the commissioner may, by order, require remedial action, including removal and proper disposal.

Sec. 21. [18B.20] [DAMAGES AGAINST STATE FOR ADMINISTRATIVE ACTION WITHOUT CAUSE.]

If the commissioner did not have probable cause for an administrative action, including the issuance of a stop-sale, use, or removal order, a court may allow recovery for damages caused by the administrative action.

Sec. 22. [18B.21] [CIVIL PENALTIES.]

Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivisions 2 and 5, a person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner is subject to a civil penalty of up to \$10,000 per day of violation as determined by the court.

Subd. 2. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner that relates to disposal of pesticides so that they become hazardous waste, is subject to a civil penalty of up to \$25,000 per day of violation as determined by the court.

Subd. 3. [CLEANUP COSTS.] A person who violates a provision of this chapter is liable for and must pay to the state a sum that will compensate the state for the reasonable value of cleanup and other expenses directly resulting from the illegal use, storage, handling, or disposal of pesticides, whether accidental or otherwise.

Subd. 4. [WILDLIFE AND OTHER DAMAGES.] (a) A person who violates a provision of this chapter is liable for and must pay to the state a sum to constitute just compensation for the loss or destruction of wildlife, fish, or other aquatic life, and for actual damages to the state caused by the illegal use, storage, handling, or disposal of pesticides.

(b) The amounts paid as compensation for loss of or destruction to wildlife, fish, or other aquatic life must be deposited into the state treasury and credited to the game and fish fund.

Subd. 5. [DIRECTLY SPRAYING HUMANS.] A person who directly applies pesticides on a human by target site spraying in an open field is subject to a civil penalty up to \$5,000 as determined by the court.

Subd. 6. [DEFENSE TO CIVIL REMEDIES AND DAMAGES.] As a defense to a civil penalty or claim for damages under subdivisions 1 to 4, the defendant may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Subd. 7. [ACTIONS TO COMPEL PERFORMANCE.] In an action to compel performance of an order of the commissioner to enforce a provision of this chapter, the court may require a defendant adjudged responsible to perform the acts within the person's power that are reasonably necessary to accomplish the purposes of the order.

Subd. 8. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney or the attorney general in the name of the state.

Subd. 9. [RECOVERY OF LITIGATION COSTS AND EXPENSES.] In an action brought by the attorney general or a county attorney in the name of the state under this chapter for civil penalties, injunctive relief, or in an action to compel compliance, if the state finally prevails, the state, in addition to other penalties provided in this chapter, must be allowed an amount determined by the court to be the reasonable value of all or a part of the litigation expenses including attorney fees incurred by the state or county attorney. In determining the amount of these litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.

Sec. 23. [18B.22] [UNSATISFIED JUDGMENTS.]

(a) An applicant for a commercial, noncommercial, or structural pest control license and a commercial, noncommercial, or structural pest control applicator may not allow a final judgment against the applicant or applicator for damages arising from a violation of a provision of this chapter to remain unsatisfied for a period of more than 30 days.

(b) Failure to satisfy within 30 days a final judgment resulting from these pest control activities will result in automatic suspension of the applicator license.

Sec. 24. [18B.23] [CRIMINAL PENALTIES.]

Subdivision 1. [GENERAL VIOLATION.] Except as provided in subdivisions 2 and 3, a person is guilty of a misdemeanor, if the person violates a provision of this chapter, or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner.

Subd. 2. [VIOLATION ENDANGERING HUMANS.] A person is guilty of a gross misdemeanor if the person violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner, and the violation endangers humans.

Subd. 3. [VIOLATION WITH KNOWLEDGE.] A person is guilty of a gross misdemeanor if the person knowingly violates a provision of this chapter or standard, a special order, stipulation, agreement, or schedule of compliance of the commissioner.

Subd. 4. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who knowingly, or with reason to know, disposes of a pesticide so that the product becomes hazardous waste is subject to the penalties in

section 115.071.

PESTICIDE REGISTRATION

Sec. 25. [18B.24] [PESTICIDE REGISTRATION.]

Subdivision 1. [REQUIREMENT.] A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year. Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

Subd. 2. [APPLICATION.] (a) A person must file an application for registration with the commissioner. The application must include:

(1) the name and address of the applicant and the name and address of the person whose name will appear on the label, if other than the applicant;

(2) the brand name of the pesticide;

(3) other necessary information required by the registration application form;

(4) a true and complete copy of the labeling accompanying the pesticide as provided for in FIFRA; and

(5) current material safety data sheets for each pesticide.

(b) As part of the application, the commissioner may require the submission of any relevant information including the complete formula of a pesticide, including the active and inert ingredients.

Subd. 3. [APPLICATION FEE.] (a) An application for initial registration and renewal must be accompanied by a nonrefundable application fee of \$100 for each pesticide to be registered.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) An additional fee of \$200 must be paid by the applicant for each pesticide distributed or used in the state before initial state registration.

Subd. 4. [EFFECT OF REGISTRATION AFTER RENEWAL APPLICATION.] If a registration is in effect on December 31 and a renewal application has been made and the application fee paid, the registration continues in full force and effect until the commissioner notifies the applicant that the registration is denied or canceled, or the renewed registration expires.

Subd. 5. [APPLICATION REVIEW AND REGISTRATION.] (a) The commissioner may not deny the registration of a pesticide because the commissioner determines the pesticide is not essential.

(b) The commissioner shall review each application and may approve, deny, or cancel the registration of any pesticide. The commissioner may impose state use restrictions on a pesticide as part of the registration to prevent unreasonable adverse effects on the environment.

(c) The commissioner must notify the applicant of the approval, denial,

cancellation, or state use restrictions within 30 days after the application and fee are received.

(d) The applicant may request a hearing on any adverse action of the commissioner within 30 days after being notified by the commissioner.

Sec. 26. [18B.25] [PESTICIDE REGISTRATION FOR SPECIAL LOCAL NEEDS.]

Subdivision 1. [APPLICATION.] (a) A person must file an application for a special local need application with the commissioner. The application must meet the requirements of section 25, subdivision 2, and the commissioner may require other relevant information.

(b) The commissioner may require a full description of tests and test results upon which claims are based for:

- (1) a pesticide use that is not registered under section 24 or FIFRA; or*
- (2) a pesticide on which restrictions are being considered.*

(c) The applicant may request in writing privacy of information submitted as provided in section 37.

Subd. 2. [APPLICATION REVIEW.] (a) After reviewing the application accompanied by the application fee, the commissioner shall, subject to the terms and conditions of the authorization by the administrator of the United States Environmental Protection Agency to register pesticides to meet special local needs, register pesticides if the commissioner determines that:

(1) the pesticide's composition warrants the proposed claims for the pesticide;

(2) the pesticide's label and other material required to be submitted comply with this chapter;

(3) the pesticide will perform its intended function without unreasonable adverse effect on the environment;

(4) the pesticide will not generally cause unreasonable adverse effects on the environment when used in accordance with label directions; and

(5) a special local need for the pesticide exists.

(b) The commissioner may revoke or modify a special local need registration if the commissioner determines that the terms or conditions of the registration do not comply with paragraph (a).

Subd. 3. [APPLICATION FEE.] An application fee for a special local need registration must be accompanied by a nonrefundable fee of \$100.

Sec. 27. [18B.26] [EXPERIMENTAL USE PESTICIDE PRODUCT REGISTRATION.]

Subdivision 1. [REQUIREMENT.] A person may not use or distribute an experimental use pesticide product in the state until it is registered with the commissioner. Experimental use pesticide product registrations expire on December 31 of each year and may be renewed on or before that date.

Subd. 2. [APPLICATION REVIEW AND REGISTRATION.] (a) After reviewing the application accompanied by the application fee, the commissioner may issue an experimental use pesticide product registration if the commissioner determines that the applicant needs the registration to accumulate information necessary to register a pesticide under section 25.

The commissioner may prescribe terms, conditions, and a limited period of time for the experimental use product registration. After an experimental use pesticide product registration is issued, the commissioner may revoke or modify the registration at any time if the commissioner finds that its terms or conditions are being violated or are inadequate to avoid unreasonable adverse effects on the environment.

(b) The commissioner may deny issuance of an experimental use pesticide product registration permit if the commissioner determines that issuance of a registration is not warranted or that the use to be made of the pesticide under the proposed terms and conditions may cause unreasonable adverse effects on the environment.

Subd. 3. [APPLICATION.] A person must file an application for experimental use pesticide product registration with the commissioner. An application to register an experimental use pesticide product must include:

- (1) the name and address of the applicant;*
- (2) a federal environmental protection agency approval document;*
- (3) the purpose or objectives of the experimental use product;*
- (4) an accepted experimental use pesticide product label;*
- (5) the name, address, and telephone number of cooperators or participants in this state;*
- (6) the amount of material to be shipped or used in this state; and*
- (7) other information requested by the commissioner.*

Subd. 4. [APPLICATION FEE.] (a) An application for registration of an experimental use pesticide product must be accompanied by a nonrefundable application fee of \$100.

(b) An additional fee of \$200 must be paid by the applicant for each pesticide distributed or used in the state before an initial experimental use pesticide product registration was issued for the pesticide.

PESTICIDE LICENSES AND CERTIFICATION

Sec. 28. [18B.27] [RECIPROCAL LICENSING AND CERTIFICATION AGREEMENTS.]

The commissioner may waive all or part of the examination requirements provided for in sections 28 to 34 on a reciprocal basis with any other jurisdiction which has substantially the same requirements. Licenses or certificates issued under sections 28 to 34 may be suspended or revoked upon suspension or revocation of the license or certificate of another jurisdiction supporting the issuance of a Minnesota license or certificate and in the same manner as other licenses and certificates.

Sec. 29. [18B.28] [PESTICIDE USE LICENSE REQUIREMENT.]

A person may not use or supervise the use of a restricted use pesticide without a license or certification required under sections 28 to 34 and the use may only be done under conditions prescribed by the commissioner.

Sec. 30. [18B.29] [PESTICIDE DEALER LICENSE.]

Subdivision 1. [REQUIREMENT.] (a) Except as provided in paragraph (b), a person may not distribute or possess restricted use pesticides or bulk pesticides with an intent to distribute them to an ultimate user without

a pesticide dealer license.

(b) *The pesticide dealer license requirement does not apply to:*

(1) *a licensed commercial applicator, noncommercial applicator, or structural pest control applicator who uses restricted use pesticides only as an integral part of a pesticide application service;*

(2) *a federal, state, county, or municipal agency using restricted use pesticides for its own programs;*

(3) *a licensed pharmacist, physician, dentist, or veterinarian when administering or dispensing a restricted use pesticide for use in the pharmacist's, physician's, dentist's, or veterinarian's practice; or*

(4) *a distributor or wholesaler shipping restricted use pesticides to commercial applicators who are the ultimate users.*

(c) *A licensed pesticide dealer may sell restricted use pesticides only to an applicator licensed or certified by the commissioner, unless a sale is allowed by rule.*

Subd. 2. [RESPONSIBILITY.] A pesticide dealer is responsible for the acts of a person who assists the dealer in the solicitation and sale of restricted use pesticides.

Subd. 3. [LICENSE.] A pesticide dealer license:

(1) *expires on December 31 of each year unless it is suspended or revoked before that date; and*

(2) *is not transferable to another person.*

Subd. 4. [APPLICATION.] (a) A person must apply to the commissioner for a pesticide dealer license on the forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible to sell bulk pesticides or restricted use pesticides.

(b) *The commissioner may require an additional demonstration of dealer qualification if the dealer has had a license suspended or revoked, or has otherwise had a history of violations of this chapter.*

Subd. 5. [APPLICATION FEE.] (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of \$50.

(b) *If an application for renewal of a pesticide dealer license is not filed before January 1 of the year for which the license is to be issued, an additional fee of \$20 must be paid by the applicant before the license is issued.*

Sec. 31. [18B.30] [STRUCTURAL PEST CONTROL LICENSE.]

Subdivision 1. [REQUIREMENT.] (a) A person may not engage in structural pest control applications:

(1) *for hire without a structural pest control license; and*

(2) *as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations.*

(b) *A structural pest control licensee must have a valid license identification card when applying pesticides for hire and must display it upon*

demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Subd. 2. [LICENSES.] (a) A structural pest control license:

(1) expires on December 31 of the year for which the license is issued; and

(2) is not transferable.

(b) The commissioner shall establish categories of master, journeyman, and fumigator for a person to be licensed under a structural pest control license.

Subd. 3. [APPLICATION.] (a) A person must apply to the commissioner for a structural pest control license to be licensed as a master, journeyman, or fumigator on forms and in the manner required by the commissioner. The commissioner shall require the applicant to pass a written, closed-book, monitored examination or oral examination, or both, and may also require a practical demonstration regarding structural pest control. The commissioner shall establish the examination procedure, including the phases and contents of the examination.

(b) The commissioner may license a person as a master under a structural pest control license if the person has the necessary qualifications through knowledge and experience to properly plan, determine, and supervise the selection and application of pesticides in structural pest control. To demonstrate the qualifications and become licensed as a master, a person must:

(1) pass closed-book testing administered by the commissioner; and

(2) by direct experience as a licensed journeyman under a structural pest control license for at least two years by this state or a state with equivalent certification requirements or as a full-time licensed master in another state with equivalent certification requirements, show practical knowledge and field experience in the actual selection and application of pesticides under varying conditions.

(c) The commissioner may license a person as a journeyman under a structural pest control license if the person:

(1) has the necessary qualifications in the practical selection and application of pesticides;

(2) has passed a closed-book examination given by the commissioner; and

(3) is engaged as an employee of or is working under the direction of a person licensed as a master under a structural pest control license.

(d) The commissioner may license a person as a fumigator under a structural pest control license if the person:

(1) has knowledge of the practical selection and application of fumigants;

(2) has passed a closed-book examination given by the commissioner; and

(3) is licensed by the commissioner as a master or journeyman under a structural pest control license.

Subd. 4. [RENEWAL.] (a) A structural pest control applicator license

may be renewed on or before the expiration of an existing license subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competency and ability to use pesticides safely and properly. The commissioner may require an additional demonstration of applicator qualification if the applicator has had a license suspended or revoked or has otherwise had a history of violations of this chapter.

(b) If a person fails to renew a structural pest control license within three months of its expiration, the person must obtain a structural pest control license subject to the requirements, procedures, and fees required for an initial license.

Subd. 5. [FINANCIAL RESPONSIBILITY.] (a) A structural pest control license may not be issued unless the applicant furnishes proof of financial responsibility. The financial responsibility may be demonstrated by:

(1) proof of net assets equal to or greater than \$50,000; or

(2) a performance bond or insurance covering the applicant's pest control activities in an amount determined by the commissioner.

(b) The bond or insurance must cover a period of time at least equal to the term of the applicant's license. The commissioner must immediately suspend the license of a person who fails to maintain the required bond or insurance. The performance bond or insurance policy must contain a provision requiring the insurance or bonding company to notify the commissioner by ten days before the effective date of cancellation, termination, or any other change of the bond or insurance. If there is recovery against the bond or insurance, additional coverage must be secured to maintain financial responsibility equal to the original amount required.

(c) An employee of a licensed person is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.

(d) Applications for reinstatement of a license suspended under the provisions of this section must be accompanied by proof of satisfaction of judgments previously rendered.

Subd. 6. [FEES.] (a) An applicant for a structural pest control license for a business must pay a nonrefundable application fee of \$100. An employee of a licensed business must pay a nonrefundable application fee of \$50 for an individual structural pest control license.

(b) An application received after expiration of the structural pest control license is subject to a penalty fee of 50 percent of the application fee.

(c) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

Sec. 32. [18B.31] [COMMERCIAL APPLICATOR LICENSE.]

Subdivision 1. [REQUIREMENT.] (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories except a structural pest control applicator.

(b) A person with a commercial applicator license may not apply pesticides on or into surface waters without an aquatic category endorsement

on a commercial applicator license.

(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Subd. 2. [RESPONSIBILITY.] A person required to be licensed under this section who performs pesticide applications for hire or who employs a licensed applicator to perform pesticide application for pro rata compensation is responsible for proper application of the pesticide or device.

Subd. 3. [LICENSE.] A commercial applicator license:

(1) expires on December 31 of the year for which it is issued, unless suspended or revoked before that date; and

(2) is not transferable to another person.

Subd. 4. [APPLICATION.] (a) A person must apply to the commissioner for a commercial applicator license on forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible for the commercial applicator license.

(b) Aerial applicators must also fulfill applicable requirements in chapter 360.

(c) An applicant that desires an aquatic category endorsement must pass an examination prepared by the commissioner of natural resources and administered by the department of agriculture.

Subd. 5. [RENEWAL APPLICATION.] (a) A person must apply to the commissioner to renew a commercial applicator license. The commissioner may renew a commercial applicator license accompanied by the application fee, subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competence and ability to use pesticides safely and properly. The applicant may renew a commercial applicator license within 12 months after expiration of the license without having to meet initial testing requirements. The commissioner may require additional demonstration of applicator qualification if a person has had a license suspended or revoked or has had a history of violations of this chapter.

(b) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

Subd. 6. [FINANCIAL RESPONSIBILITY.] (a) A commercial applicator license may not be issued unless the applicant furnishes proof of financial responsibility. The financial responsibility may be demonstrated by: (1) proof of net assets equal to or greater than \$50,000; or (2) by a performance bond or insurance covering the applicant's pest control activities in an amount determined by the commissioner.

(b) The bond or insurance must cover a period of time at least equal to the term of the applicant's license. The commissioner must immediately suspend the license of a person who fails to maintain the required bond or insurance. The performance bond or insurance policy must contain a

provision requiring the insurance or bonding company to notify the commissioner by ten days before the effective date of cancellation, termination, or any other change of the bond or insurance. If there is recovery against the bond or insurance, additional coverage must be secured to maintain financial responsibility equal to the original amount required.

(c) An employee of a licensed person is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.

(d) Applications for reinstatement of a license suspended under the provisions of this section must be accompanied by proof of satisfaction of judgments previously rendered.

Subd. 7. [APPLICATION FEES.] (a) A person initially applying or renewing a commercial applicator license must pay a nonrefundable application fee of \$50, except for a person who is an employee of a business that has a commercial applicator license the nonrefundable application fee is \$25.

(b) If a renewal application is not filed before March 1 of the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the commercial applicator license may be issued.

Sec. 33. [18B.32] [NONCOMMERCIAL APPLICATOR LICENSE.]

Subdivision 1. [REQUIREMENT.] (a) Except for a commercial applicator, private applicator, or structural pest control applicator, a person, including a government employee, may not use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) A person with a noncommercial applicator license may not apply pesticides into or on surface waters without an aquatic category endorsement on the license.

(c) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Subd. 2. [LICENSE.] A noncommercial applicator license:

(1) expires on December 31 of the year for which it is issued unless suspended or revoked before that date; and

(2) is not transferable.

Subd. 3. [APPLICATION.] A person must apply to the commissioner for a noncommercial applicator license on forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible to acquire a noncommercial applicator license. An applicant desiring to apply pesticides into or on surface waters must pass an examination prepared by the department of natural resources and administered by the commissioner.

Subd. 4. [RENEWAL.] (a) A person must apply to the commissioner to renew a noncommercial applicator license. The commissioner may renew a license subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to

provide the applicator with information regarding changing technology and to help assure a continuing level of competence and ability to use pesticides safely and properly. The commissioner may require an additional demonstration of applicator qualification if the applicator has had a license suspended or revoked or has otherwise had a history of violations of this chapter.

(b) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

(c) An applicant has 12 months to renew the license after expiration without having to meet initial testing requirements.

Subd. 5. [FEES.] (a) A person initially applying for or renewing a noncommercial applicator license must pay a nonrefundable application fee of \$50, except an applicant who is a government employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.

(b) If an application for renewal of a noncommercial license is not filed before March 1 in the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the renewal license may be issued.

Sec. 34. [18B.33] [APPLICATION CATEGORIES WITHIN APPLICATOR LICENSES.]

Subdivision 1. [ESTABLISHMENT.] (a) The commissioner may establish categories of structural pest control, commercial applicator, and noncommercial applicator licenses for administering and enforcing this chapter. The categories may include pest control operators and ornamental, agricultural, aquatic, forest, and right-of-way pesticide applicators. Separate subclassifications of categories may be specified as to ground, aerial, or manual methods to apply pesticides or to the use of pesticides to control insects, plant diseases, rodents, or weeds.

(b) Each category is subject to separate testing procedures and requirements.

Subd. 2. [NO ADDITIONAL FEE.] A person may not be required to pay an additional fee for a category or subclassification of a category of a license.

Sec. 35. [18B.34] [PRIVATE APPLICATOR CERTIFICATION.]

Subdivision 1. [REQUIREMENT.] (a) Except for a commercial or noncommercial applicator, only a person certified as a private applicator may use or supervise the use of a restricted use pesticide to produce an agricultural commodity:

(1) as a traditional exchange of services without financial compensation;
or

(2) on a site owned, rented, or managed by the person or the person's employees.

(b) A private applicator may not purchase a restricted use pesticide without presenting a private applicator card or the card number.

Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training to certify persons as private

applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies.

(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of five years from the applicant's nearest birthday.

(c) The commissioner shall issue a private applicator card to a private applicator.

Subd. 3. [FEES.] (a) A person applying to be certified as a private applicator must pay a nonrefundable \$10 application fee for the certification period.

(b) A \$5 fee must be paid for the issuance of a duplicate private applicator card.

Sec. 36. [18B.35] [RECORDS, REPORTS, PLANS, AND INSPECTIONS.]

Subdivision 1. [PESTICIDE DEALER.] (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept on forms supplied by the commissioner or on the pesticide dealer's forms if they are approved by the commissioner.

(b) Records must be submitted annually with the renewal application for a pesticide dealer license or upon request of the commissioner.

(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.

Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.]

(a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. The record must include the:

- (1) date of the pesticide use;*
- (2) time the pesticide application was completed;*
- (3) pesticide and dosage used;*
- (4) number of units treated;*
- (5) temperature, wind speed, and wind direction;*
- (6) location of the site where the pesticide was applied;*
- (7) name and address of the customer;*
- (8) name, license number, address, and signature of applicator; and*
- (9) any other information required by the commissioner.*

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a single document for each pesticide application. Invoices containing the required information may constitute the required record.

(d) A commercial applicator must give a copy of the record to the customer when the application is completed.

(e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Subd. 3. [STRUCTURAL PEST CONTROL APPLICATORS.] (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

(1) date of structural pest control application;

(2) target pest;

(3) name of the pesticide used;

(4) for fumigation, the temperature and exposure time;

(5) name and address of the customer;

(6) structural pest control applicator's company name and address, applicator's signature, and license number; and

(7) any other information required by the commissioner.

(b) Invoices containing the required information may constitute the record.

(c) Records must be retained for five years after the date of treatment.

(d) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site.

Subd. 4. [STORAGE, HANDLING, AND DISPOSAL PLAN.] A commercial, noncommercial, or structural pest control applicator or the licensed business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, and disposal practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.

Subd. 5. [INSPECTION OF RECORDS.] The commissioner may enter a commercial, noncommercial, or structural pest control applicator's business and inspect the records required in this section at any reasonable time and may make copies of the records. Unless required for enforcement of this chapter, the information in the records in this section is private or nonpublic.

Sec. 37. [18B.36] [PROTECTION OF TRADE SECRETS.]

Subdivision 1. [REQUIREMENTS.] In submitting data required by this chapter, the applicant may:

(1) clearly mark any portions that in the applicant's opinion are trade secrets, commercial, or financial information; and

(2) submit the marked material separately from other material.

Subd. 2. [INFORMATION REVEALED.] After consideration of the ap-

applicant's request submitted under subdivision 1, the commissioner shall not make any information public that in the commissioner's judgment contains or relates to trade secrets or to commercial or financial information obtained from an applicant. When necessary, information relating to formulas of products may be revealed to any state or federal agency consulted with similar protection of trade secret authority and may be revealed at a public hearing or in findings of facts issued by the commissioner.

Subd. 3. [NOTIFICATION.] If the commissioner proposes to release information that the applicant or registrant believes to be protected from disclosure under subdivision 2, the commissioner shall notify the applicant or registrant by certified mail. The commissioner shall not make the information available for inspection until 30 days after receipt of the notice by the applicant or registrant. During this period the applicant or registrant may institute an action in an appropriate court for a declaratory judgment as to whether the information is subject to protection under this section.

Sec. 38. [EXISTING RULES.]

Rules of the commissioner of agriculture in effect on the effective date of this act relating to the distribution, use, storage, handling, and disposal of pesticides, rinsates, and pesticide containers remain in effect until they are superseded by new rules. The commissioner may adopt emergency rules to implement this act until December 31, 1987.

Sec. 39. [PESTICIDE CONTAINER DEPOSIT REPORT.]

The commissioner of agriculture in consultation with the director of the pollution control agency shall develop a program for pesticide container deposit and return of triple rinsed pesticide containers. The commissioner shall prepare a report on a proposed program and legislative recommendations and submit the report to the house of representatives and senate committees on agriculture by January 15, 1988.

Sec. 40. [APPROPRIATION.]

Subdivision 1. [PESTICIDE REGULATORY ACCOUNT.] \$_____ is appropriated from the general fund to the pesticide regulatory account. The amount is appropriated from the pesticide regulatory account to the commissioner of agriculture for administration and enforcement of this act.

This amount must be repaid to the general fund from the pesticide regulatory account by June 30, 1989.

The general fund complement for the department is reduced by 15.5 positions and the special revenue complement is increased by 22.5 positions.

Subd. 2. [PESTICIDE IMPACTS ON WATER QUALITY.] \$_____ is appropriated from the general fund to the commissioner of agriculture to determine the pesticide impacts on water quality under section 4.

The complement of the department of agriculture is increased by eight positions.

Sec. 41. [REPEALER.]

Minnesota Statutes 1986, sections 18A.21; 18A.22; 18A.23; 18A.24; 18A.25; 18A.26; 18A.27; 18A.28; 18A.29; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.36; 18A.37; 18A.38; 18A.39; 18A.40; 18A.41; 18A.42; 18A.43; 18A.44; 18A.45; and 18A.48 are repealed.

Sec. 42. [EFFECTIVE DATE.]

This act is effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for pesticide registration and regulation; licensing applicators; clarifying and recodifying pesticide laws; providing penalties; requiring a report; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 18B; repealing Minnesota Statutes 1986, sections 18A.21; 18A.22; 18A.23; 18A.24; 18A.25; 18A.26; 18A.27; 18A.28; 18A.29; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.36; 18A.37; 18A.38; 18A.39; 18A.40; 18A.41; 18A.42; 18A.43; 18A.44; 18A.45; and 18A.48."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1413: A bill for an act relating to historic sites; establishing a St. Anthony Falls heritage interpretive zone and heritage board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 138.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 1099: A bill for an act relating to natural resources; waiving indirect cost billings to the federal government and other states and provinces in certain circumstances; amending Minnesota Statutes 1986, section 16A.127, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 200: A bill for an act relating to Anoka county; authorizing a certain loan agreement with the commissioner of transportation for the development of new highway No. 10; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 18, delete "in 1987"

Page 2, line 24, delete everything after the headnote

Page 2, delete lines 25 to 27

Page 2, line 28, delete "commissioner." and insert "The commissioner shall repay the loan to Anoka county from the trunk highway fund when the commissioner would have spent money from the trunk highway fund for the project if the loan had not been received."

Page 2, delete lines 34 to 36 and insert:

"This act is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 26: A bill for an act relating to workers' compensation; providing for the organization and powers of the state compensation insurance fund; amending Minnesota Statutes 1986, sections 11A.24, subdivision 4; 176A.02, subdivisions 1 and 2; and 176A.04.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 12, delete "shall" and insert "must"

Page 3, line 18, after "and" insert "the"

Page 4, after line 31, insert:

"Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 973: A bill for an act relating to peace officers; providing money to train conservation officers employed by the commissioner of natural resources; amending Minnesota Statutes 1986, section 609.101.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97A.065, subdivision 2, is amended to read:

Subd. 2. [FINES AND FORFEITED BAIL.] (a) Fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter 34B, and any other law relating to wild animals, and aquatic vegetation must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one-half of the receipts to the commissioner and credit the balance to the county general revenue fund except as provided in ~~paragraph~~ paragraphs (b) and (c).

(b) The commissioner must reimburse a county, from the game and fish fund, for the cost of keeping prisoners prosecuted for violations under this section if the county board, by resolution, directs: (1) the county treasurer to submit all fines and forfeited bail to the commissioner; and (2) the county auditor to certify and submit monthly itemized statements to the commissioner.

(c) *The county treasurer shall indicate the amount of the receipts that are assessments or surcharges imposed under section 609.101 and shall submit all of those receipts to the commissioner. The receipts must be credited to the game and fish fund to provide peace officer training for persons employed by the commissioner who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority for the purpose of enforcing game and fish laws.*

Sec. 2. Minnesota Statutes 1986, section 609.101, is amended to read:
609.101 [SURCHARGE ON FINES, ASSESSMENTS.]

When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of ten percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended. The court may, upon a showing of indigency or undue hardship upon the convicted person or the person's immediate family, waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family; however, if the court waives payment or authorizes payment in installments, it shall state in writing on the record the reasons for its action.

Except for violations of the game and fish laws and related laws, which are otherwise provided for in section 97A.065, subdivision 2, the court shall collect and forward to the commissioner of finance the total amount of the assessment or surcharge and the commissioner shall credit all money so forwarded to a crime victim and witness account, which is established as a special account in the state treasury.

Money credited to the crime victim and witness account may be appropriated for but is not limited to the following purposes:

- (1) use for crime victim reparations under sections 611A.51 to 611A.68;
- (2) use by the crime victim and witness advisory council established under section 611A.71; and
- (3) to supplement the federally funded activities of the crime victim ombudsman under section 611A.74.

If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance, *indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.*

Sec. 3. Minnesota Statutes 1986, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to a peace officers training account in the special revenue fund. Money credited to the peace officers training account may be appropriated for but not limited to the following purposes, among others:

- (a) Up to ten percent may be provided for reimbursement to board approved skills courses in proportion to the number of students successfully completing the board's skills licensing examination.

(b) Assessments related to violations described in section 97.49, subdivision 5, are appropriated to provide peace officer training for persons employed by the commissioner of natural resources who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority for the purpose of enforcing game and fish laws.

(e) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

Sec. 4. [EFFECTIVE DATE.]

This act is effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to peace officer training; providing money to train conservation officers employed by the commissioner of natural resources; amending Minnesota Statutes 1986, sections 97A.065, subdivision 2; 609.101; and 626.861, subdivision 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 449: A bill for an act relating to transportation; railroads; requiring occupied caboose car on certain trains; requiring caboose car to be equipped with shortwave radio; imposing a penalty; amending Minnesota Statutes 1986, section 219.56; proposing coding for new law in Minnesota Statutes, chapter 219.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 16 to 18

Page 2, line 19, delete "5" and insert "4"

Page 2, line 23, delete everything after the period

Page 2, delete lines 24 to 26 and insert "*The penalty must be recovered in a civil action by a railway employee, a railway labor organization as defined under the Railway Labor Act, or another interested person in a court having jurisdiction in a county in or through which the railroad line runs. The civil penalty is payable to the state. The court may issue an order requiring compliance with this section. The court shall award the prevailing party in the civil action attorney fees and costs.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 377: A bill for an act relating to state government; regulating the state council for the handicapped; extending the time for appeals by the council from state building code decisions affecting the interests of handicapped persons; changing the name of the council; amending the duties and responsibilities of the council; authorizing the council to initiate

or intervene in proceedings affecting handicapped persons; amending Minnesota Statutes 1986, sections 16B.67; and 256.482.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, lines 10 and 12, delete "which" and insert "that"

Page 5, delete lines 14 to 23 and insert:

"Subd. 6. [COLLECTION OF FEES.] The council may establish and collect fees for documents or technical services provided to the public. The fees must be set at a level to reimburse the council for the actual cost incurred in providing the document or service. The fees must be deposited in the state treasury and credited to a separate account and are appropriated to the council to provide documents and technical services to the public."

Page 5, after line 29, insert:

"Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 786: A bill for an act relating to human services; limiting reimbursement for certain general assistance medical care providers and medical assistance providers; authorizing publication of a list, and criteria for the list, for selecting health services requiring prior authorization; and authorizing second medical opinion for outpatient surgery; amending Minnesota Statutes 1986, sections 256.969, subdivision 2; 256B.02, subdivision 8; 256B.03, subdivision 1; and 256D.03, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, before "On" insert "(a)"

Page 2, lines 1 and 2, delete the new language

Page 2, line 9, after the period, insert *"The state is responsible for the usual state and local share of the adjustment for claims paid on or after August 1, 1985, whether or not the adjustment is approved by the federal Health Care Financing Agency."*

Page 2, after line 31, insert:

"(b) Effective July 1, 1988, the commissioner shall limit the annual increase in pass-through cost payments for depreciation, rents and leases, and interest expenses to the annual growth in the consumer price index for all urban consumers (CPI-U). When computing budgeted pass-through cost payments, the commissioner shall use the annual increase in the CPI-U forecasted by Data Resources, Inc., consistent with the quarter of the hospital's fiscal year end. In final settlement of pass-through cost payments,

the commissioner shall use the CPI-U for the month in which the hospital's fiscal year ends compared to the same month one year earlier."

Page 8, after line 35, insert:

"Sec. 4. Minnesota Statutes 1986, section 256B.04, subdivision 15, is amended to read:

Subd. 15. [UTILIZATION REVIEW.] (1) Establish on a statewide basis a new program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in prepaid health plans, long-term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both prepayment and postpayment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a professional services advisory group appointed by the commissioner. An aggrieved party may appeal the commissioner's determination pursuant to the contested case procedures of chapter 14.

(2) *Contracts entered into for purposes of meeting the requirements of this subdivision shall not be subject to the set-aside provisions of chapter 16B.*

(3) *A recipient aggrieved by the commissioner's termination of services or denial of future services may appeal pursuant to section 256.045. A vendor aggrieved by the commissioner's determination that services provided were not reasonable or necessary may appeal pursuant to the contested case procedures of chapter 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving the commissioner's notice. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the vendor believes is correct, the authority in statute or rule upon which the vendor relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner."*

Page 9, line 11, after the second comma, insert "*physical therapy services.*"

Page 11, line 8, after the period, insert "*On or after July 1, 1988, the commissioner shall phase out the rateable reductions in the general assistance medical care program to the extent possible using any net surplus projected to exist at the end of the biennium within the appropriations for medical assistance and general assistance medical care after any transfers necessary because of deficits in the aid to families with dependent children, general assistance, or Minnesota supplemental aid programs.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "256B.04, subdivision 15;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 612: A bill for an act relating to health; creating exceptions to the nursing home moratorium; establishing a review process for approval of additional exceptions to the moratorium; prohibiting renewal of licenses for nursing home and boarding care home beds in rooms with more than four beds; appropriating money; amending Minnesota Statutes 1986, sections 144.55, subdivision 6; 144A.05; and 144A.071, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 144.55, subdivision 6, is amended to read:

Subd. 6. [SUSPENSION, REVOCATION, AND REFUSAL TO RENEW.]

(a) The commissioner may refuse to grant or renew, or may suspend or revoke, a license on any of the following grounds:

(1) Violation of any of the provisions of sections 144.50 to 144.56 or the rules or standards issued pursuant thereto;

(2) Permitting, aiding, or abetting the commission of any illegal act in the institution;

(3) Conduct or practices detrimental to the welfare of the patient; or

(4) Obtaining or attempting to obtain a license by fraud or misrepresentation.

(b) *The commissioner shall not renew a license for a boarding care bed in a resident room with more than four beds.*

Sec. 2. Minnesota Statutes 1986, section 144A.05, is amended to read:

144A.05 [LICENSE RENEWAL.]

Unless the license expires in accordance with section 144A.06 or is suspended or revoked in accordance with section 144A.11, a nursing home license shall remain effective for a period of one year from the date of its issuance. The commissioner of health by rule shall establish forms and procedures for the processing of license renewals. The commissioner of health shall approve a license renewal application if the facility continues to satisfy the requirements, standards and conditions prescribed by sections 144A.01 to 144A.17 and the rules promulgated thereunder. *The commissioner shall not approve the renewal of a license for a nursing home bed in a resident room with more than four beds.* Except as provided in section 144A.08, a facility shall not be required to submit with each application for a license renewal additional copies of the architectural and engineering plans and specifications of the facility. Before approving a license renewal, the commissioner of health shall determine that the facility's most recent balance sheet and its most recent statement of revenues and expenses, as audited by the state auditor, by a certified public accountant licensed by this state or by a public accountant as defined in section 412.222, have been received by the department of human services.

Sec. 3. Minnesota Statutes 1986, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules; or

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration-;

(g) to license or certify beds in a new facility constructed to replace a

facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 4, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

(h) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the remodeling or renovation;

(i) to license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project approved by the interagency board for quality assurance under section 4;

(k) to license or certify nursing home beds in a hospital facility that are relocated from a different hospital facility provided:

(1) the hospital in which the nursing home beds were originally located ceases to function as an acute care facility; or

(2) necessary support services for nursing homes as required for licensure under sections 144A.02 to 144A.10, such as dietary service, physical plant, housekeeping, physical therapy, occupational therapy, and administration, are no longer available from the original hospital site; and

(3) the hospitals share common ownership or affiliation; and

(4) the nursing home beds are not certified for participation in the medical assistance program; or

(1) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings or from a hospital-attached nursing home to the hospital building if the facility will make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate

as a result of the relocation and will delicense the same number of acute care beds within the existing complex of hospital buildings or building.

Sec. 4. [144A.073] [REVIEW OF PROPOSALS REQUIRING EXCEPTIONS TO THE MORATORIUM.]

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

(a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.

(b) "Renovation" means extensive remodeling of, or construction of an addition to, a facility on an existing site with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less.

(c) "Replacement" means the demolition and reconstruction of all or part of an existing facility.

(d) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed, in a certified boarding care facility that is attached to a nursing home or a boarding care bed in a freestanding boarding care facility that currently meets all health department standards for a nursing home.

Subd. 2. [REQUEST FOR PROPOSALS.] By July 1, 1988, and subsequent years, the interagency board shall publish in the State Register a request for proposals for nursing home projects requiring exceptions to the nursing home moratorium. The notice must describe the information that must accompany a request and state that proposals must be submitted to the interagency board by September 30. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the notice for that year must state that proposals will not be requested because no appropriations were made. To be considered for approval, a proposal must include the following information:

(1) whether the request is for renovation, replacement, upgrading, or conversion;

(2) a description of the problem the project is designed to address;

(3) a description of the proposed project;

(4) an analysis of projected costs, including initial construction and remodeling costs, site preparation costs, financing costs, and estimated operating costs during the first two years after completion of the project;

(5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;

(6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement; and

(7) the proposed timetable for commencing construction and completing the project.

Subd. 3. [REVIEW AND APPROVAL OF PROPOSALS.] Within the limits of money specifically appropriated to the medical assistance program

for this purpose, the interagency board for quality assurance may grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. The interagency board shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the board. The commissioners of human services and health shall provide staff and technical assistance to the board for the review and analysis of proposals. The interagency board shall hold a public hearing before making a final decision on project approvals. The board shall approve or disapprove proposals before December 1 based on a comparison and ranking of proposals using the criteria in subdivision 4. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires seven months after approval unless the facility has commenced construction as defined in section 144A.071, subdivision 3, paragraph (b). The board shall report to the legislature annually by January 1. The report must include the projects approved, the criteria used to select proposals for approval, and the estimated costs of the projects, including the costs of initial construction and remodeling, and the estimated operating costs during the first two years after the project is completed.

Subd. 4. [CRITERIA FOR REVIEW.] (a) The following criteria must be used to compare and rank all proposals submitted:

(1) the extent to which the average occupancy rate of the facility supports the need for the proposed project;

(2) the extent to which the average occupancy rate of all facilities in the county in which the applicant is located, together with all contiguous Minnesota counties, supports the need for the proposed project;

(3) the extent to which the proposal furthers state long-term care goals, including the goal of enhancing the availability and use of alternative care services and the goal of reducing the number of long-term care resident rooms with more than two beds;

(4) the cost effectiveness of the proposal, including the proposal's long-term effects on the costs of the medical assistance program, as determined by the commissioner of human services; and

(5) the feasibility and appropriateness of the proposal, as determined by the commissioner of health.

(b) In addition to the criteria in paragraph (a), the following criteria must be used to evaluate, compare, and rank proposals involving renovation or replacement:

(1) the extent to which the project improves conditions that affect the health or safety of residents, such as narrow corridors, narrow door frames, unenclosed fire exits, and wood frame construction;

(2) the extent to which the project improves conditions that affect the quality of life of residents in a facility or the ability of the facility to provide efficient care, such as a relatively high number of residents in a room; inadequate lighting or ventilation; poor access to bathing or toilet facilities; a lack of available ancillary space for dining rooms, day rooms, or rooms used for other activities; problems relating to heating, cooling, or energy efficiency; inefficient location of nursing stations; or narrow

corridors.

Subd. 5. [REPLACEMENT RESTRICTIONS.] Proposals submitted or approved under this section involving replacement must provide for replacement of the facility on the existing site except as allowed in this subdivision. Facilities located in a metropolitan statistical area may relocate to a site within the same census tract or a contiguous census tract. In the seven-county metropolitan area, the health planning areas as adopted in March 1982 by the metropolitan council shall be used. Facilities located outside a metropolitan statistical area may relocate to a site within the same city or township, or within a contiguous township. A replacement facility must not be relocated to a site more than six miles from the existing site.

Subd. 6. [CONVERSION RESTRICTIONS.] Proposals submitted or approved under this section involving conversion must satisfy the following conditions:

(a) Conversion is limited to a total of five beds.

(b) An equivalent number of hospital beds must be delicensed.

(c) The average occupancy rate in the existing nursing home beds must be greater than 96 percent according to the most recent annual statistical report of the department of health.

(d) The cost of remodeling the hospital rooms to meet current nursing home construction standards must not exceed ten percent of the appraised value of the nursing home or \$200,000, whichever is less.

(e) The conversion must not result in an increase in operating costs.

Subd. 7. [UPGRADING RESTRICTIONS.] Proposals submitted or approved under this section involving upgrading must satisfy the following conditions:

(a) No proposal for upgrading may be approved after June 30, 1989.

(b) No more than one proposal for upgrading may be approved for a facility.

(c) Upgrading is limited to a total of ten beds.

(d) The facility must meet minimum nursing home care standards.

(e) Upgrading must not result in an increase in per diem operating costs, except for the upgrading of those freestanding boarding care facilities which currently meet existing nursing home building and space standards.

(f) If beds are upgraded to nursing home beds, the number of boarding care beds in a facility must not increase in the future.

(g) The average occupancy rate in the existing nursing home beds must be greater than 96 percent according to the most recent annual statistical report of the department of health.

(h) The cost of remodeling the facility to meet current nursing home construction standards must not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less.

Subd. 8. [RULEMAKING.] The interagency board shall adopt rules to implement this section.

Sec. 5. Minnesota Statutes 1986, section 144A.27, is amended to read:

144A.27 [ACTING ADMINISTRATORS.]

If a licensed nursing home administrator is removed from the position by death or other unexpected cause, the controlling persons of the nursing home suffering the removal may designate an acting nursing home administrator who ~~may serve without a license for no more than 90 days, unless an extension is granted by the board of examiners shall secure an acting administrator's license within 30 days of appointment as the acting administrator.~~

Sec. 6. Minnesota Statutes 1986, section 256B.431, subdivision 2b, is amended to read:

Subd. 2b. [OPERATING COSTS, AFTER JULY 1, 1985.] (a) For rate years beginning on or after July 1, 1985, the commissioner shall establish procedures for determining per diem reimbursement for operating costs.

(b) The commissioner shall contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate.

(c) The commissioner shall analyze and evaluate each nursing home's cost report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective.

(d) The commissioner shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, size of the nursing home, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing home. In developing the geographic groups for purposes of reimbursement under this section, the commissioner shall ensure that nursing homes in any county contiguous to the Minneapolis-St. Paul seven-county metropolitan area are included in the same geographic group. The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. The limits established under this paragraph remain in effect until the commissioner establishes a new base period. Until the new base period is established, the commissioner shall adjust the limits annually using the appropriate economic change indices established in paragraph (e). In determining allowable historical operating cost per diems for purposes of setting limits and nursing home payment rates, the commissioner shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing home is occupied at less than 90 percent of licensed capacity days, the commissioner may establish procedures to adjust the computation of the per diem to an imputed occupancy level at or below 90 percent. The commissioner shall establish efficiency incentives as appropriate. The commissioner may establish efficiency incentives for different operating cost categories. The commissioner shall consider establishing efficiency incentives in care related cost categories. The commissioner may combine one or more operating cost categories and may use different methods for calculating payment rates for each operating cost category or combination of operating cost categories. For the rate year beginning on July 1, 1985, the

commissioner shall:

(1) allow nursing homes that have an average length of stay of 180 days or less in their skilled nursing level of care, 125 percent of the care related limit and 105 percent of the other operating cost limit established by rule; and

(2) exempt nursing homes licensed on July 1, 1983, by the commissioner to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3600, from the care related limits and allow 105 percent of the other operating cost limit established by rule.

For the purpose of calculating the other operating cost efficiency incentive for nursing homes referred to in clause (1) or (2), the commissioner shall use the other operating cost limit established by rule before application of the 105 percent.

(e) The commissioner shall establish a composite index or indices by determining the appropriate economic change indicators to be applied to specific operating cost categories or combination of operating cost categories.

(f) Each nursing home shall receive an operating cost payment rate equal to the sum of the nursing home's operating cost payment rates for each operating cost category. The operating cost payment rate for an operating cost category shall be the lesser of the nursing home's historical operating cost in the category increased by the appropriate index established in paragraph (e) for the operating cost category plus an efficiency incentive established pursuant to paragraph (d) or the limit for the operating cost category increased by the same index. If a nursing home's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. In establishing payment rates for one or more operating cost categories, the commissioner may establish separate rates for different classes of residents based on their relative care needs.

(g) The commissioner shall include the reported actual real estate tax liability or payments in lieu of real estate tax of each proprietary nursing home as an operating cost of that nursing home. *For rate years beginning on or after July 1, 1987, the reported actual real estate tax liability or payments in lieu of real estate tax of nursing homes shall be adjusted to include an amount equal to one-half of the dollar change in real estate taxes from the prior year.* The commissioner shall include a reported actual special assessment, and reported actual license fees required by the Minnesota department of health, for each nursing home as an operating cost of that nursing home. Total *adjusted* real estate tax liability, *payments in lieu of real estate tax*, actual special assessments paid, and license fees paid as required by the Minnesota department of health, for each nursing home (1) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, (2) shall not be used to compute the 60th percentile or other operating cost limits established by the commissioner, and (3) shall not be increased by the composite index or indices established pursuant to paragraph (e).

Sec. 7. Minnesota Statutes 1986, section 256B.431, subdivision 2e, is amended to read:

Subd. 2e. ~~NEGOTIATED RATES CONTRACTS FOR SERVICES FOR VENTILATOR DEPENDENT PERSONS.~~ *Until procedures for determining operating cost payment rates according to mix of resident needs are*

established, the commissioner may negotiate, with a nursing home that is eligible to receive medical assistance payments, a payment rate of up to 125 percent of the allowed payment rate to be paid for a period of up to three months for individuals who have been hospitalized for more than 100 days, or who have extensive care needs based on nursing hours actually provided or mental or physical disability, or who need respite care for a specified and limited time period. In addition, the commissioner shall take into consideration facilities which historically provided nursing hours at or near the maximum limits which were subsequently reduced as a consequence of payment rate reductions. The payment rate shall be based on an assessment of the nursing home's resident mix as determined by the commissioner of health. When circumstances dictate, the commissioner has authority to renegotiate payment rates for an additional period of time. The payment rate negotiated and The commissioner may contract with a nursing home eligible to receive medical assistance payments to provide services to a ventilator dependent person identified by the commissioner according to criteria developed by the commissioner, including:

- (1) nursing home care has been recommended for the person by a preadmission screening team;
- (2) the person has been assessed at case mix classification K;
- (3) the person has been hospitalized for at least six months and no longer requires inpatient acute care hospital services; and
- (4) the commissioner has determined that necessary services for the person cannot be provided under existing nursing home rates.

The commissioner may issue a request for proposals to provide services to a ventilator dependent person to nursing homes eligible to receive medical assistance payments and shall select nursing homes from among respondents according to criteria developed by the commissioner, including:

- (1) the cost effectiveness and appropriateness of services;
- (2) the nursing home's compliance with federal and state licensing and certification standards; and
- (3) the proximity of the nursing home to a ventilator dependent person identified by the commissioner who requires nursing home placement.

The commissioner may negotiate an adjustment to the operating cost payment rate for a nursing home selected by the commissioner from among respondents to the request for proposals. The negotiated adjustment must reflect only the actual additional cost of meeting the specialized care needs of a ventilator dependent person identified by the commissioner for whom necessary services cannot be provided under existing nursing home rates and which are not otherwise covered under Minnesota Rules, parts 9549.0010 to 9549.0080 or 9505.0170 to 9505.0475. The negotiated adjustment shall not affect the payment rate charged to private paying residents under the provisions of section 256B.48, subdivision 1. The negotiated adjustment paid pursuant to this paragraph is specifically exempt from the definition of "rule" and the rulemaking procedures required by chapter 14 and section 256B.502.

Sec. 8. Minnesota Statutes 1986, section 256B.431, subdivision 3a, is amended to read:

Subd. 3a. [PROPERTY-RELATED COSTS AFTER JULY 1, 1985.] (a)

For rate years beginning on or after July 1, 1985, the commissioner, by permanent rule, shall reimburse nursing home providers that are vendors in the medical assistance program for the rental use of real estate and depreciable equipment. "Real estate" means land improvements, buildings, and attached fixtures used directly for resident care. "Depreciable equipment" means the standard moveable resident care equipment and support service equipment generally used in long-term care facilities.

(b) In developing the method for determining payment rates for the rental use of nursing homes, the commissioner shall consider factors designed to:

- (1) simplify the administrative procedures for determining payment rates for property-related costs;
- (2) minimize discretionary or appealable decisions;
- (3) eliminate any incentives to sell nursing homes;
- (4) recognize legitimate costs of preserving and replacing property;
- (5) recognize the existing costs of outstanding indebtedness allowable under the statutes and rules in effect on May 1, 1983;
- (6) address the current value of, if used directly for patient care, land improvements, buildings, attached fixtures, and equipment;
- (7) establish an investment per bed limitation;
- (8) reward efficient management of capital assets;
- (9) provide equitable treatment of facilities;
- (10) consider a variable rate; and
- (11) phase-in implementation of the rental reimbursement method.

(c) No later than January 1, 1984, the commissioner shall report to the legislature on any further action necessary or desirable in order to implement the purposes and provisions of this subdivision.

(d) For rate years beginning on or after July 1, 1987, a nursing home which has reduced licensed bed capacity after January 1, 1986, shall be allowed to:

- (1) aggregate the applicable investment per bed limits based on the number of beds licensed prior to the reduction; and*
- (2) establish capacity days for each rate year following the licensure reduction based on the number of beds licensed on the previous April 1 if the commissioner is notified of the change by April 4. The notification must include a copy of the delicensure request that has been submitted to the commissioner of health.*

(e) Until the rental reimbursement method is fully phased in, a nursing home whose final property related payment rate is the rental rate shall continue to have its property related payment rates established based on the rental reimbursement method.

Sec. 9. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3b. [DEPRECIATION RECAPTURE.] The sale of a nursing home which occurred on or after July 1, 1987, shall result in depreciation recapture payments to be paid by the buyer to the commissioner within 60

days of the department's notification if the sale price exceeds the nursing home's allowable historical cost of capital assets including land recognized by the commissioner at the time of the sale, reduced by accumulated depreciation. The gross recapture amount shall be the lesser of the actual gain on the sale or actual depreciation recognized for the purpose of calculating medical assistance payment rates from the latter of the date of previous sale or November 1, 1972, through the date of the sale. The gross recapture amount shall be allocated to each reporting year from November 1, 1972, through the date of the sale in the same ratio as depreciation amounts recognized for the purpose of calculating medical assistance payment rates. The amount allocated to each reporting year shall be divided by the total actual resident days in that reporting year, thereby determining a cost-per-resident day. The recapture amount shall be the cost-per-resident day for each reporting year times the actual medical assistance resident days for the corresponding rate year following each reporting year. No payment of depreciation recapture shall be assessed with respect to a portion of a rate year beginning after June 30, 1985, in which the property related payment rate was based on the nursing home's rental value. The recapture amount shall be reduced by one percent for each month of continuous ownership since the previous date of sale of the nursing home up to a maximum of 100 months. For the purpose of this subdivision, the sale of a nursing home means the sale or transfer of a nursing home's capital assets or capital stock or the redemption of ownership interests by members of a partnership. In the case of a sale or transfer of a nursing home in which the new operator leases depreciable equipment used in the nursing home business from the prior operator, or an affiliate of the prior operator, the net present value of the lease shall be added to the transaction price for the purpose of determining the actual gain on the sale. In the case of a partial sale of a nursing home, the provisions of this subdivision will be applied proportionately to sales or accumulations of sales that exceed 20 percent of a nursing home's capital assets or capital stock. Depreciation recapture payments resulting from the sale of a nursing home which occurred before July 1, 1985, shall be calculated in accordance with reimbursement regulations in effect on the date of the sale.

Sec. 10. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3c. [PLANT AND MAINTENANCE COSTS.] For the rate years beginning on or after July 1, 1987, the commissioner shall allow as an expense in the reporting year of occurrence the lesser of the actual allowable plant and maintenance costs for supplies, minor equipment, equipment repairs, building repairs, purchased services and service contracts, except for arms-length service contracts whose primary purpose is supervision, or \$325 per licensed bed.

Sec. 11. Minnesota Statutes 1986, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983 and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under

subdivision 2a, to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2f, the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.

(b) For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special assessments calculated under rules promulgated by the commissioner.

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

A facility that meets the criteria of this paragraph shall submit annual cost reports on forms prescribed by the commissioner.

For the rate year beginning July 1, 1985, each nursing home total payment rate must be effective two calendar months from the first day of the month after the commissioner issues the rate notice to the nursing home. From July 1, 1985, until the total payment rate becomes effective, the commis-

sioner shall make payments to each nursing home at a temporary rate that is the prior rate year's operating cost payment rate increased by 2.6 percent plus the prior rate year's property-related payment rate and the prior rate year's real estate taxes and special assessments payment rate. The commissioner shall retroactively adjust the property-related payment rate and the real estate taxes and special assessments payment rate to July 1, 1985, but must not retroactively adjust the operating cost payment rate.

(d) For the purposes of Minnesota Rules, part 9549.0060, subpart 13, item F, the following types of transactions shall not be considered a sale or reorganization of a provider entity:

- (1) the sale or transfer of a nursing home upon death of an owner;*
- (2) the sale or transfer of a nursing home due to serious illness or disability of an owner as defined under the social security act;*
- (3) the sale or transfer of the nursing home upon retirement of an owner at 62 years of age or older;*
- (4) any transaction in which a partner, owner, or shareholder acquires an interest or share of another partner, owner, or shareholder in a nursing home business provided the acquiring partner, owner, or shareholder has less than 50 percent ownership after the acquisition;*
- (5) a sale and leaseback to the same licensee which does not constitute a change in facility license;*
- (6) a transfer of an interest to a trust;*
- (7) gifts or other transfers for no consideration;*
- (8) a merger of two or more related organizations;*
- (9) a transfer of interest in a facility held in receivership;*
- (10) a change in the legal form of doing business other than a publicly held organization which becomes privately held or vice versa;*
- (11) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing home or the issuance of stock; or*
- (12) an involuntary transfer including foreclosure, bankruptcy, or assignment for the benefit of creditors.*

Any increase in allowable debt or allowable interest expense or other cost incurred as a result of the foregoing transactions shall be a nonallowable cost for purposes of reimbursement under Minnesota Rules, parts 9549.0010 to 9549.0080.

(e) For rate years beginning on or after July 1, 1986, the commissioner may exclude from a provision of 12 MCAR 2.050 any facility that is certified by the commissioner of health as an intermediate care facility, licensed by the commissioner of human services as a chemical dependency treatment program and enrolled in the medical assistance program as an institution for mental disease. The commissioner of human services shall establish a medical assistance payment rate for these facilities. Chapter 14 does not apply to the procedures and criteria used to establish the ratesetting structure. The ratesetting method is not appealable.

Sec. 12. Minnesota Statutes 1986, section 256B.50, subdivision 2, is amended to read:

Subd. 2. [APPRAISED VALUE; APPEALS BOARD.] (a) Appeals concerning the appraised value of a nursing home's real estate must be heard by a three-person appeal board appointed by the commissioner. The real estate as defined in section 256B.431, subdivision 3, must be appraised using the depreciated replacement cost method.

(b) Members of the appeals board shall be appointed by the commissioner from the list of appraisers approved for state contracts by the commissioner of administration. In making the selection, the commissioner of human services shall ensure that each member is experienced in the use of the depreciated replacement cost method and is free of any personal, political, or economic conflict of interest that may impair the member's ability to function in a fair and objective manner.

(c) The appeals board shall appoint one of its members to act as chief representative and shall examine witnesses when it is necessary to make a complete record. Facts to be considered by the board are limited to those in existence at the time of the appraisal being appealed. The board shall issue a written report regarding each appeal to the commissioner within 30 days following the close of the record. The report must contain findings of fact, conclusions, and a recommended disposition based on a majority decision of the board. A copy of the report must be served upon all parties.

(d) The commissioner shall issue an order adopting, rejecting, or modifying the appeal board's recommendation within 30 days of receipt of the report. A copy of the decision must be served upon all parties.

(e) Within 30 days of receipt of the commissioner's order, the appealing party may appeal to the Minnesota court of appeals. The court's decision is limited to a determination of the appraised value of the real estate and must not include costs assessed against either party. (a) An appeal request concerning the appraised value of a nursing home's real estate as established by an appraisal conducted after July 1, 1986, shall state the appraised value the nursing home believes is correct for the building, land improvements, and attached equipment and the name and address of the firm with whom contacts may be made regarding the appeal. The appeal request shall include a separate appraisal report prepared by an independent appraiser of real estate which supports the total appraised value claimed by the nursing home. The appraisal report shall be based on an on-site inspection of the nursing home's real estate using the depreciated replacement cost method, must be in a form comparable to that used in the commissioner's appraisal, and must pertain to the same time period covered by the appealed appraisal. The appraisal report shall include information related to the training, experience, and qualifications of the appraiser who conducted and prepared the appraisal report for the nursing home.

(b) A nursing home which has filed an appeal request prior to the effective date of this law concerning the appraised value of its real estate as established by an appraisal conducted before July 1, 1986, must submit to the commissioner the information described under paragraph (a) within 60 days of the effective date of this act in order to preserve the appeal.

(c) An appeal request which has been filed pursuant to the provisions of paragraph (a) or (b) shall be finally resolved through an agreement entered into by and between the commissioner and the nursing home or by the determination of an independent appraiser based upon an on-site inspection of the nursing home's real estate using the depreciated replace-

ment cost method, in a form comparable to that used in the commissioner's appraisal, and pertaining to the same time period covered by the appealed appraisal. The appraiser shall be selected by the commissioner and the nursing home by alternately striking names from a list of appraisers approved for state contracts by the commissioner of administration. The appraiser shall make assurances to the satisfaction of the commissioner and the nursing home that the appraiser is experienced in the use of the depreciated cost method of appraisals and that the appraiser is free of any personal, political, or economic conflict of interest that may impair the ability to function in a fair and objective manner. The commissioner shall pay costs of the appraiser through a negotiated rate for services of the appraiser.

(d) *The decision of the appraiser is final and is not appealable. Exclusive jurisdiction for appeals of the appraised value of nursing homes lies with the procedures set out in this subdivision. No court of law shall possess subject matter jurisdiction to hear appeals of appraised value determinations of nursing homes.*

Sec. 13. [STUDY AND REPORT.]

The interagency board for quality assurance shall study the following issues and report to the legislature by December 15, 1988, on its findings and recommendations:

(1) *the advisability of changing the definition of "hardship" for purposes of the nursing home moratorium;*

(2) *the advisability of defining the need for nursing home beds in terms of the population aged 75 and older; and*

(3) *the existence of a geographic maldistribution of long-term care beds and alternative care services in the state.*

Sec. 14. [APPROPRIATIONS AND POSITIONS.]

Subdivision 1. [APPROPRIATIONS.] The following amounts are appropriated from the general fund to the agencies named for the costs associated with the moratorium exception review process and other responsibilities created by sections 1 to 4:

(1) \$_____ to the commissioner of health;

(2) \$_____ to the commissioner of human services; and

(3) \$_____ to the interagency board for quality assurance.

Subd. 2. [POSITIONS.] The approved complement of the department of human services is increased by one-half of a full-time equivalent position. The approved complement of the department of health is increased by one-half of a full-time equivalent position.

Sec. 15. [EFFECTIVE DATES.]

Sections 1 and 2 are effective July 1, 1989. Sections 3 to 14 are effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to health; creating exceptions to the nursing home moratorium; establishing a review process for approval of additional exceptions to the moratorium; prohibiting renewal of licenses for nursing home and boarding care home beds in rooms with more than four beds;

providing for changes in property-related costs for reduced licensed bed capacity; allowing for depreciation recapture; providing for a new appeals procedure for appraised value appeal requests; appropriating money; amending Minnesota Statutes 1986, sections 144.55, subdivision 6; 144A.05; 144A.071, subdivision 3; 144A.27; 256B.431, subdivisions 2b, 2e, 3a, 4, and by adding subdivisions; and 256B.50, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144A.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 506: A bill for an act relating to housing; providing for administration of the state's low-income housing credit; authorizing the Minnesota housing finance agency to participate in certain housing construction projects and in certain nonprofit corporations; authorizing the sale or rental of certain housing property; providing definitions; providing for the issuance of certain bonds and notes; amending Minnesota Statutes 1986, sections 462A.05, subdivisions 14, 21, and by adding subdivisions; 462A.06, subdivisions 7 and 12; 462A.08, subdivisions 1 and 3; and 462A.18, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 15, insert:

“Section 1. Minnesota Statutes 1986, section 462A.03, subdivision 14, is amended to read:

Subd. 14. “Federal housing assistance supplements” means all funds or certificates of tax credit or exemption, including mortgage credit certificates, or *low-income housing credits*, made available to the state of Minnesota by the federal government or any agency or instrumentality thereof for the purpose of assisting in providing adequate and economic housing in the state of Minnesota.”

Page 3, line 11, delete “5” and insert “6” and delete “*build*,”

Page 3, line 18, delete “*built*,”

Page 3, line 31, delete “5” and insert “6”

Page 4, line 20, after the first “*housing*” insert “, *previously financed by the agency, which is*”

Page 4, line 24, delete “*or*” and insert a comma and after “*foreclosure*” insert “, *or otherwise*”

Page 4, after line 24, insert:

“*Multifamily property acquired as provided in clause (2) must be managed on a fee basis by an entity other than the agency or corporation. The agency or corporation may manage the property on a temporary basis until an agreement is entered into with another entity to manage the property. The agency or corporation shall make the property available for sale at a purchase price and on terms that are mutually agreeable to the parties.*”

Page 4, line 27, delete "5" and insert "6"

Page 7, line 8, delete "11 to 14" and insert "12 to 15"

Page 7, line 23, after "authority" insert "*and cities located in three or more counties that have a housing and redevelopment authority*"

Page 7, lines 28 and 29, delete "11 to 14" and insert "12 to 15"

Page 8, line 3, delete "twice" and delete "\$1.125" and insert "\$1.6875"

Page 8, line 20, delete "13" and insert "14"

Page 8, line 34, delete "12" and insert "13"

Page 9, line 5, delete "12" and insert "13"

Page 9, line 15, after the period, insert "*Publications under this section are not subject to chapter 14.*"

Page 9, line 17, delete "14" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after "sections" insert "462A.03, subdivision 14;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1331: A bill for an act relating to taxation; providing for refund to manufacturers of excises taxes on automobiles when refund is paid to the consumer; amending Minnesota Statutes 1986, section 297B.031.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 5, insert:

"Sec. 2. Minnesota Statutes 1986, section 325F665, subdivision 3, is amended to read:

Subd. 3. [MANUFACTURER'S DUTY TO REFUND OR REPLACE.]

(a) If the manufacturer, its agents, or its authorized dealers are unable to conform the new motor vehicle to any applicable express warranty by repairing or correcting any defect or condition which substantially impairs the use or market value of the motor vehicle to the consumer after a reasonable number of attempts, the manufacturer shall, at the consumer's option, either replace the new motor vehicle with a comparable motor vehicle or accept return of the vehicle from the consumer and refund to the consumer the full purchase price, or the total amount actually paid by the consumer under any vehicle lease, including the cost of any options or other modifications arranged, installed, or made by the manufacturer, its agent, or its authorized dealer within 30 days after the date of original delivery, and all other charges including, but not limited to, sales tax, license fees and registration fees, reimbursement for towing and rental vehicle expenses incurred by the consumer as a result of the vehicle being out of service for warranty repair, less a reasonable allowance for the consumer's use of the vehicle not exceeding ten cents per mile driven or ten percent

of the purchase price or full lease cost of the vehicle, whichever is less. Refunds must be made to the consumer, and lienholder, if any, as their interests appear on the records of the registrar of motor vehicles. Refunds shall include the amount stated by the dealer as the trade-in value of a consumer's used motor vehicle, plus any additional amount paid by the consumer for the new motor vehicle. For a lease vehicle, refunds shall include the total amount actually paid by the consumer under any vehicle lease, less any finance charges paid by the consumer. A reasonable allowance for use is that amount directly attributable to use by the consumer and any previous consumer prior to the first report of the nonconformity to the manufacturer, agent, or dealer. It is an affirmative defense to any claim under this section (1) that an alleged nonconformity does not substantially impair the use or market value, or (2) that a nonconformity is the result of abuse, neglect, or unauthorized modifications or alterations of a motor vehicle by anyone other than the manufacturer, its agent or its authorized dealer.

(b) It is presumed that a reasonable number of attempts have been undertaken to conform a new motor vehicle to the applicable express warranties, if (1) the same nonconformity has been subject to repair four or more times by the manufacturer, its agents, or its authorized dealers within the express warranty term or during the period of one year following the date of original delivery of the motor vehicle to a consumer, whichever is the earlier date, but the nonconformity continues to exist, or (2) the vehicle is out of service by reason of repair for a cumulative total of 30 or more business days during the term or during the period, whichever is the earlier date.

(c) If the nonconformity results in a complete failure of the braking or steering system of the new motor vehicle and is likely to cause death or serious bodily injury if the vehicle is driven, it is presumed that a reasonable number of attempts have been undertaken to conform the vehicle to the applicable express warranties if the nonconformity has been subject to repair at least once by the manufacturer, its agents, or its authorized dealers within the express warranty term or during the period of one year following the date of original delivery of the motor vehicle to a consumer, whichever is the earlier date, and the nonconformity continues to exist.

(d) The term of an express warranty, the one-year period and the 30-day period shall be extended by any period of time during which repair services are not available to the consumer because of a war, invasion, strike, or fire, flood, or other natural disaster.

(e) The presumption contained in paragraph (b) applies against a manufacturer only if the manufacturer, its agent, or its authorized dealer has received prior written notification from or on behalf of the consumer at least once and an opportunity to cure the defect alleged. If the notification is received by the manufacturer's agent or authorized dealer, the agent or dealer must forward it to the manufacturer by certified mail, return receipt requested.

(f) A consumer is eligible to receive a refund or replacement vehicle under this section if the nonconformity is reported to the manufacturer, its authorized agent or dealer, at any time during the motor vehicle's express warranty period, even if the motor vehicle's express warranty expires before the requirements of paragraphs (a), (b), and (c) have been met.

(g) At the time of purchase the manufacturer must provide directly to

the consumer a written statement on a separate piece of paper, in 10-point all capital type, in substantially the following form: "IMPORTANT: IF THIS VEHICLE IS DEFECTIVE, YOU MAY BE ENTITLED UNDER STATE LAW TO REPLACEMENT OF IT OR A REFUND OF ITS PURCHASE PRICE. HOWEVER, TO BE ENTITLED TO REFUND OR REPLACEMENT, YOU MUST FIRST NOTIFY THE MANUFACTURER, ITS AGENT, OR ITS AUTHORIZED DEALER OF THE PROBLEM IN WRITING AND GIVE THEM AN OPPORTUNITY TO REPAIR THE VEHICLE."

(h) The amount of the sales tax to be paid by the manufacturer to the consumer under paragraph (a) shall be the tax paid by the consumer when the vehicle was purchased less an amount equal to the tax paid multiplied by a fraction, the denominator of which is the purchase price of the vehicle and the numerator of which is the allowance deducted from the refund for the consumer's use of the vehicle."

Amend the title as follows:

Page 1, line 3, delete "excises" and insert "excise"

Page 1, line 5, delete "section" and insert "sections" and after "297B.031" insert "and 325F665, subdivision 3"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

H.F. No. 1213: A bill for an act relating to retirement; teachers retirement association; making various changes in the law governing the association for the purpose of facilitating administration of retirement benefits and contributions; amending Minnesota Statutes 1986, sections 354.05, subdivision 35, and by adding a subdivision; 354.06, subdivision 1; 354.07, subdivision 3; 354.094, subdivision 1; 354.44, subdivision 5; 354.46, subdivision 5; 354.48, subdivision 7; 354.51, subdivision 5; 354.55, subdivision 11; 354.62, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1986, section 354.44, subdivision 1a.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PUBLIC PENSION PLAN DATA PRIVACY

Section 1. Minnesota Statutes 1986, section 13.43, is amended by adding a subdivision to read:

Subd. 2a. [DATA DISCLOSURE BY STATEWIDE PENSION PLANS.] Notwithstanding any law to the contrary, with respect to data collected and maintained on members, survivors and beneficiaries by statewide retirement systems that is classified as public data in accordance with subdivision 2, those retirement systems may be only required to disclose name, gross pension, and type of benefit awarded, except as required by sections 13.03, subdivisions 4 and 6; and 13.05, subdivisions 4 and 9.

Sec. 2. [13.641] [PUBLIC EMPLOYEES RETIREMENT ASSOCIA-

TION DATA.]

The following data on beneficiaries and survivors of public employees retirement association members is considered private data on individuals:

- (1) address;
- (2) birth date;
- (3) direct deposit account number; and
- (4) tax withholding data.

Sec. 3. [13.642] [TEACHERS RETIREMENT ASSOCIATION DATA.]

The following data on beneficiaries and survivors of teachers retirement association members is considered private data on individuals:

- (1) address;
- (2) birth date;
- (3) direct deposit account number; and
- (4) tax withholding data.

Sec. 4. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 2

MANDATORY RETIREMENT AGE FEDERAL LAW CONFORMANCE

Section 1. Minnesota Statutes 1986, section 43A.34, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY RETIREMENT AGE.] Employees in the executive branch who are subject to the provisions of the Minnesota state retirement system or the teacher's retirement association *and who are serving as faculty members or administrators under a contract of unlimited terms or similar arrangement providing for unlimited tenure at an institution of higher education, as defined by United States Code, title 20, section 1141(a), as amended through December 31, 1986,* must retire from employment by the state upon reaching the age of 70, except as provided in other law. *Other employees in the executive branch who are subject to the provisions of the Minnesota state retirement system or the teacher's retirement association, except as provided in subdivision 3 or 4, or as provided in section 354.44, subdivision 1a, are not subject to a mandatory retirement age provision.*

Sec. 2. Minnesota Statutes 1986, section 43A.34, subdivision 4, is amended to read:

Subd. 4. [STATE PATROL, CONSERVATION AND CRIME BUREAU OFFICERS EXEMPTED.] Notwithstanding any provision to the contrary, (a) conservation officers and crime bureau officers who were first employed on or after July 1, 1973 and who are members of the state patrol retirement fund by reason of their employment, and members of the Minnesota state patrol division of the department of public safety who are members of the state patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60 years, except for a fractional portion of one year that will enable the employee to complete the employee's next full year of allowable service as defined pursuant to

section 352B.01, subdivision 3; and (b) conservation officers and crime bureau officers who were first employed and are members of the state patrol retirement fund by reason of their employment before July 1, 1973, shall not continue employment after attaining the age specified in subdivision 4 of 70 years.

Sec. 3. Minnesota Statutes 1986, section 181.81, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTION ON MANDATORY RETIREMENT AGE.]

(a) It is unlawful for any *private sector* employer, ~~public or private, excluding the United States government and any of its instrumentalities,~~ to refuse to hire or employ, or to discharge, dismiss, reduce in grade or position, or demote any individual on the grounds that the individual has reached an age of less than 70, except in cases where federal statutes or rules or other state statutes, not including special laws compel or specifically authorize such action. Nothing in this section shall prohibit compulsory retirement of employees who have attained 70 years of age or more; provided further that nothing in this section shall prohibit compulsory retirement of an employee who has attained at least 65 years of age and who for the two year period immediately before retirement is employed in an executive or a high policy making position if that employee is entitled to an immediate nonforfeitable annual retirement benefit from a pension, profit sharing, savings or deferred compensation plan of an employer, or any combination of these benefits which totals in the aggregate at least \$27,000. If the retirement benefit is in a form other than a straight life annuity, the equivalent annualized payment value of the benefit shall be actuarially determined according to rules promulgated by the commissioner of labor and industry. Pilots and flight crew members shall not be subject to the provisions of this section or section 363.02, subdivision 6, but shall be retired from this employment pursuant to standards contained in regulations promulgated by the federal aviation administration for airline pilots and flight officers and are subject to the bona fide occupational requirements for these employees as promulgated by the federal aviation administration.

(b) Prior to June 1, 1982 every employer shall notify an employee in writing at least 90 days but no more than 120 days prior to the employee's 65th birthday of the option to continue employment beyond that date. The notice shall state in a conspicuous manner that the employee shall respond to the notice within 30 days of the employee's desire to continue employment beyond the employee's 65th birthday. Every employer shall post in a conspicuous place a notice written or approved by the commissioner of labor and industry stating that the mandatory retirement age is age 70. Employment shall continue for as long as the employee desires or until the employer demonstrates that the employee no longer can meet the bona fide requirements, consistently applied, for the job or position or until the employee reaches the compulsory retirement age established by the employer. When an employer intends to terminate an employee who is 65 years of age or older earlier than age 70 on the ground that the employee no longer can meet the bona fide requirements for the job or position the employer shall give the employee 30 days notice of that intention.

(c) If there exists a date on which the accrual of pension benefits or credits, or the contributions therefor by the employee or the employer, or the employee's employment related health and welfare benefits or insurance coverages are diminished or eliminated by virtue of the employee attaining

a certain age, the employer shall notify the employee of the changes at least 90 but not more than 120 days prior to the effective date of the change. This section, in and of itself, shall not be construed to require any change in the employer contribution levels of any pension or retirement plan, or to require any employer to increase an employer's or employee's payments for the provision of insurance benefits contained in any employee benefit or insurance plan.

Sec. 4. Minnesota Statutes 1986, section 181.811, is amended to read:
181.811 [MANDATORY RETIREMENT AGE.]

Laws 1978, chapter 649 is effective April 24, 1979, subject to the following exceptions:

(1) In the case of employees covered by a collective bargaining agreement which was entered into between a labor organization and an employer and which was in effect on September 1, 1977, it shall take effect upon the termination of the agreement or on January 1, 1980, whichever comes first.

(2) Nothing contained in Laws 1978, chapter 649 or Laws 1979, chapter 40 shall be construed as requiring the rehiring, reinstatement or payment of additional benefits to an employee who terminates service prior to April 24, 1979, with an employer who employs 20 or more employees, or the rehiring, reinstatement or payment of additional benefits to an employee who terminates service prior to June 1, 1980, with an employer who employs less than 20 employees, pursuant to a mandatory retirement law or policy which mandates retirement prior to attaining 70 years of age, or any other employee who terminates service prior to the termination of a collectively bargained contract containing a mandatory retirement provision.

(3) Laws 1978, chapter 649, section 3, is effective January 1, 1979. ~~Any person who was previously a member of and has received a refund of accumulated employee or member contributions from one or more of the covered retirement funds enumerated in section 356.32, subdivision 2 and who terminated service at age 65 or older for any reason whether or not the person was required to terminate service pursuant to a mandatory retirement statute or a uniformly applied mandatory retirement policy established by the employer between January 1, 1979 and April 24, 1979 shall be entitled to repay the refund of accumulated employee or member contributions to the respective retirement fund with compound interest at the rate of six percent from the date the refund was received to the date the refund is repaid. Upon repayment of a refund, the person shall be entitled if otherwise qualified to a proportionate annuity, with accrual to commence upon the first day of the month following the filing of a valid application for the annuity.~~

(4) Employers who employ fewer than 20 employees shall not be subject to the provisions of Laws 1978, chapter 649, until June 1, 1980.

Sec. 5. Minnesota Statutes 1986, section 354.44, subdivision 1a, is amended to read:

Subd. 1a. [MANDATORY RETIREMENT.] Notwithstanding the provisions of sections 43A.11 or 197.455 to 197.48, a member *who is serving as a faculty member or administrator under a contract of unlimited tenure or similar arrangement providing for unlimited tenure at an institution of higher education, as defined in section 1201(a) of the federal Higher*

Education Act of 1965, as amended through January 1, 1987, shall terminate employment at the end of the academic year in which the member reaches the age of 70. For purposes of this subdivision, an academic year shall be deemed to end August 31. No other member shall be subject to a mandatory retirement age provision. A member who terminates employment at any time during the academic year at the end of which the person is age 65 or older shall, for the purpose of determining eligibility for a proportionate retirement annuity, be considered to have been required to terminate employment at age 65 or older pursuant to section 356.32. Nothing contained in this subdivision shall preclude an employing unit covered by this chapter from employing a retired teacher as a substitute or part time teacher. Any person who has attained the age of at least 65 years, who is employed as a substitute or part time teacher and who earns an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403, in any academic year from employment as a substitute or part time teacher, shall terminate employment for the remainder of that academic year. No person who is required to terminate employment as a teacher by virtue of this subdivision shall has attained the age of at least 65 years and who has retired under this chapter may resume membership in the retirement association as a result of subsequent employment as a substitute or part time teacher.

Sec. 6. Minnesota Statutes 1986, section 354A.21, is amended to read:

354A.21 [MANDATORY RETIREMENT; PROPORTIONATE ANNUITY.]

~~Notwithstanding the provisions of sections 197.46 to 197.48 or 354A.05, a teacher subject to the provisions of this chapter shall terminate employment at the end of the academic year in which the teacher reaches the age of 70.~~ A teacher who terminates employment at any time during the academic year at the end of which the teacher is required to terminate employment pursuant to this section shall be entitled upon application to a proportionate retirement annuity pursuant to section 356.32. Nothing contained in this section shall preclude a district from employing a retired teacher as a substitute teacher but upon having earned an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403, in any academic year from employment as a substitute teacher, any person over the age of 70 years shall terminate employment for the remainder of that academic year. No person employed as a substitute teacher after reaching the mandatory retirement age of at least 65 years and who has retired under this chapter shall resume membership in the teachers retirement fund association by virtue of the employment as a substitute teacher.

Sec. 7. Minnesota Statutes 1986, section 422A.09, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS FROM MEMBERSHIP] The exempt class shall consist of:

- (1) Employees who are members of any other organization or association

of the city on behalf of which a tax is levied by the city for the purpose of paying retirement allowances to disabled or superannuated employees.

(2) Persons filling elective position; provided that any elective officer holding an elective city office, except a judge of municipal court, shall, upon written application to the retirement board, be entitled to become a member of the contributing class of the fund, and after becoming a contributor to the fund be entitled to all benefits conferred upon employees of the contributing class except retirement on a service allowance, which shall be granted only upon completion of ten or more years of service and attaining at least age 60.

All retirement allowances shall be computed and determined as provided herein, except that in determining the number of years of service, credit shall be given for time served as an elective officer or employee, or member of an executive board or commission or any combination thereof. Persons who have served in elective positions which qualified them for membership in the fund prior to July 1, 1967, and who immediately thereafter hold elective office, first being appointed to that elective office in Hennepin county, may retain or resume membership in the fund as an elective officer of the county. The county shall collect and pay to the retirement fund the employee contribution as required pursuant to section 422A.10. The employer contribution on behalf of the elected officer shall be paid by the county. Before receiving a retirement allowance, or any other benefit, any person who claims credit for service pursuant to this section shall contribute to the fund an amount equal to the amount of contributions to the fund which the person would have made had the person been a contributor to the fund since the date the person first became eligible for membership in the fund, in accordance with section 422A.10, plus six percent compound interest.

(3) Persons serving without pay.

(4) Persons employed on a temporary basis, as doorkeepers, ticket takers, and attendants at the municipal auditorium, park recreation facilities, or like activities, employed less than 1000 hours, or its equivalent if employed on any other basis than an hourly basis, in any calendar year from January 1 to December 31, inclusive, provided that employees who were contributing members of the fund on July 1, 1959 shall not be affected by the exclusions contained in this section.

(5) A person who is exempted from the contributing class by Minnesota Statutes 1974, section 422A.09, subdivision 3, clauses (4) and (5), but who is employed by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of the city government or independently, if financed in whole or in part by city funds, including any person employed by a public corporation, and including any person employed by Special School District No. 1, each of whom is not a member of any other retirement system, who later becomes a contributing member of the fund may elect to qualify at that time for credit by paying into the fund an amount equal to the amount of contributions to the fund which the person would have made had the person been a contributor to the fund since the date the person first qualified as an exempt member of the contributing class, in accordance with section 422A.10, plus six percent compound interest.

(6) Any person who is employed by the city or any of its boards, departments, commissions or a public corporation and is excluded from par-

icipation in the fund by paragraph (4) shall be separated from the service upon reaching the age of 70 regardless of the provisions of the veterans preference act.

(7) Any person who is employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and after March 30, 1978, unless the city council of the city of Minneapolis specifies that the person is to be considered as a provisional member of the retirement fund pursuant to section 356.451 or unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the person agrees in writing to make the required employer contribution in addition to the required employee contribution.

Sec. 8. Minnesota Statutes 1986, section 423.076, is amended to read:

423.076 [RETIREMENT; POLICE AND FIRE DEPARTMENTS.]

A compulsory retirement age of not less than 65 years may be established that was in effect on March 3, 1983, for persons on the payroll of a police or fire department which does not come within the provisions of section 423.075 without being a violation of ~~section 481.81~~ or section 363.02, subdivision 6, may be retained.

Sec. 9. [REPEALER.]

Minnesota Statutes 1986, sections 43A.34, subdivision 2; 125.12, subdivision 5; and 473.419, are repealed.

Sec. 10. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 3

STATE UNIVERSITY AND COLLEGE SUPPLEMENTAL RETIREMENT PLAN CHANGES

Section 1. Minnesota Statutes 1986, section 136.81, subdivision 3, is amended to read:

Subd. 3. ~~Prior to July 1 of each year, Each person described in section 136.80, subdivision 1, may indicate in writing, on forms provided by the executive director of the teachers retirement fund, the account of the Minnesota supplemental retirement investment fund in which salary deductions and state matching funds attributable to salary deductions be invested for the year beginning July 1. For that year and thereafter until a different written indication is made, the executive director of the teachers retirement fund shall purchase with the salary deductions and state matching funds attributable to the salary deductions shares in the account of the Minnesota supplemental retirement investment fund chosen by the person elect to purchase shares in one or a combination of the income share account, the growth share account, the money market account, the bond market account, or the common stock index account established in section 11A.17. The person may elect to participate in one or more of the investment accounts~~

in the fund by specifying, on a form provided by the executive director of the teachers retirement fund, the percentage of salary deductions and state matching funds to be used to purchase shares in each of the accounts.

Twice in any calendar year, each person described in section 136.80, subdivision 1, may indicate in writing on forms provided by the teachers retirement association a choice of options for subsequent purchases of shares. After a choice is made, and until a different written indication is made, the executive director shall purchase shares in the supplemental fund as selected.

A change in choice of investment option is effective no later than the first pay date that occurs 30 or more days after receipt of the request for a change.

Twice in any calendar year a person described in section 136.80, subdivision 1, may also change the investment options selected for all or a portion of the person's shares previously purchased. If a partial transfer is made a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment option. A change is restricted to a transfer from one or more accounts to a single account. Changes in investment options for the person's shares must be effected as soon as cash flow to an account practically permits, but not later than six months after the requested change.

If a person fails to indicate a choice as provided herein, the executive director of the teachers retirement fund shall purchase shares in the income account of the Minnesota supplemental retirement investment fund for the coming year. The shares so purchased shall stand in the name of the board of trustees of the teachers retirement fund, but a record shall be kept indicating the number of shares in each account of the Minnesota supplemental retirement investment fund purchased with the salary deductions and state matching funds attributable to the salary deductions of each person. The record shall be known as the "employee's share account record." The employee's share account record shall show, in addition to the number of shares therein, any cash balance of salary deductions or state matching funds attributable to those deductions which stands uninvested in shares.

Sec. 2. Minnesota Statutes 1986, section 136.82, subdivision 1, is amended to read:

Subdivision 1. The executive director of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental retirement investment fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and rules governing the Minnesota supplemental retirement investment fund:

(1) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person is 60 55 years of age or older and is no longer employed by the state university board or state board for community colleges. In such case the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the person's shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case

of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year.

(2) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person has left employment by the state university board or state board for community colleges because of a total and permanent disability as defined in section 354.05, subdivision 14, and if the executive director of the teachers retirement fund finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person shall receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year. If the person returns to good health, the person shall owe no restitution to the state or any fund created by its laws for a redemption directed pursuant to this paragraph.

(3) In the event of the death of a person having shares to the credit of the employee's share account record and leaving a surviving spouse, then when requested to do so in writing on forms provided by the executive director of the teachers retirement fund by the surviving spouse. The surviving spouse shall receive the cash realized on the redemption of the shares. The surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board in the case of a person employed by the state university board, and the state board for community colleges in the case of a person employed by the state board for community colleges, may, upon application, in their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse shall receive the cash realized from the redemption of the shares. Upon the death of the surviving spouse any shares remaining in the employee's share account record shall be redeemed by the executive director of the teachers retirement fund and the cash realized therefrom distributed to the estate of the surviving spouse.

(4) In the event of the death of a person having shares to the credit of the employee's share account record and leaving no surviving spouse, then the executive director of the teachers retirement fund shall redeem all shares to the credit of the employee's share account record and pay the cash realized therefrom to the estate of the deceased person.

(5) When requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person is no longer employed by the state university board or state board for community colleges, but does not qualify under the provisions of paragraphs (1) to (4). In that case one-half of the cash realized on the redemption of shares shall be received by the person and one-half shall become the property of the supplemental retirement plan account of the teachers retirement fund. An-

nually on July 1 the cancellations of the previous 12 months shall be prorated among the employees share accounts in proportion to the value which each account bears to the total value of all share accounts.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1988. Section 2 is effective July 1, 1987.

ARTICLE 4

MINNESOTA STATE RETIREMENT SYSTEM
ADMINISTRATIVE CHANGES

Section 1. Minnesota Statutes 1986, section 352.12, subdivision 6, is amended to read:

Subd. 6. [DEATH AFTER SERVICE TERMINATION.] Except as provided in subdivision 1, if a former employee covered by the system dies and has not received an annuity, a retirement allowance or a disability benefit, a ~~refundment~~ refund shall be made to the last designated beneficiary or, if there be none, to the surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of the estate in an amount equal to accumulated employee contributions. *The refund must include interest at the rate of five percent per year compounded annually. The interest must be computed to the first day of the month in which the refund is processed and be based on fiscal year balances.*

Sec. 2. Minnesota Statutes 1986, section 352.96, subdivision 1, is amended to read:

Subdivision 1. [WRITTEN AGREEMENT FOR DEFERMENT ENTITLEMENT TO DEFER COMPENSATION.] At the request of an officer or employee of the state of Minnesota ~~or, an officer or employee of any political subdivision thereof, or an employee covered by any of the a retirement funds fund~~ enumerated in section 356.20, subdivision 2, the appointing authority shall by payroll deduction defer the payment of part of the compensation of the officer or employee. *The amount to be deferred must be as provided in a written agreement between the officer or employee and the state of Minnesota, the political subdivision, or other employing unit whose employees are covered by any of the public retirement funds enumerated in section 356.20, subdivision 2. The agreement must be in a form specified by the executive director of the Minnesota state retirement system in such a manner as will qualify the deferred amount for benefits afforded under federal and state tax laws, rules, and rulings.*

Sec. 3. Minnesota Statutes 1986, section 352.96, is amended by adding a subdivision to read:

Subd. 1a. [FAILURE TO IMPLEMENT PLAN.] *Implementation of the deferred compensation plan by the employing unit must be completed within 30 days of the request as provided in subdivision 1. If the employing unit fails to implement the deferred compensation plan, the employing unit may not defer compensation under any existing or new deferred compensation plan from the date of the request until the date on which the deferred compensation plan provided for in this section is implemented. The executive director of the Minnesota state retirement system may order any employing unit that fails to implement the deferred compensation plan provided for in this section upon a valid request to undertake that imple-*

mentation and may enforce that order in appropriate legal proceedings.

Sec. 4. Minnesota Statutes 1986, section 352D.015, subdivision 5, is amended to read:

Subd. 5. [COVERED EMPLOYMENT.] "Covered employment" means employment covered by this chapter or by chapter 352.

Sec. 5. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 5

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

ADMINISTRATIVE CHANGES

Section 1. Minnesota Statutes 1986, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of "public employee":

(a) Persons employed for professional services where such service is incidental to regular professional duties. *Service is incidental if compensation for it amounts to no more than 25 percent of a person's total annual gross earnings for all professional duties.*

(b) Election officers.

(c) Independent contractors and their employees.

(d) Patient and inmate help in governmental subdivision charitable, penal and correctional institutions.

(e) Members of boards, commissions, bands and others who serve the governmental subdivision intermittently.

(f) Employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year or in any school year for school employees. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of \$325 in any one calendar month, the department heads must then report all such employees for membership and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service.

(g) Part-time employees who receive monthly compensation not exceeding \$325, and part-time employees and elected officials whose annual compensation is stipulated in advance, *in writing*, to be not more than \$3,900 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$3,900 per employment period for employment expected to be of less than a full year's duration, except that members shall continue their membership until termination of public service.

(h) Persons who first occupy an elected office after March 1, 1978, the compensation for which does not exceed \$325 per month.

(i) Emergency employees who are employed by reason of work caused by fire, flood, storm or similar disaster.

(j) Employees who by virtue of their employment are required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, except as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that this clause shall not prevent a person from contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time.

(k) Police matrons employed in a police department of any city who are transferred to the jurisdiction of a joint city and county detention and corrections authority.

(l) Chaplains and nuns who have taken a vow of poverty as members of a religious order.

(m) Full-time students who are enrolled and are regularly attending classes at an accredited school, college or university; provided, no person employed full time by a governmental subdivision shall be exempt under this paragraph.

(n) Resident physicians, medical interns and pharmacist interns who are serving in public hospitals.

(o) Appointed or elected officers, paid entirely on a fee basis, and who were not members on June 30, 1971.

(p) Nothing in Laws 1973, chapter 753 shall be interpreted to impair or revoke any option exercised under Laws 1963, chapter 793.

~~(q) Persons employed in subsidized on-the-job training, work experience or public service employment as enrollees under the federal Comprehensive Employment and Training Act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Training and Employment Act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contributions in addition to the required employee contribution.~~

~~(r) Town, city or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$325 per month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.~~

~~(s) (r) A person holding a part time adult supplementary vocational technical school license who renders part time teaching service in a vocational technical school if (1) the service is incidental to the person's regular nonteaching occupation; and (2) the applicable vocational technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching~~

service actually does not exceed 300 hours in a fiscal year.

(†) (s) A person exempt from licensure pursuant to section 125.031.

Sec. 2. Minnesota Statutes 1986, section 353.01, subdivision 20, is amended to read:

Subd. 20. [SURVIVING SPOUSE.] "Surviving spouse" means the unremarried spouse of a deceased member who ~~was living with~~ *had the same legal residence as* the member at the time of death, or at the time the member became totally and permanently disabled.

Sec. 3. Minnesota Statutes 1986, section 353.03, subdivision 3, is amended to read:

Subd. 3. [DUTIES AND POWERS OF THE BOARD.] (a) The board shall elect a president and vice-president. The board shall approve the staffing complement necessary to administer the fund. The cost of administering this chapter must be paid by the fund.

(b) The board shall adopt bylaws for its own government and for the management of the fund consistent with the laws of the state and may modify them at pleasure. It shall adopt, alter, and enforce reasonable rules consistent with the laws of the state for the administration and management of the fund, for the payment and collection of payments from members, and for the payment of withdrawals and benefits. It shall pass upon and allow or disallow all applications for membership in the fund and shall allow or disallow claims for withdrawals, pensions, or benefits payable from the fund. It shall adopt an appropriate mortality table based on experience of the fund as recommended by the association actuary, with interest set at the rate specified in section 356.215, subdivision 4, clause (4). It shall provide for the payment out of the fund of all necessary expenses for the administration of the fund and of all claims for withdrawals, pensions, or benefits allowed. The board shall approve or disapprove all recommendations and actions of the executive director made subject to its approval or disapproval by subdivision 3a.

(c) In passing upon all applications and claims, the board may summon, swear, hear, and examine witnesses and, in the case of claims for disability benefits, may require the claimant to submit to a medical examination by a physician of the board's choice, at the expense of the fund, as a condition precedent to the passing on the claim, and, in the case of all applications and claims, may conduct investigations necessary to determine their validity and merit. *The board shall establish procedures to assure that a benefit applicant and recipient may have a review of a benefit eligibility or benefit amount determination affecting the applicant or recipient. The review procedure may afford the benefit applicant or benefit recipient an opportunity to present views at any review proceeding conducted, but is not a contested case under chapter 14.*

(d) The board may continue to authorize the sale of life insurance to members under the insurance program in effect on January 1, 1985, but must not change that program without the approval of the commissioner of finance. The association shall not receive any financial benefit from the life insurance program beyond the amount necessary to reimburse the association for costs incurred in administering the program. The association shall not engage directly or indirectly in any other activity involving the sale or promotion of goods or services, or both, whether to members or nonmembers.

(e) The board shall establish procedures governing reimbursement of expenses to board members. These procedures shall define the types of activities and expenses that qualify for reimbursement, shall provide that all out-of-state travel must be authorized by the board, and shall provide for independent verification of claims for expense reimbursement. The procedures must comply with applicable rules and policies of the department of finance, the department of administration, and the department of employee relations.

(f) The board may purchase fiduciary liability insurance and official bonds for the officers and members of the board of trustees and employees of the association and may purchase property insurance or may establish a self-insurance risk reserve including, but not limited to, data processing insurance and "extra-expense" coverage.

Sec. 4. Minnesota Statutes 1986, section 353.27, subdivision 4, is amended to read:

Subd. 4. [EMPLOYERS REPORTING REQUIREMENTS; CONTRIBUTIONS; MEMBER STATUS.] The head of each department is hereby directed to cause employee contributions to be deducted from the salary of each member and to issue or approve one voucher payable to the state treasurer for the aggregate amount so deducted from such salaries, and at the same time to issue or approve one voucher for the aggregate amount of the employer contributions and the additional employer contributions for the same period of employment as that covered by the employee contributions, and to cause the same to be received not later than 20 calendar days thereafter in the office of the association. The head of each department shall, for each pay period in which employee contributions are deducted, submit to the association a salary deduction report, in the form prescribed by the executive director, showing (a) the legal names and the association membership numbers, listed in alphabetical order, of all members; (b) the legal names of all new public employees and the effective dates of appointment; (c) the amount of each salary deduction; (d) the amount of salary from which each deduction was made; (e) effective dates of all terminations of public service on account of members and if such terminations were caused by death or retirement, there shall be inserted after such date the applicable word, "~~death~~" or "~~retirement~~" status code as set by the association; (f) effective dates of all temporary layoffs and leaves of absence and if such leaves are sick leaves, there shall be inserted after such date the words, "~~sick leave~~" applicable status code as set by the association; and (g) the beginning and ending dates of the payroll period covered and the date of actual payment. Additionally, reports of contributions shall be accompanied by a membership enrollment form for each new employee in the form prescribed by the executive director, and it shall be the responsibility of department heads to obtain such enrollment forms from new employees to be submitted to the association within 30 days following the date of employment. The employers shall furnish such additional reports on magnetic media or other form of report as may be requested by the association executive director.

Sec. 5. Minnesota Statutes 1986, section 353.27, subdivision 10, is amended to read:

Subd. 10. [EMPLOYERS; FURNISH COPIES OF PAYROLL ABSTRACTS.] The head of each department is required to furnish the executive director with a carbon or duplicate copy of the departmental payroll

abstracts for the last pay period during the months of *January and July March and October*, respectively, in each year. It shall be the duty of said executive director to check the copies of all such payroll abstracts against the membership records of the association to ascertain whether or not any omissions have been made by any department head in the reporting of any new public employees for membership.

Sec. 6. Minnesota Statutes 1986, section 353.27, subdivision 12, is amended to read:

Subd. 12. [OMITTED SALARY DEDUCTIONS; OBLIGATIONS.] In the case of omission of required deductions from salary of an employee, past due for a period of 60 days or less, the head of the department shall deduct from the employee's next salary payment and forthwith remit to the executive director the amount of the employee contribution delinquency, with cumulative interest thereon at the rate of six percent per annum, compounded annually, from the date or dates each delinquent employee contribution was first payable, such interest to be paid by the employer. To the extent that any such omitted required deductions are not paid by the employee, they shall constitute a liability of the governmental subdivision which failed to make said required deductions, with interest thereon as hereinbefore specified. After July 1, 1973, any such omitted required deductions, past due for a period in excess of 60 days, shall become the sole obligation of the governmental subdivision from the time such deductions were first payable, together with interest thereon as hereinbefore specified. Any amount so due, together with employer and additional employer contributions at the rates and in the amounts specified in subdivisions 3 and 3a, with interest thereon at the rate of six percent compounded annually from the date they were first payable, shall be paid from the proceeds of a tax levy made pursuant to section 353.28, or from other funds available to the employer. Unless otherwise indicated, this subdivision shall have both retroactive and prospective application, and the governmental subdivision is liable retroactively and prospectively for all amounts due hereunder. No action for the recovery of delinquent employee and employer contributions or interest ~~thereon shall~~ *on contributions may be commenced and no payment of delinquent contributions may be made or accepted unless the association has already commenced action for recovery of delinquent contributions*, after the expiration of three calendar years next following the calendar year in which the contributions were omitted.

Sec. 7. Minnesota Statutes 1986, section 353.28, subdivision 5, is amended to read:

Subd. 5. Any amount which becomes due and payable pursuant to this section or section 353.27, subdivision 4 shall bear compound interest at the rate of six percent per year from the date due *for the next five calendar days, and compound interest at the rate of ten percent per year for amounts past due in excess of five calendar days until the date paid payment is actually received in the office of the association*, with a minimum charge of \$5 \$10.

Sec. 8. Minnesota Statutes 1986, section 353.29, subdivision 8, is amended to read:

Subd. 8. [ANNUITIES; PAYMENT; EVIDENCE OF RECEIPT.] Payment of any annuity or benefit for a given month shall be mailed by the association to the annuitant, recipient of a disability benefit, or survivor,

during the first week of that month. Evidence of receipt of warrants issued by the association in payment of an annuity or benefit shall be submitted by the payee thereof to the association periodically at times specified by the board of trustees, together with a written declaration that the annuitant or recipient of a disability benefit has or has not returned to public service; that the surviving dependent spouse has or has not remarried; and shall be furnished on forms provided by the executive director thereof, before the association shall pay to the ~~annuitant~~, disability recipient, or survivor for the next ensuing month, the ~~annuity or benefit~~ to which the person otherwise may be entitled. *In lieu of the evidence of receipt of warrants for recipients of an annuity or a benefit, the board may contract for professional services to identify deceased annuitants and benefit recipients through a review of nationally maintained death records.*

Sec. 9. Minnesota Statutes 1986, section 353.33, is amended by adding a subdivision to read:

Subd. 5a. [RECOVERY OF DISABILITY OVERPAYMENTS.] An overpayment of disability benefits must be recovered by the executive director by suspending or reducing the payment of disability benefits, survivor benefits, survivor annuities, refunds, or retirement annuities until all overpaid money has been recovered.

Sec. 10. Minnesota Statutes 1986, section 353.34, is amended by adding a subdivision to read:

Subd. 7. [SICK LEAVE.] A member who is on an authorized sick leave and has received a maximum of one year of allowable service in accordance with section 353.01, subdivision 16, paragraph (4), and who does not return to public service for at least 120 calendar days following the year of allowable service may elect to receive a refund of accumulated deductions as provided in subdivision 2. Application for a refund may not be made before the expiration of 120 calendar days following the end of one year of allowable service for employees on authorized sick leave.

Sec. 11. Minnesota Statutes 1986, section 353.36, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS; INTEREST; MATCHING PAYMENT.] A member who has at least one year of allowable service with the association, whose public service terminated before July 1, 1982, and who has prior public service on which salary deductions were not taken for the retirement fund and who does not have the required minimum number of years of allowable service credit to qualify for an annuity, may apply for an annuity if otherwise qualified, and within 90 days thereafter purchase whatever period of the member's prior public service which is necessary to bring the member's total allowable service credit to the minimum, provided that the most recent period of prior uncredited public service shall be purchased first. The member may gain allowable service credit by paying the applicable percentage of on the salary covered under the law in effect at the time that the prior public service was performed. The applicable member contribution percentage, if the member is a basic member, the applicable percentage is eight percent, and if the member is a coordinated member, the applicable percentage is four percent. An amount equal to the employer and employer additional contributions specified in section 353.27, subdivisions 3 and 3a, plus interest on the total amount representing employee, employer and employer additional contributions at the rate of six percent per annum compounded annually from the date first

payable to the date payment is made, shall also be paid. The employer, at its sole discretion, may agree to pay the amount representing the employer and employer additional contributions pursuant to subdivision 2a. An annuity shall accrue as provided in section 353.29, subdivision 7, but no annuity shall be paid until the applicant's payment is made in full for the prior public service. If payment is not made within such 90 days, the application for retirement shall be void.

Sec. 12. Minnesota Statutes 1986, section 353.64, subdivision 1, is amended to read:

Subdivision 1. Any person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall as long as the person remains in either position, be deemed to continue membership in the fund. Any person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978 by virtue of being a police officer as defined by this section on that date shall be entitled, if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, to continue membership in the fund whether or not that person has the power of arrest by warrant after that date. Any other employee serving on a full-time basis as a police officer or firefighter on or after July 1, 1961, shall become a member of the public employees police and fire fund. Any employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution *stating that the employee should be covered by the police and fire fund* is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer. Any employee serving on less than a full-time basis as a firefighter, other than a volunteer firefighter, shall become a member of the public employees police and fire fund only after a resolution *stating that the employee should be covered by the police and fire fund* is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter. Any police officer or firefighter who by virtue of that employment is required to contribute to any other pension, relief, or retirement fund established for the benefit of officers or employees of a governmental subdivision other than a volunteer firefighters relief association to which sections 69.771 to 69.776 apply shall not be a member of this fund.

Sec. 13. Minnesota Statutes 1986, section 353.64, subdivision 2, is amended to read:

Subd. 2. Before a governing body may declare a position to be that of a police officer, the duties of the person so employed shall, as a minimum, include services as an officer of a designated police department or sheriff's office or person in charge of a designated police department or sheriff's office *whose primary job it is to enforce the law, who is licensed by the Minnesota board of peace officer standards and training under sections 626.84 to 626.855*, who is engaged in the hazards of protecting the safety and property of others and who has the power to arrest by warrant.

Sec. 14. Minnesota Statutes 1986, section 353.656, subdivision 6, is amended to read:

Subd. 6. [RETIREMENT STATUS AT AGE 55.] All disability benefits payable under this section shall terminate when the disabled firefighter or

police officer becomes 55 years of age. If the person is still disabled when the person attains the age of 55 years, the person shall be deemed to be a retired member and, if the person had elected an optional annuity pursuant to subdivision 1a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity pursuant to subdivision 1a, may then elect to receive either a normal retirement annuity computed pursuant to section 353.651, or an optional annuity as provided in section 353.30, subdivision 3, or *normal retirement annuity equal to the disability benefit paid before the person reached age 55*. Any disabled person who becomes age 55 shall have the annuity computed in accordance with the law in effect upon attainment of age 55. Election of an optional annuity shall be made prior to the person attaining the age of 55 years. If an optional annuity is elected, the election shall be effective on the date on which the person attains the age of 55 years and the optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains the age of 55 years.

Sec. 15. Minnesota Statutes 1986, section 353.656, is amended by adding a subdivision to read:

Subd. 7. [DISABLED MEMBERS.] Notwithstanding the age-55 requirement of section 353.651, subdivision 1, a member of the police and fire fund age 55 or over who has five or more years of allowable service but less than ten years of allowable service, and who becomes disabled may elect to draw a retirement annuity in accordance with section 353.651, subdivision 3, based on the actual years of allowable service.

Sec. 16. Minnesota Statutes 1986, section 353.657, is amended to read:

353.657 [SURVIVOR BENEFITS.]

Subdivision 1. In the event any member of the police and fire fund shall die from any cause, the association shall grant survivor benefits to any surviving spouse who ~~was residing with~~ *had the same legal residence as* the member at the time of death and who was married to the member for a period of at least one year, *except that if death occurs in the line of duty no time limit is required*, and to a dependent child or children, unmarried and under the age of 18 years. The spouse and child or children shall be entitled to monthly benefits as provided in the following subdivisions.

Subd. 2. The spouse, for life or until remarriage, shall receive a monthly benefit equal to 30 percent of the member's average *full-time* monthly salary ~~earned rate~~ as a police officer or firefighter ~~on which employee contributions were paid over the last full six months of allowable service preceding death in effect over the last six months of allowable service preceding the month in which death occurred.~~

Subd. 2a. If a member or former member who has attained the age of at least 50 years and has credit for not less than ten years allowable service or who has credit for at least 30 years of allowable service, regardless of age attained, dies before public service has terminated, or if an employee who has filed a valid application for an annuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in section 353.32, subdivision 1, or survivor benefits otherwise payable pursuant to subdivisions 1 and 2, an annuity equal to

the 100 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in sections 353.651, subdivisions 2 and 3, and 353.30, subdivision 3. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment shall accrue beyond the end of the month in which entitlement to such annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of such deceased member. Any member may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter.

Subd. 3. Each dependent child, until the child reaches the age of 18 years, shall receive a monthly benefit equal to ten percent of the member's average *full-time* monthly salary *earned rate* as a police officer or firefighter ~~on which employee contributions were paid over the last full six months of allowable service preceding death in effect over the last six months of allowable service preceding the month in which death occurred.~~ Payments for the benefit of any qualified dependent child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of the child or to any adult person with whom the child may at the time be living, provided only that the parent or other person to whom any amount is to be paid shall have advised the board in writing that the amount will be held or used in trust for the benefit of the child. The maximum monthly benefit for any one family shall not exceed an amount equal to 50 percent of the member's specified average monthly salary, and the minimum benefit per family shall not be less than 30 percent of the member's specified average monthly salary.

Subd. 4. If the member shall die under circumstances which entitle a surviving spouse and dependent children to receive benefits under the workers' compensation law, the amounts so received by them shall not be deducted from the benefits payable under this section.

Sec. 17. [RETROACTIVE AUTHORIZATION OF PAYMENTS TO CERTAIN DISABILITANTS.]

Notwithstanding any law to the contrary, a disabilitant who became eligible for an annuity under section 15 after May 31, 1986, but before June 1, 1987, may receive an annuity retroactive to the first of the month following the date of disability.

Sec. 18. [REPEALER.]

Minnesota Statutes 1986, section 353.64, subdivision 6, is repealed.

Sec. 19. [EFFECTIVE DATE.]

Sections 15 and 17 are effective June 1, 1986. Sections 1 to 14, 16, and 18 are effective the day following final enactment.

ARTICLE 6

TEACHERS RETIREMENT ASSOCIATION
ADMINISTRATIVE CHANGES

Section 1. Minnesota Statutes 1986, section 354.05, subdivision 35, is amended to read:

Subd. 35. [SALARY.] "Salary" means the compensation paid to a teacher excluding lump sum annual or sick-leave payments and all forms of ~~severance~~ payments in lieu of any employer paid group insurance coverage, including the difference between single and family rates, that may be paid to a member with single coverage. "Salary" does not mean any form of payment made in lieu of any other employer paid fringe benefit or expense, or any form of severance payments. Severance payments ~~includes include~~, but is are not limited to:

- (a) payments to an employee to terminate employment;
- (b) payments, or that portion of payments, that are not clearly for performance of services to the employer; and
- (c) payments to an administrator or former administrator serving as an advisor to a successor or as a consultant to the employer under an agreement to terminate employment within two years or less for compensation that is significantly different than the most recent contract salary.

Sec. 2. Minnesota Statutes 1986, section 354.05, is amended by adding a subdivision to read:

Subd. 37. [TERMINATION OF TEACHING SERVICE.] "*Termination of teaching service*" means the withdrawal of a member from active teaching service by resignation or the termination of the member's teaching contract by the employer.

Sec. 3. Minnesota Statutes 1986, section 354.06, subdivision 1, is amended to read:

Subdivision 1. The management of the fund shall be vested in a board of eight trustees which shall be known as the board of trustees of the teachers retirement fund. It shall be composed of the following persons: the commissioner of education, the commissioner of finance, the commissioner of commerce, four members of the fund who shall be elected by the members of the fund and one retiree who shall be elected by the retirees of the fund. The five elected members of the board of trustees shall be chosen by mail ballot in a manner which shall be fixed by the board of trustees of the fund. In every odd numbered year there shall be elected two members of the fund to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every odd numbered year there shall be elected one retiree of the fund to the board of trustees for a term of two years commencing on the first of July next succeeding the election. *The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the fund.* Each election shall be completed by June first of each succeeding odd numbered year. In the case of elective members, any vacancy shall be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the fund at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree shall be appointed by the board, or elected by the members of the fund as a trustee if the person is not a

member or retiree of the fund in good standing at the time of the appointment or election. It shall be the duty of the board of trustees to faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it and the teachers who are its beneficiaries.

Sec. 4. Minnesota Statutes 1986, section 354.07, subdivision 3, is amended to read:

Subd. 3. *The attorney general shall be legal advisor to the board and the executive director. The board may sue or be sued in the name of the board of trustees of the teachers retirement fund and in all actions brought by or against it the board shall be represented by the attorney general. Venue of all actions is in the Ramsey county district court.*

Sec. 5. Minnesota Statutes 1986, section 354.094, subdivision 1, is amended to read:

Subdivision 1. [SERVICE CREDIT CONTRIBUTIONS.] A member granted an extended leave of absence pursuant to section 125.60 or 136.88, except as provided in subdivision 1a or 1b, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of the leave provided the member and the employing board make the required employer contribution in any proportion they may agree upon, during the period of the leave which shall not exceed five years. Except as provided in subdivision 1a or 1b, the state shall not pay employer contributions into the fund for any year for which a member is on extended leave. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before *the later of June 30 of each fiscal year for which service credit is received or within 30 days after first notification by the association of the amount due, whichever is later if requested by the member, is given by the association. No payment is permitted after the following September 30. Payments received after June 30 must include six percent interest from June 30 through the end of the month in which payment is received.*

Sec. 6. Minnesota Statutes 1986, section 354.44, subdivision 5, is amended to read:

Subd. 5. [RESUMPTION OF TEACHING.] Any person who retired under any provision of any retirement law applicable to schools and institutions covered by the provisions of this chapter and has thereafter resumed teaching in any school or institution to which this chapter applies shall continue to receive payments in accordance with the annuity except that during any year in which the person's income from the teaching service is in an amount equal to or greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services pursuant to the provisions of United States Code, title 42, section 403. For the purpose of this subdivision, income from teaching service shall include, *but is not limited to:*

(a) all income ~~from~~ for services performed as a consultant or an independent contractor for an employer unit covered by the provisions of this

chapter; and

(b) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in an employer unit with approximately the same number of pupils and at the same level as the position occupied by the person who resumes teaching service.

In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person shall be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits. The amount in excess of the applicable reemployment income maximum specified in this subdivision shall be deducted from the annuity payable for the year immediately following the year in which the excess amount was earned. After a person has reached the age of 70, the person shall receive the annuity in full regardless of the amount of income.

Sec. 7. Minnesota Statutes 1986, section 354.46, subdivision 5, is amended to read:

Subd. 5. [PAYMENT TO DESIGNATED BENEFICIARY.] Any member and the spouse of the member may make a joint specification in writing on a form prescribed by the executive director that the benefits provided in subdivision 2, or in section 354.47, subdivision 1, shall be paid only to a designated beneficiary. For purposes of this subdivision, a designated beneficiary may only be either a former spouse or a child, either natural or adopted, of the member, *but more than one beneficiary may be designated for the benefit provided in section 354.47, subdivision 1.*

Sec. 8. Minnesota Statutes 1986, section 354.48, subdivision 7, is amended to read:

Subd. 7. [PARTIAL REEMPLOYMENT.] Should the disabled person resume a gainful occupation ~~and have in which earnings are less than the person's salary at the date of disability or the salary currently paid for similar positions, the board shall continue the disability benefit in an amount which when added to of such earnings does not exceed the person's plus the disability benefit originally granted may not exceed the salary at the date of disability or the salary currently paid for similar positions, whichever is lower, provided the disability benefit in such case does not exceed the disability benefit originally allowed.~~ *If the sum of such earnings plus the disability benefit originally granted exceeds the salary at the date of disability, the amount of excess earnings must be deducted from the disability benefit.* The provisions of this subdivision shall not prohibit the board from making a determination that a member is no longer totally and permanently disabled or that the member is engaged or is able to engage in a substantial gainful occupation based on the results of the regular physical examinations required by subdivision 6 or any other physical examinations required by the board. Payment of the disability benefit provided in this subdivision during a period of partial reemployment shall be discontinued if the board finds that the member is no longer totally and permanently disabled.

Sec. 9. Minnesota Statutes 1986, section 354.51, subdivision 5, is amended to read:

Subd. 5. In the event that full required member contributions are not deducted from the salary of a teacher, payment shall be made as follows:

(a) Payment of shortages in member deductions on salary earned after ~~July 1, 1961~~ *June 30, 1957*, and prior to July 1, 1981 shall, *may* be made ~~within one year from the end of the fiscal year in which the shortage in deductions occurred in order to be accepted without an interest charge. If payment is not made within this period of time, it may be paid by the member any time prior to retirement provided that the.~~ Payment shall include six percent interest compounded annually from the end of the fiscal year in which the shortage occurred to the end of the month in which payment is made and the interest shall be credited to the fund. If payment of a shortage in deductions is not made, the formula service credit of the member shall be prorated pursuant to section 354.05, subdivision 25, clause (3).

(b) Payment of shortages in member deductions on salary earned after June 30, 1981 shall be the sole obligation of the employing unit and shall be payable by the employing unit upon notification by the executive director of the shortage with interest at the rate of six percent per annum, compounded annually, from the end of the fiscal year in which the shortage occurred to the end of the month in which payment is made and the interest shall be credited to the fund. Effective July 1, 1986, the employing unit shall also pay the employer contributions as specified in section 354.42, subdivisions 3 and 5 for such shortages. If the shortage payment is not paid by the employing unit within 60 days of notification, the executive director shall certify the amount of the shortage payment to the applicable county auditor, who shall spread a levy in the amount of the shortage payment over the taxable property of the taxing district of the employing unit if the employing unit is supported by property taxes, or to the commissioner of finance, who shall deduct the amount from any state aid or appropriation amount applicable to the employing unit if the employing unit is not supported by property taxes.

(c) Payment may not be made for shortages in member deductions on salary earned prior to July 1, 1957.

Sec. 10. Minnesota Statutes 1986, section 354.55, subdivision 11, is amended to read:

Subd. 11. Any person covered under section 354.44, subdivisions 6 and 7, who ceases to render teaching service may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for an annuity under this subdivision shall be governed pursuant to section 354.44, subdivision 1, or 354.60.

The amount of the deferred retirement annuity shall be determined by section 354.44, subdivisions 6 and 7, and augmented as provided herein. The required reserves related to that portion of the annuity which had accrued at the time the member ceased to render teaching service shall be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There shall be no augmentation if this period is less than three months or if this period commences prior to July 1, 1971. The rates of interest used for this purpose shall be five percent commencing July 1, 1971, until January 1, 1981, and three percent thereafter. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354.44, subdivision 6, must be used for each period and the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The

sum of the augmented required reserves so determined shall be the basis for purchasing the deferred annuity. *If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with this fund.* If a person does not render teaching service in any one or more consecutive fiscal years and then resumes teaching service, the formula percentages used from date of resumption will be those applicable to new members. The mortality table and interest assumption contained therein used to compute the annuity shall be determined by the law in effect at the time of the member's retirement. A period of uninterrupted service for the purposes of this subdivision shall mean a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The provisions of this subdivision shall not apply to variable account accumulations as defined in section 354.05, subdivision 23.

In no case shall the annuity payable herein be less than the amount of annuity payable pursuant to section 354.44, subdivisions 6 and 7.

The requirements and provisions for retirement prior to age 65 contained in section 354.44, subdivision 6, clause (2) shall also apply to an employee fulfilling the requirements with a combination of service as provided in section 354.60.

The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

The augmentation provided by this subdivision shall not apply to any period in which a person is on an approved leave of absence from an employer unit covered by the provisions of this chapter.

Sec. 11. Minnesota Statutes 1986, section 354.62, subdivision 5, is amended to read:

Subd. 5. [VARIABLE RETIREMENT ANNUITY] (1) At retirement the amount of the member's variable account accumulation in the employee variable annuity contribution account, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year, and an equal amount from the employer variable annuity contribution account shall be transferred to the variable annuity reserve account, and the variable retirement annuity for the member shall be determined by the member's age, and sex, and the amount transferred for the member to the variable annuity reserve account at the date of retirement. The amount of the annuity shall be calculated on the basis of an appropriate annuity table of mortality with an interest assumption of eight percent, except that if the member elects to have the accumulation transferred to the Minnesota postretirement investment fund as authorized by clause (8), the annuity shall be calculated with an interest assumption of five percent.

(2) Whenever the admitted value of the annuity reserve account of the variable annuity division, as of June 30 of any year, exceeds or is less than the then present value of all variable annuities in force, determined in accordance with the rate of interest and approved actuarial tables then in effect, by at least two percent of the present value, the amount of each variable annuity payment shall be proportionately increased or decreased for the following year.

(3) The death benefit payable in the event of a member's death prior to retirement shall be a lump sum refund of a member's variable account accumulation, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year, to the surviving spouse, or if there is no surviving spouse to the designated beneficiary. Except that if a member has made an election in accordance with joint and survivor annuity is payable under section 354.46, subdivision 2, then the surviving spouse shall receive a joint and survivor variable annuity as described in section 354.44 must be paid and computed as provided in clause (1). An amount equal to the lump sum refund made in this clause shall be transferred from the employer contribution account to the variable annuity turnover account.

(4) Except as provided in section 354.44, subdivision 7, any person who ceases to be a member by reason of termination of teaching service, shall be entitled to a lump sum refundment of the member's variable account accumulations, based on the valuation at the previous fiscal year end plus any contributions made by the person since the end of the previous fiscal year. Application for a refundment may be made no sooner than 30 days after termination of teaching service if the applicant has not again become a teacher. Repayment of a refundment upon resumption of teaching is not permitted under this section. An amount equal to the refundment to the member shall be transferred from the employer contribution account to the variable annuity turnover account.

(5) If a member is determined to be totally and permanently disabled as provided in sections 354.05, subdivision 14; and 354.48, the member shall be entitled to the annuity provided in this subdivision.

(6) Those members eligible for retirement as provided in section 354.44, subdivision 1 shall upon application for the annuity provided therein be entitled to the annuity provided in this subdivision. The annuity elected in accordance with sections 354.44, and 354.45 shall be the annuity applicable to this subdivision.

(7) Notwithstanding section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice is filed by the annuitant with the teachers retirement association board requesting that the increase not be made.

(8) At retirement, a member may elect to have the amount of the member's variable annuity accumulation in the employee variable annuity contribution account and an equal amount from the employer variable annuity contribution account transferred to the Minnesota postretirement investment fund as provided in section 354.63, subdivision 2, clause (2). This election may also be made by a surviving spouse who receives an annuity under clause (3). The election shall be made on a form provided by the executive secretary director.

Sec. 12. Minnesota Statutes 1986, section 354.62, is amended by adding a subdivision to read:

Subd. 6. [RECALCULATION OF CERTAIN ANNUITIES.] A variable annuity effective prior to May 1, 1984, must be recalculated on June 30, 1987, based on an appropriate annuity table of mortality with an interest assumption of eight percent, and the adjusted annuity must begin to accrue July 1, 1987.

Sec. 13. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1987. Sections 2 to 12 are effective the day following final enactment.

ARTICLE 7

PUBLIC PENSION PLAN AUDIT RESPONSIBILITIES

Section 1. Minnesota Statutes 1986, section 354A.021, is amended by adding a subdivision to read:

Subd. 7. [AUDIT BY LEGISLATIVE AUDITOR.] The books and accounts of each teachers retirement fund association must be examined and audited periodically as considered necessary by the state auditor. A full and detailed report of the examination and audit must be made and a copy provided to the teachers retirement fund association board of trustees. The cost of any examination and audit must be paid by the teachers retirement fund association in accordance with section 6.56. For purposes of section 6.56, each teachers retirement fund association is considered a state agency.

Sec. 2. [EFFECTIVE DATE.]

This article is effective July 1, 1987.

ARTICLE 8

COMBINED SERVICE DISABILITY AND SURVIVOR BENEFITS

Section 1. [356.302] [DISABILITY BENEFIT WITH COMBINED SERVICE.]

Subdivision 1. [DEFINITIONS.] (a) The terms used in this section are defined in this subdivision.

(b) "Average salary" means the highest average of covered salary for the appropriate period of credited service that is required for the calculation of a disability benefit by the covered retirement plan and that is drawn from any period of credited service and covered salary in a covered retirement plan.

(c) "Covered retirement plan" or "plan" means a retirement plan listed in subdivision 7.

(d) "Duty-related" means a disabling illness or injury that occurred while the person was actively engaged in employment duties or that arose out of the person's active employment duties.

(e) "General employee retirement plan" means a covered retirement plan listed in subdivision 7, clauses (1) to (8).

(f) "Occupationally disabled" means the condition of having any medically determinable physical or mental impairment that makes a person unable to satisfactorily perform the minimum requirements of the person's employment position or a substantially similar employment position.

(g) "Public safety employee retirement plan" means a covered retirement plan listed in subdivision 7, clauses (9) to (11).

(h) "Totally and permanently disabled" means the condition of having any medically determinable physical or mental impairment that makes a person unable to engage in any substantial gainful activity and that is expected to continue or has continued for a period of at least one year or that is expected to result directly in the person's death.

Subd. 2. [ENTITLEMENT.] Notwithstanding any law to the contrary

governing any covered retirement plan, a member of a covered retirement plan may receive a combined service disability benefit from each covered retirement plan in which the person has credit for at least six months of allowable service if that person meets the applicable qualifying conditions. Subdivision 3 applies to a member of a general employee retirement plan. Subdivision 4 applies to a member of a public safety employee retirement plan. Subdivision 5 applies to a member of a covered retirement plan with general employee and public safety employee retirement plan service.

Subd. 3. [GENERAL EMPLOYEE PLAN ELIGIBILITY REQUIREMENTS.] A disabled member of a covered retirement plan who has credit for allowable service in a combination of general employee retirement plans is entitled to a combined service disability benefit if the member:

(1) is less than 65 years of age on the date of application for the disability benefit;

(2) has become totally and permanently disabled;

(3) has credit for allowable service in any combination of general employee retirement plans totaling at least ten years if the person has not reached age 50 or at least five years if the person has reached age 50;

(4) has credit for at least six months of allowable service with the current general employee retirement plan before the commencement of the disability;

(5) has at least five continuous years of allowable service credit by the general employee retirement plan or has at least a total of five years of allowable service credit by a combination of general employee retirement plans in a 72-month period during which no interruption of allowable service credit from a termination of employment exceeded 29 days; and

(6) is not receiving a retirement annuity or disability benefit from any covered general employee retirement plan at the time of the commencement of the disability.

Subd. 4. [PUBLIC SAFETY PLAN ELIGIBILITY REQUIREMENTS.] A disabled member of a covered retirement plan who has credit for allowable service in a combination of public safety employee retirement plans is entitled to a combined service disability benefit if the member:

(1) is less than 55 years of age on the date of application for the disability benefit;

(2) has become occupationally disabled;

(3) has credit for allowable service in any combination of public safety employee retirement plans totaling at least one year if the disability is duty-related or totaling at least five years if the disability is not duty-related;

(4) has credit for at least six months of allowable service with the current public safety employee retirement plan before the commencement of the disability; and

(5) is not receiving a retirement annuity or disability benefit from any covered public safety employee retirement plan at the time of the commencement of the disability.

Subd. 5. [GENERAL AND PUBLIC SAFETY PLAN ELIGIBILITY REQUIREMENTS.] A disabled member of a covered retirement plan who has credit for allowable service in a combination of both public safety

employee retirement plans and general employee retirement plans must meet the qualifying requirements in subdivisions 3 and 4 to receive a combined service disability benefit from the applicable general employee and public safety employee retirement plans, except that the person need only be a member of a covered retirement plan at the time of the commencement of the disability and that the minimum allowable service requirements of subdivision 3, clauses (3) and (5), and subdivision 4, clauses (3) and (4), may be met in any combination of covered retirement plans.

Subd. 6. [COMBINED SERVICE DISABILITY BENEFIT COMPUTATION.] (a) The combined service disability benefit from each covered retirement plan must be based on the allowable service in each retirement plan, except as specified in paragraphs (b) to (f).

(b) The disability benefit must be governed by the law in effect for each covered retirement plan on the date of the commencement of the member's most recent qualifying disability as a member of a covered retirement plan.

(c) All plans must base the disability benefit on the same average salary to the extent practicable.

(d) If the method of the covered retirement plan used to compute a disability benefit varies based on the length of allowable service credit, the benefit accrual formula percentages used by the plan must recognize the allowable service credit in the plan as a continuation of any previous allowable service credit with other covered retirement plans.

(e) If the covered retirement plan is a defined benefit or formula plan and the method used to compute a disability benefit does not vary based on the length of allowable service credit, the portion of the specified benefit amount from the plan must bear the same proportion to the total specified benefit amount as the allowable service credit in that plan bears to the total allowable service credit in all covered retirement plans. If the covered retirement plan is a defined contribution or nonformula plan, the disability benefit amount for allowable service under the plan is not affected, but the service and covered salary under the plan must be used in calculations by other covered retirement plans.

(f) A period for which a person has allowable service credit in more than one covered retirement plan must be used only once in determining the total allowable service credit for calculating the combined service disability benefit, with any period of duplicated service credit handled as provided in section 356.30, subdivision 1, clause (3), items (i) and (j).

Subd. 7. [COVERED RETIREMENT PLANS.] This section applies to the following retirement plans:

- (1) state employees retirement fund, established by chapter 352;
- (2) unclassified employees retirement plan, established by chapter 352D;
- (3) public employees retirement association, established by chapter 353;
- (4) teachers retirement fund, established by chapter 354;
- (5) Duluth teachers retirement fund association, established by chapter 354A;
- (6) Minneapolis teachers retirement fund association, established by chapter 354A;
- (7) St. Paul teachers retirement fund association, established by chapter

354A;

- (8) *Minneapolis employees retirement fund, established by chapter 422A;*
- (9) *correctional employees retirement plan, established by chapter 352;*
- (10) *state patrol retirement fund, established by chapter 352B; and*
- (11) *public employees police and fire fund, established by chapter 353.*

Sec. 2. [356.303] [SURVIVOR BENEFIT WITH COMBINED SERVICE.]

Subdivision 1. [DEFINITIONS.] (a) The terms used in this section are defined in this subdivision.

(b) *"Average salary" means the highest average of covered salary for the appropriate period of credited service that is required for the calculation of a survivor annuity or a survivor benefit, whichever applies, by the covered retirement plan and that is drawn from any period of credited service and covered salary in a covered retirement plan.*

(c) *"Covered retirement plan" or "plan" means a retirement plan listed in subdivision 4.*

(d) *"Deceased member" means a person who on the date of death was an active member of a covered retirement plan and who has reached the minimum age, if any, required by the covered retirement plan as part of qualifying for a survivor annuity or survivor benefit.*

(e) *"Surviving child" means a child of a deceased member (1) who is unmarried, (2) who has not reached age 18, or, if a full-time student, who has not reached a higher age specified in the applicable covered retirement plan, and (3) if specified by that plan, who was actually dependent on the deceased member for a specified proportion of support before the deceased member's death. "Surviving child" includes a natural child, an adopted child, or a child of a deceased member who is conceived during the member's lifetime and is born after the member's death.*

(f) *"Surviving spouse" means the legally married husband or wife of the deceased member who was residing with the deceased member on the date of death and who, if specified by the applicable covered retirement plan, had been married to the deceased member for a specified period of time before the death of the deceased member.*

(g) *"Survivor annuity" means the entitlement to a future amount payable to a survivor as the remainder interest of an optional annuity form implied by law as having been chosen by a deceased member before the date of death and effective on the date of death or provided automatically.*

(h) *"Survivor benefit" means an entitlement to a future amount payable to a survivor that is not included in the definition of a survivor annuity.*

Subd. 2. [ENTITLEMENT; ELIGIBILITY.] Notwithstanding any law to the contrary governing a covered retirement plan, a person who is the survivor of a deceased member of a covered retirement plan may receive a combined service survivor benefit from each covered retirement plan in which the deceased member had credit for at least six months of allowable service if the deceased member:

(1) *had credit for sufficient allowable service in any combination of covered retirement plans to meet any minimum allowable service credit requirement of the covered retirement fund for qualification for a survivor*

benefit or annuity;

(2) had credit for at least six months of allowable service with the most recent covered retirement plan before the date of death and was an active member of that covered retirement plan on the date of death; and

(3) was not receiving a retirement annuity from any covered retirement plan on the date of death.

Subd. 3. [COMBINED SERVICE SURVIVOR BENEFIT COMPUTATION.] (a) The combined service survivor annuity or survivor benefit from each covered retirement plan must be based on the allowable service in each covered retirement plan, except as provided by paragraphs (b) to (f).

(b) The survivor annuity or survivor benefit must be governed by the law in effect for each covered retirement plan on the date of death of the deceased member.

(c) All plans must base the survivor annuity or survivor benefit on the same average salary.

(d) If the method of the covered retirement plan used to compute a survivor benefit or annuity varies based on the length of allowable service credit, the benefit accrual formula percentages used by the plan must recognize the allowable service credit in the plan as a continuation of any previous allowable service credit with other covered retirement plans.

(e) If the covered retirement plan is a defined benefit or formula plan and the method used to compute a survivor benefit or annuity does not vary based on the length of allowable service credit, the portion of the specified benefit or annuity amount from the plan must bear the same proportion to the total specified benefit or annuity amount as the allowable service credit in that plan bears to the total allowable service credit in all covered retirement plans. If the covered retirement plan is a defined contribution or nonformula plan, the survivor benefit amount for allowable service under the plan is not affected, but the service and covered salary under the plan must be used in calculations by other covered retirement plans.

(f) A period for which a person has allowable service credit in more than one covered retirement plan must be used only once in determining the total allowable service credit for calculating the combined service survivor annuity or survivor benefit. A period of duplicated service credit must be handled as provided in section 356.30, subdivision 1, clause (3), items (i) and (j).

Subd. 4. [COVERED RETIREMENT PLANS.] This section applies to the following retirement plans:

- (1) legislators retirement plan, established by chapter 3A;
- (2) state employees retirement fund, established by chapter 352;
- (3) correctional employees retirement plan, established by chapter 352;
- (4) state patrol retirement fund, established by chapter 352B;
- (5) elective state officers retirement plan, established by chapter 352C;
- (6) unclassified employees retirement plan, established by chapter 352D;
- (7) public employees retirement association, established by chapter 353;

(8) *public employees police and fire fund, established by chapter 353;*

(9) *teachers retirement fund, established by chapter 354;*

(10) *Duluth teachers retirement fund association, established by chapter 354A;*

(11) *Minneapolis teachers retirement fund association, established by chapter 354A;*

(12) *St. Paul teachers retirement fund association, established by chapter 354A; and*

(13) *Minneapolis employees retirement fund, established by chapter 422A.*

Sec. 3. [REPEALER.]

Minnesota Statutes 1986, section 356.301, is repealed.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to any active member of a covered retirement plan whose applicable disability is determined to have begun on or after that date. Section 2 is effective the day following final enactment and applies to any person who became a survivor on or after June 15, 1986. Section 3 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; various public pension plans; implementing various administrative changes; making private certain membership data; conforming mandatory retirement provisions for public employees to the federal Age Discrimination in Employment Amendments of 1986; clarifying the obligation of the state auditor to undertake periodic public pension plan audits; establishing combined service disability and survivor benefits; amending Minnesota Statutes 1986, sections 13.43, by adding a subdivision; 43A.34, subdivisions 1 and 4; 136.81, subdivision 3; 136.82, subdivision 1; 181.81, subdivision 1; 181.811; 352.12, subdivision 6; 352.96, subdivision 1, and by adding a subdivision; 352D.015, subdivision 5; 353.01, subdivisions 2b and 20; 353.03, subdivision 3; 353.27, subdivisions 4, 10, and 12; 353.28, subdivision 5; 353.29, subdivision 8; 353.33, by adding a subdivision; 353.34, by adding a subdivision; 353.36, subdivision 2; 353.64, subdivisions 1 and 2; 353.656, subdivision 6, and by adding a subdivision; 353.657; 354.05, subdivision 35, and by adding a subdivision; 354.06, subdivision 1; 354.07, subdivision 3; 354.094, subdivision 1; 354.44, subdivisions 1a and 5; 354.46, subdivision 5; 354.48, subdivision 7; 354.51, subdivision 5; 354.55, subdivision 11; 354.62, subdivision 5, and by adding a subdivision; 354A.021, by adding a subdivision; 354A.21; 422A.09, subdivision 3; and 423.076; proposing coding for new law in Minnesota Statutes, chapters 13 and 356; repealing Minnesota Statutes 1986, sections 43A.34, subdivision 2; 125.12, subdivision 5; 353.64, subdivision 6; 356.301; and 473.419."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1277: A bill for an act relating to taxes; providing for the assessment of certain flight property; amending Minnesota Statutes 1986, sections 270.071, by adding a subdivision; and 270.074, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1986, section 270.074, subdivision 3, is amended to read:

Subd. 3. (a) The flight property of every airline company shall be assessed at ~~33-1/3~~ 70 percent of the value thereof apportioned to this state under subdivision 1, *except that quiet aircraft shall be assessed at 40 percent of the value determined under subdivision 1. Quiet aircraft shall include turboprops and aircraft defined as stage III by the Federal Aeronautics Administration. If, in the opinion of the commissioner, other aircraft may be qualified as quiet aircraft, the commissioner may adopt rules providing additional qualifications.*

(b) The flight property of an airline company that owns or leases aircraft the majority of which are turbine powered propeller driven, and which provides, during six months or more of the year that taxes are levied, scheduled passenger service to three or more airports inside or outside of this state that serve small or medium sized communities, shall be assessed at 50 percent of the assessment percentage otherwise set by paragraph (a).

Sec. 3. Minnesota Statutes 1986, section 270.075, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall determine the rate of tax to be levied and collected against the assessed valuation as determined pursuant to section 270.074, subdivision 2, ~~which shall be the average rate of taxes, general, municipal, and local, levied throughout the state for the preceding year. The levy shall be completed on or before the first Monday in October of each year to generate revenues of \$6,719,000 from taxes levied in assessment year 1987 and payable in 1988 and revenues of \$7,122,000 from taxes levied in 1988 and payable in 1989. Thereafter the legislature shall annually establish the amount of revenue to be generated from a tax on flight property."~~

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

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "establishing tax rates on flight property;"

Page 1, line 4, delete "and"

Page 1, line 5, after "3" insert "; and 270.075, subdivision 1"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 217 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
217	1188				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 217 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 217 and insert the language after the enacting clause of S.F. No. 1188, the first engrossment; further, delete the title of H.F. No. 217 and insert the title of S.F. No. 1188, the first engrossment.

And when so amended H.F. No. 217 will be identical to S.F. No. 1188, and further recommends that H.F. No. 217 be given its second reading and substituted for S.F. No. 1188, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 638 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
638	550				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 638 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 638 and insert the language after the enacting clause of S.F. No. 550, the first engrossment; further, delete the title of H.F. No. 638 and insert the title of S.F. No. 550, the first engrossment.

And when so amended H.F. No. 638 will be identical to S.F. No. 550, and further recommends that H.F. No. 638 be given its second reading and substituted for S.F. No. 550, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 830 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
830	206				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 830 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 830 and insert the language after the enacting clause of S.F. No. 206, the first engrossment; further, delete the title of H.F. No. 830 and insert the title of S.F. No. 206, the first engrossment.

And when so amended H.F. No. 830 will be identical to S.F. No. 206, and further recommends that H.F. No. 830 be given its second reading and substituted for S.F. No. 206, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1141 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1141	1087				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1141 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1141 and insert the language after the enacting clause of S.F. No. 1087, the first engrossment; further, delete the title of H.F. No. 1141 and insert the title of S.F. No. 1087, the first engrossment.

And when so amended H.F. No. 1141 will be identical to S.F. No. 1087, and further recommends that H.F. No. 1141 be given its second reading and substituted for S.F. No. 1087, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred the following appointment as reported in the Journal for March 12, 1987:

DEPARTMENT OF FINANCE COMMISSIONER

Jay Kiedrowski

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

H.F. No. 1127: A bill for an act relating to utilities; providing for the establishment of flexible gas utility rates for certain customers subject to effective competition; requiring the department of public service to conduct a study; providing for recovery of study costs; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 14 to 19 and insert:

"(b) "Effective competition" means that a customer of a gas utility who either receives interruptible service or whose daily requirement exceeds 50,000 cubic feet maintains or plans on acquiring the capability to switch to fuel oil, propane, coal fuel, or other natural gas at comparable prices from a supplier not regulated by the commission."

Page 2, line 7, delete everything after the period and insert "A gas utility may only apply a flexible tariff to a customer that is subject to effective competition. A customer"

Page 2, line 8, delete "a class"

Page 2, line 12, delete "an alternative energy supply or service" and insert "fuel oil, propane, coal fuel, or natural gas from a supplier not regulated by the commission"

Page 2, lines 18 and 22, delete "expected foregone" and after "revenues" insert "which the utility expects to lose by implementing flexible tariffs"

Page 3, line 4, delete "FOREGONE"

Page 3, line 36, after the period, insert "Gas utilities that utilize a flexible tariff under section 1 shall be assessed for the actual cost of conducting the study not to exceed \$10,000. Each utility utilizing a flexible tariff shall be assessed for an equal share of the costs."

Page 4, delete section 3 and insert:

"Sec. 3. [APPROPRIATION.]

There is appropriated from the general fund the sum of \$10,000 to the department of public service for the purpose of conducting the study required in section 2."

Amend the title as follows:

Page 1, line 6, delete everything before the semicolon and insert "ap-

propriating money”.

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1417: A bill for an act relating to economic development; authorizing certain entities involved in economic development to participate in secondary markets; authorizing the use of appropriated money for secondary market purposes; amending Minnesota Statutes 1986, sections 116M.04, by adding a subdivision; 116M.08, by adding a subdivision; 362A.03, by adding a subdivision; 458.192, by adding a subdivision; 458C.14, by adding a subdivision; and 462.445, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1253: A bill for an act relating to human services; providing training of welfare fraud prosecutors and investigators; providing staff for fraud control functions; defining amounts of assistance indirectly paid; providing for joint trials; changing the date of payment of certain periodic support to the assistance unit; regulating certain property transfers; providing for incorrect assistance amounts recovered; appropriating money; amending Minnesota Statutes 1986, sections 256.74, subdivision 1; 256.98; 256D.05; and 393.07, subdivision 10.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 to 5, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 10 and 11, delete “256.74, subdivision 1;”

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1389: A bill for an act relating to appropriations; providing funding for the establishment of a community-based juvenile residential correctional facility to serve American Indian juveniles in Hennepin county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete “*in Hennepin county*”

Page 1, line 14, delete “*who are residents of*”

Page 1, line 15, delete “*Hennepin county and*”

Amend the title as follows:

Page 1, line 5, delete "in Hennepin county"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 904: A bill for an act relating to human services; requiring notification to spouse of nursing home resident; amending Minnesota Statutes 1986, section 256B.48, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, after "2" insert ", and section 256B.17"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 836: A bill for an act relating to natural resources; revising the boundary of Lost River State Forest; amending Minnesota Statutes 1986, section 89.021, subdivision 59.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1161: A bill for an act relating to unemployment compensation; regulating administration of unemployment compensation; providing for benefits and contribution rates; amending Minnesota Statutes 1986, sections 268.04, subdivisions 2, 4, 24, and by adding subdivisions; 268.06, subdivisions 2, 3a, 8, and by adding a subdivision; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.08, subdivision 1; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121; 268.15, subdivision 3; 268.16, subdivision 2; repealing Minnesota Statutes 1986, section 268.04, subdivisions 29 and 30.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 268.04, subdivision 2, is amended to read:

Subd. 2. "Base period" means the period of 52 calendar weeks immediately preceding the first day of an individual's benefit year. However, if a claimant received weekly worker's compensation for temporary total disability under the provisions of chapter 176 or under a similar law of the United States for more than seven weeks within the base period, or if a claimant, whose own serious illness caused a loss of credit weeks within the base period, received compensation due to the illness from some other source or under a law of this state other than chapter 176 or under a similar law of the United States for more than seven weeks within the base period,

the claimant's base period shall be lengthened by the same number of weeks, but not to exceed 52 weeks, for which the claimant received the payments. No extended base period shall include wage credits upon which benefits were established and paid with respect to a prior valid claim first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year; except: (a) if during the base period an individual received workers' compensation for temporary disability under chapter 176 or a similar law of the United States, or if an individual whose own serious illness caused a loss of work for which the individual received compensation due to the illness from some other source or under a law of this state other than chapter 176 or a similar law of the United States, the individual's base period shall be lengthened to the extent stated as follows:

(1) if an individual was compensated, as described above, for a loss of work of seven to 13 weeks, the original base period shall be extended to include one calendar quarter preceding the original base period; or

(2) if an individual was compensated, as described above, for a loss of work of 14 to 26 weeks, the original base period shall be extended to include two calendar quarters preceding the original base period; or

(3) if an individual was compensated, as described above, for a loss of work of 27 to 39 weeks, the original base period shall be extended to include the first three calendar quarters preceding the original base period; or

(4) if an individual was compensated, as described above, for a loss of work of 40 to 52 weeks, the original base period shall be extended to include the first four quarters preceding the original base period; or

(b) if the commissioner finds that, during the base period described above, the individual has insufficient wage credits to establish a valid claim, the individual may request a determination of validity using an alternate base period of the last four completed calendar quarters preceding the first day of an individual's benefit year. This alternate base period may be used by an individual only once during any five calendar year period to establish a valid claim.

In no instance shall the base period be extended to include more than four additional calendar quarters.

No base period, extended base period, or alternate base period under paragraph (b) shall include wage credits upon which a claim was established and benefits were paid with respect to that valid claim.

Sec. 2. Minnesota Statutes 1986, section 268.04, subdivision 4, is amended to read:

Subd. 4. "Benefit year" with respect to any individual means the period of 52 calendar weeks beginning with the first day of the first week with respect to which the individual files a valid claim for benefits. For individuals with a claim effective January 1, April 1, July 1, or October 1, the benefit year will be a period of 53 weeks beginning with the first week with respect to which the individual files a valid claim for benefits.

Sec. 3. Minnesota Statutes 1986, section 268.04, subdivision 24, is amended to read:

Subd. 24. "Valid claim" with respect to any individual means a claim

filed by an individual who has registered for work and who has earned wage credits ~~and established credit weeks~~ during the individual's base period sufficient to entitle the individual to benefits under section 268.07, subdivision 2.

Sec. 4. Minnesota Statutes 1986, section 268.04, subdivision 25, is amended to read:

Subd. 25. [WAGES.] "Wages" means all remuneration for services, including commissions and bonuses, back pay as of the date of payment, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(a) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds, for each calendar year, the greater of \$7,000 or that part of the remuneration which exceeds 60 percent of the average annual wage rounded to the nearest \$100 computed in accordance with the provisions of clause (f), paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or predecessor during such calendar year; provided, that if the term "wages" as contained in the Federal Unemployment Tax Act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the Federal Unemployment Tax Act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(b) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for employees generally or for a class or classes of employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (1) retirement or (2) sickness or accident disability or (3) medical and hospitalization expenses in connection with sickness or accident disability, or (4) death, provided the employee has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by the employer and has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of employment with such employer;

(c) The payment by an employer (without deduction from the remuneration of the employee) (1) of the tax imposed upon an employee under section 3101 of the federal Internal Revenue Code, or (2) of any payment required from an employee under a state unemployment compensation law, with respect to remuneration paid to an employee for domestic service in a private home of the employer or for agricultural labor;

(d) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

(e) Any payment made to, or on behalf of, an employee or beneficiary (1) from or to a trust described in section 401(a) of the federal Internal Revenue Code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or (2) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal Internal Revenue Code, or (3) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal Internal Revenue Code;

(f) The value of any meals and lodgings furnished by or on behalf of the employer, if at the time of such furnishings it is reasonable to believe that the employee will be able to exclude such items from income under United States Code, title 26, section 119;

~~(f)~~ (g) On or before July 1 of each year the commissioner shall determine the average annual wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(1) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(2) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

The average annual wage determined shall be effective for the calendar year next succeeding the determination.

Sec. 5. Minnesota Statutes 1986, section 268.04, is amended by adding a subdivision to read:

Subd. 34. [CONTRIBUTION REPORT.] "Contribution report" means the summary report of wages and employment used to determine the amount of contributions due by employers on a calendar quarter basis. An auxiliary report of wages and employment broken down by business locations, when required, is part of the contribution report.

Sec. 6. Minnesota Statutes 1986, section 268.04, is amended by adding a subdivision to read:

Subd. 35. [WAGE DETAIL REPORT.] "Wage detail report" means the itemized report used to record the information required by section 268.121.

Sec. 7. Minnesota Statutes 1986, section 268.04, is amended by adding a subdivision to read:

Subd. 36. [HIGH QUARTER.] "High quarter" means the calendar quarter in an individual's base period for which the individual's total wage credits during that quarter are equal to or greater than the individual's total wage credits during any other calendar quarter in the individual's base period.

Sec. 8. Minnesota Statutes 1986, section 268.06, subdivision 2, is amended to read:

Subd. 2. [RATES.] Each employer shall pay contributions equal to two

and seven-tenths percent for each calendar year prior to 1985 and 5-4/10 percent for 1985 and each subsequent calendar year of wages paid and wages overdue and delayed beyond the usual time of payment from the employer with respect to employment occurring during each calendar year, except as may be otherwise prescribed in subdivisions 3a and 4. ~~Each employer who has an experience ratio of less than one-tenth of one percent shall pay contributions on only the first \$8,000 in wages paid and wages overdue and delayed beyond the usual time of payment to each employee with respect to employment occurring during each calendar year.~~

Sec. 9. Minnesota Statutes 1986, section 268.06, subdivision 3a, is amended to read:

Subd. 3a. [RATE FOR NEW EMPLOYERS.] Notwithstanding the provisions of subdivision 2, each employer, who becomes subject to this law, shall pay contributions at a rate:

(a) Not exceeding 2-7/10 percent, that is the higher of (1) one percent and (2) the state's three-year benefit cost rate for the 36 consecutive month period immediately preceding July 1 of each year for each employer who becomes subject to this law prior to January 1, 1984. For purposes of this clause, the state's three-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 36 consecutive calendar months immediately preceding July 1 of each year by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

(b) Not exceeding 2-7/10 percent, that is the higher of (1) one percent and (2) the state's four-year benefit cost rate for the 48 consecutive month period immediately preceding July 1 of each year for each employer, except employers in the construction industry, as determined by the commissioner, who becomes subject to this law subsequent to December 31, 1983 and prior to January 1, 1985. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants under this law during the 48 consecutive calendar months immediately preceding July 1, 1983 by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year 1984.

Each construction employer described above who becomes subject to chapter 268 shall pay contributions at a rate, not exceeding 7-1/2 percent, that is the higher of (1) one percent, or (2) the state's four-year benefit cost rate for construction employers for the 48 consecutive month period immediately preceding July 1, 1983. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 48 consecutive calendar months immediately preceding July 1, 1983 by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year 1984.

(c) Not exceeding 5-4/10 percent, that is the higher of (1) one percent and (2) the state's five-year benefit cost rate for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter for

each employer, except employers in the construction industry, as determined by the commissioner who becomes subject to this law on January 1, 1985 and thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Each construction employer described above who becomes subject to this chapter shall pay contributions at a rate, not exceeding ~~7-1/2 percent~~ *the maximum contribution rate for all employers as provided under subdivision 8*, that is the higher of (1) one percent, or (2) the state's five-year benefit cost rate for construction employers for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Sec. 10. Minnesota Statutes 1986, section 268.06, subdivision 8, is amended to read:

Subd. 8. [DETERMINATION OF CONTRIBUTION RATES.] (a) For each calendar year the commissioner shall determine the contribution rate of each employer by adding the minimum rate to the experience ratio, ~~except that if the ratio for the current calendar year increases or decreases the experience ratio for the preceding calendar year by more than one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter, the increase or decrease for the current year shall be limited to one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter, provided that a small business employer shall be eligible, upon application, for a reduction in the limitation to 1-1/2 percentage points for 1983 and each year thereafter.~~ "Small business employer" for the purpose of this subdivision means an employer with an annual covered payroll of \$250,000 or less, or fewer than 20 employees in three of the four quarters ending June 30, of the previous calendar year.

(b) The minimum rate for all employers *except as provided in paragraph (c)* shall be one percent if the amount in the unemployment compensation fund is less than ~~\$80,000,000~~ \$250,000,000 on June 30 of the preceding calendar year; or nine-tenths of one percent if the fund is more than ~~\$80,000,000~~ \$250,000,000 but less than ~~\$90,000,000~~ \$260,000,000; or eight-tenths of one percent if the fund is more than ~~\$90,000,000~~ \$260,000,000 but less than ~~\$110,000,000~~ \$270,000,000; or seven-tenths of one percent if the fund is more than ~~\$110,000,000~~ \$270,000,000 but less than ~~\$130,000,000~~ \$280,000,000; or six-tenths of one percent if the fund is more than ~~\$130,000,000~~ \$280,000,000 but less than ~~\$150,000,000~~ \$290,000,000; or five-tenths of one percent if the fund is more than ~~\$150,000,000~~ \$290,000,000 but less than ~~\$170,000,000~~ \$300,000,000; or three-tenths of one percent if the fund is more than ~~\$170,000,000~~

~~\$300,000,000 but less than \$200,000,000 \$310,000,000; or one-tenth of one percent if the fund is \$200,000,000 \$310,000,000 or more; provided that no employer shall have a contribution rate of more than 7.5 percent.~~

(c) The minimum rate for all employers that have an experience ratio of less than one-tenth of one percent shall be .25 percent less than the minimum rate under paragraph (b) for 1988, and for each year thereafter, provided that no rate can be less than one-tenth of one percent.

(d) The maximum rate for all employers shall be 8.5 percent if the amount in the unemployment compensation fund is less than \$200,000,000 as of June 30 of the preceding year or 7.5 percent if the amount in the unemployment compensation fund is more than \$200,000,000 as of June 30 of the preceding year.

(e) For the purposes of this section the unemployment compensation fund shall not include any moneys advanced from the Federal Unemployment Account in the unemployment trust fund in accordance with Title XII of the Social Security Act, as amended. No employer first assigned an experience ratio in accordance with subdivision 6, shall have a contribution rate increased or decreased by more than one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter over the contribution rate assigned for the preceding calendar year in accordance with subdivision 3a; provided that a small business employer shall be eligible, upon application, for a reduction in the limitation to 1-1/2 percentage points for 1983 and each year thereafter.

Sec. 11. Minnesota Statutes 1986, section 268.06, is amended by adding a subdivision to read:

Subd. 8a. [SOLVENCY ASSESSMENT.] If the fund balance is less than \$50,000,000 on April 1 of any year, a solvency assessment will be in effect for the following calendar year. Each employer, except those making payments in lieu of contributions under subdivisions 25, 26, 27, and 28, shall pay a quarterly solvency assessment of ten percent multiplied by the contributions paid or due and payable for each calendar quarter in that year. Quarterly contributions and the solvency assessment payments shall be combined and will be computed notwithstanding the maximum rate established in subdivision 3a or 8, by multiplying the quarterly taxable payroll by the assigned contribution rate multiplied by 1.10.

Sec. 12. Minnesota Statutes 1986, section 268.07, subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] If the commissioner finds that an individual has earned 15, or more, credit weeks within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during the individual's benefit year as follows:

(1) Weekly benefit amount shall be equal to 60 percent of the first \$85, 40 percent of the next \$85 and 50 percent of the remainder of the average weekly wage of such individual. The amount so computed if not a whole dollar shall be rounded down to the next lower dollar amount. (a) To establish a benefit year for unemployment insurance benefits, effective after January 1, 1988, and thereafter, an individual must have:

(1) wage credits in two or more calendar quarters of the individual's base period;

(2) minimum total base period wage credits equal to the high quarter wages multiplied by 1.25; and

(3) high quarter wage credits of not less than \$1,000.

(b) If the commissioner finds that an individual has sufficient wages within the base period to establish a valid claim, the weekly benefit amount payable to the individual during the individual's benefit year shall be equal to 1/26 of the individual's high quarter wage credits, rounded to the next lower whole dollar.

(c) Notwithstanding paragraph (b), the maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 shall be 66-2/3 percent of the average weekly wage, except as provided in clause (d) as determined under this paragraph.

On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(a) (1) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

(b) (2) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

(c) (3) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(d) Notwithstanding paragraph (c), the maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1982 1987, and prior to July 1, 1983 1990, shall be \$184 \$234.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1983 1990, and prior to July 1, 1984 1991, shall be \$194 \$254.

The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1984, and prior to July 1, 1985, shall be \$198.

(2) An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times the individual's weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times the individual's weekly benefit amount.

(e) Any eligible individual shall be entitled during any benefit year to a total amount of benefits equal to one-third of the individual's total base period wage credits rounded to the next lower dollar, not to exceed 26 times the individual's weekly benefit amount.

(3) (f) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to the individual's weekly benefit amount less that part of the individual's earnings, including holiday pay, payable to the individual with respect to such week

which is in excess of \$25 or \$200 for earnings from service in the national guard or a United States military reserve unit. Jury duty pay is not considered as earnings and shall not be deducted from benefits paid. Such benefit, if not a whole dollar amount shall be rounded down to the next lower dollar amount.

(4) The provisions of clauses (1) and (2) Except for paragraph (d), this section shall apply to claims for benefits which establish a benefit year subsequent to June 30, 1983 after the effective date. Paragraph (d) shall apply to claims for benefits which establish a benefit year after the effective date of paragraph (d).

Sec. 13. Minnesota Statutes 1986, section 268.07, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTION.] Notwithstanding the provisions of subdivision 2, if the commissioner finds that an individual has earned ~~credit weeks wage credits~~ in seasonal employment, benefits shall be payable only if the commissioner finds that the individual has earned ~~15 credit weeks wage credits equal to or in excess of 30 times the individual's weekly benefit amount~~, in employment which is not seasonal, in addition to any ~~credit weeks wage credits~~ in seasonal employment. For the purposes of this subdivision, "seasonal employment" means employment with a single employer in the recreation or tourist industry which is available with the employer for 15 consecutive weeks or less each calendar year.

Sec. 14. Minnesota Statutes 1986, section 268.07, subdivision 3, is amended to read:

Subd. 3. [WHEN WAGE CREDITS ARE NOT AVAILABLE.] (1) ~~No individual may receive benefits in a benefit year unless, subsequent to the beginning of the next preceding benefit year during which benefits were received, the individual performed service in insured work as defined in section 268.04, subdivision 17, and earned remuneration for the service in an amount equal to not less than the minimum wage credits required to qualify for benefits To establish a second benefit year following the expiration of an immediately preceding benefit year, an individual must have sufficient wage credits to establish a claim under the provisions of subdivision 2 and must have performed services after the establishment of the expired benefit year. The services performed must have been in insured work and the wage credits from the services must equal not less than ten times the weekly benefit amount of the second benefit year.~~

(2) No employer who provided 90 percent or more of the wage credits in a claimant's base period shall be charged for benefits based upon earnings of the claimant during a subsequent base period unless the employer has employed the claimant in any part of the subsequent base period.

(3) Wages paid by an employing unit may not be used for benefit purposes by any individual who (a) individually or jointly with a spouse, parent or child owns or controls directly or indirectly 25 percent or more interest in the employing unit; or (b) is the spouse, parent or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employing unit; and (c) is not permanently separated from employment.

This clause is effective when the individual has been paid four times the individual's weekly benefit amount in the current benefit year.

(4) Wages paid in seasonal employment, as defined in subdivision 2a, are not available for benefit purposes during weeks in which there is no seasonal employment available with the employer.

(5) *No employer shall be charged for benefits if the employer is a base period employer on a second claim solely because of the transition from a base period consisting of the 52-week period preceding the claim date to a base period as defined in section 268.04, subdivision 2.*

Sec. 15. Minnesota Statutes 1986, section 268.071, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, unless the context clearly requires otherwise:

(1) [EXTENDED BENEFIT PERIOD.] "Extended benefit period" means a period which

(a) Begins with the third week after a week for which there is a state "on" indicator; and

(b) Ends with either of the following weeks, whichever occurs later: The third week after the first week for which there is a state "off" indicator; or the 13th consecutive week of the period;

Provided, that no extended benefit period may begin before the 14th week following the end of a prior extended benefit period which was in effect with respect to this state.

(2) [STATE "ON" INDICATOR.] There is a "state 'on' indicator" for this state for a week if the commissioner determines, in accordance with the regulations of the United States Secretary of Labor, that for the period consisting of such week and the immediately preceding 12 weeks, the rate of insured unemployment (not seasonally adjusted) under this law

(a) equaled or exceeded 120 percent of the average of such rates for the corresponding 13-week period ending in each of the preceding two calendar years, and

(b) equaled or exceeded five percent.

The determination of whether there has been a state "on" indicator beginning any extended benefit period may be made as provided in clauses (a) and (b) above or a "state 'on' indicator" shall exist if the rate described in clause (b) equaled or exceeded six percent irrespective of whether the percentage requirement provided by clause (a) is met or exceeded.

(3) [STATE "OFF" INDICATOR.] There is a "state 'off' indicator" for this state for a week if, for the period consisting of such week and the immediately preceding 12 weeks, the rate of insured unemployment is less than six percent and the requirements for a "state 'on' indicator" under clause (2) of this subdivision are not satisfied.

(4) [RATE OF INSURED UNEMPLOYMENT.] "Rate of insured unemployment," for purposes of clauses (2) and (3), means the percentage derived by dividing the average weekly number of individuals filing claims for regular benefits in this state for weeks of unemployment with respect to the most recent 13 consecutive week period, as determined by the commissioner on the basis of the commissioner's reports to the United States secretary of labor, by the average monthly employment covered under this law for the first four of the most recent six completed calendar quarters

ending before the end of such 13 week period.

(5) [REGULAR BENEFITS.] "Regular benefits" means benefits payable to an individual under this law or under any other state law (including benefits payable to federal civilian employees and to ex-servicemen pursuant to United States Code, title 5, chapter 85) other than extended benefits and additional benefits.

(6) [EXTENDED BENEFITS.] "Extended benefits" means benefits (including benefits payable to federal civilian employees and to ex-servicemen pursuant to United States Code, title 5, chapter 85) payable to an individual under the provisions of this section for weeks of unemployment in the individual's eligibility period.

(7) [ADDITIONAL BENEFITS.] "Additional benefits" means benefits payable to exhaustees by reason of conditions of high unemployment or by reason of other special factors under the provisions of any state law.

(8) [ELIGIBILITY PERIOD.] "Eligibility period" of an individual means the period consisting of the weeks in the individual's benefit year which begin in an extended benefit period and, if the benefit year ends within such extended benefit period, any weeks thereafter which begin in such period.

(9) [EXHAUSTEE.] "Exhaustee" means an individual who, with respect to any week of unemployment in the individual's eligibility period:

(a) Has received, prior to such week, all of the regular benefits that were available under this law or any other state law (including dependents' allowances and benefits payable to federal civilian employees and ex-servicemen under United States Code, title 5, chapter 85) in the individual's current benefit year that includes such week;

Provided, that, for the purposes of this paragraph, an individual shall be deemed to have received all of the regular benefits that were available to the individual although as a result of a pending appeal with respect to wage credits ~~or credit weeks~~ that were not considered in the original monetary determination in the individual's benefit year, the individual may subsequently be determined to be entitled to added regular benefits; or

(b) The individual's benefit year having expired prior to such week, has no, or insufficient, wages and/or employment on the basis of which the individual could establish a new benefit year that would include such week or having established a benefit year that includes such week, the individual is precluded from receiving regular compensation by reason of: (i) a state law provision which meets the requirements of section 3304 (a) (7) of the Internal Revenue Code of 1954, or (ii) a disqualification determination which canceled wage credits or totally reduced benefit rights, or (iii) benefits are not payable by reason of a seasonal limitation in a state unemployment insurance law; and

(c) Has no right to unemployment benefits or allowances, as the case may be, under the railroad unemployment insurance act, the trade expansion act of 1962, the automotive products act of 1965 and such other federal laws as are specified in regulations issued by the United States Secretary of Labor; and has not received and is not seeking unemployment benefits under the unemployment compensation law of Canada; but if the individual is seeking such benefits and the appropriate agency finally determines that the individual is not entitled to benefits under such law the individual is

considered an exhaustee.

(10) [STATE LAW.] "State law" means the unemployment insurance law of any state, approved by the United States secretary of labor under section 3304 of the Internal Revenue Code of 1954.

Sec. 16. [268.073] [ADDITIONAL UNEMPLOYMENT COMPENSATION BENEFITS.]

Subdivision 1. [ADDITIONAL BENEFITS; WHEN AVAILABLE.] Additional unemployment compensation benefits are authorized under this section only if the commissioner determines that:

(1) an employer has reduced operations at a facility employing 100 or more individuals for at least six months during the preceding year resulting in the reduction of at least 50 percent of the employer's work force and the lay-off of at least 50 employees at that facility;

(2) the employer does not intend to resume operations which would lead to the reemployment of those employees at any time in the future; and

(3) the unemployment rate for the county in which the facility is located was ten percent during the month of the reduction or any of the three months preceding or succeeding the reduction.

Subd. 2. [PAYMENT OF BENEFITS.] All benefits payable under this section are payable from the fund.

Subd. 3. [ELIGIBILITY CONDITIONS.] An individual is eligible to receive additional benefits under this section for any week during the individual's benefit year if the commissioner finds that:

(1) the individual's unemployment is the result of a reduction in operations as provided under subdivision 1;

(2) the individual is unemployed and meets the eligibility requirements for the receipt of unemployment benefits under section 268.08;

(3) the individual is not subject to a disqualification for benefits under section 268.09; for the purpose of this subdivision, the disqualifying conditions set forth in section 268.09, and the requalifying requirements thereunder, apply to the receipt of additional benefits under this section;

(4) the individual has exhausted all rights to regular benefits payable under section 268.07, is not entitled to receive extended benefits under section 268.071, and is not entitled to receive unemployment compensation benefits under any other state or federal law for the week in which the individual is claiming additional benefits;

(5) the individual has made a claim for additional benefits with respect to any week the individual is claiming benefits in accordance with the regulations as the commissioner may prescribe with respect to claims for regular benefits; and

(6) the individual has worked at least 26 weeks during the individual's base period in employment with an employer for whom the commissioner has determined there was a reduction in operations under subdivision 1.

Subd. 4. [WEEKLY BENEFIT AMOUNT.] A claimant's weekly benefit amount under this section shall be the same as the individual's weekly benefit amount payable during the individual's current benefit year under section 268.08.

Subd. 5. [MAXIMUM BENEFITS PAYABLE.] A claimant's maximum amount of additional benefits payable in the individual's benefit year shall be six times the individual's weekly benefit amount. Unemployment compensation benefits paid to an individual under any state or federal law other than regular benefits payable under section 268.07 shall be deducted from that individual's maximum amount of additional benefits.

Subd. 6. [RETROACTIVITY.] The additional benefits provided under this section are payable to any claimant who meets the eligibility conditions under subdivision 3 whose unemployment occurred on July 1, 1985, or thereafter, provided the claimant has filed a claim for additional benefits which is effective January 1, 1987, or thereafter.

Sec. 17. Minnesota Statutes 1986, section 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that the individual:

(1) has registered for work at and thereafter has continued to report to an employment office, or agent of the office, in accordance with rules the commissioner may adopt; except that the commissioner may by rule waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which the commissioner finds that compliance with the requirements would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) has made a claim for benefits in accordance with rules as the commissioner may adopt;

(3) was able to work and was available for work, and was actively seeking work. The individual's weekly benefit amount shall be reduced one-fifth for each day the individual is unable to work or is unavailable for work. Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner or in training approved pursuant to section 236 of the Trade Act of 1974, as amended.

An individual is deemed unavailable for work with respect to any week which occurs in a period when the individual is a full-time student in attendance at, or on vacation from an established school, college or university unless a majority of the ~~credit weeks~~ wage credit earned in the base period were for services performed during weeks in which the student was attending school as a full-time student.

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty; and

(4) has been unemployed for a waiting period of one week during which the individual is otherwise eligible for benefits under sections 268.03 to 268.24. However, payment for the waiting week shall be made to the individual after the individual has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of the individual's return to employment. No individual is required to serve a waiting period of more than one week within the one-year period subsequent to filing a valid claim and commencing with the week within which the valid claim was filed.

Sec. 18. Minnesota Statutes 1986, section 268.10, subdivision 1, is amended to read:

Subdivision 1. [FILING.] (a) Claims for benefits shall be made in accordance with such rules as the commissioner may prescribe. Each employer shall post and maintain printed statements of such rules in places readily accessible to individuals in the employer's service and shall make available to each such individual at the time of becoming unemployed, a printed statement of such rules. Such printed statements shall be supplied by the commissioner to each employer without cost to the employer.

(1) (b) Any employer upon separation of an employee from employment for any reason which may result in disqualification for benefits under section 268.09, shall furnish to such employee a separation notice which shall provide the employer's name, address, and employer account number as registered with the department, the employee's name and social security account number, the inclusive dates of employment, and the reason for the separation. A copy of such separation notice shall be filed with the commissioner within seven days of such separation. The commissioner shall require each individual filing a claim for benefits to establish a benefit year to furnish the reason for separation from all employers in the individual's base period.

(2) Upon the filing, by an individual, of a claim for benefits, the commissioner shall give notice to all such base period employers of the filing of such claim and request each such base period employer, within seven days after the mailing of such notice, to furnish the following information:

(a) The total wage credits earned in the base period;

(b) The number of credit weeks which end within the base period;

(c) The week ending dates for each calendar week within the base period in which the individual earned less than the amount required to make a credit week and the amount of earnings in each such week;

(d) The reason for the separation or separations of such individual from the employ of the employer in the base period; and

(e) Such employer's protest, if any, relating to the ineligibility or disqualification of such individual.

(3) If any base period employer, after the notice of filing of a claim and the request for wage and separation information has been duly mailed to the employer's last known address, fails to file information as provided by items (a) through (e) of clause 2 of this subdivision within seven days, the commissioner shall:

(a) Determine the validity of an individual's claim based on the claimant's statements or any other available information. An employer shall be liable for a late filing fee of not less than \$5 nor more than \$25, as the commissioner may determine, to be paid to the department of jobs and training and credited to the contingent fund if the employer has failed without good cause to submit the wage and separation information as required in clause 2 of this subdivision within seven days after the request has been duly mailed to the employer's last known address.

(c) For the purpose of complying with section 268.04, subdivision 2, the commissioner may require all base period employers to provide such information as the commissioner may prescribe, including, but not limited to, wages paid during any part of the base period, whether or not such information was previously provided.

(d) Upon establishment of a benefit year, the commissioner shall give notice to the last employer for whom the individual worked and all base period employers. The employer so notified shall have seven days after the mailing of the notice to file a protest to monetary entitlement or a protest raising an issue of ineligibility or disqualification.

(e) If, upon review of the wage information on file with the department, it is found that an employer failed to provide wage information for the claimant, the commissioner shall accept a claimant certification as to the wage credits earned, based upon the claimant's records, and issue a monetary determination of validity certification. This determination may be modified based upon corrected information subsequently received from the employer or other sources. The employer who failed to report the individual's wages or filed an erroneous report may be penalized in accordance with section 268.16 or 268.18. In the absence of fraud, if a redetermination of validity of claim based on an employer's late corrected or erroneous report subsequently cancels or reduces the amount of benefits to which a claimant was entitled under the initial determination, the claimant shall not be required to make repayment to the fund of any benefits paid prior to such redetermination; and

(b) (f) The commissioner shall determine any issue of disqualification raised by ~~clause (4)~~ under paragraph (d) or by an employer's late report. If an employer fails to file a separation notice within the time limits prescribed in ~~clause (4)~~ paragraph (b), any relief from benefit charges provided by section 268.09, subdivision 1, clause (4), shall apply to weeks of unemployment beginning after the filing of the late report or protest.

Sec. 19. Minnesota Statutes 1986, section 268.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF CLAIMS; DETERMINATION; APPEAL.] (1) An official, designated by the commissioner, shall promptly examine each claim for benefits filed to establish a benefit year pursuant to this section, and, on the basis of the facts found, shall determine whether or not such claims are valid, and if valid, the weekly benefit amount payable, the maximum benefit amount payable during the benefit year, and the date the benefit year terminates, and this determination shall be known as the determination of validity. Notice of the determination of validity or any redetermination as provided for in clause (4) shall be promptly given the claimant and all other interested parties. If within the time limits for filing a protest an employer notifies the department that an individual's weekly benefit amount as determined under section 268.07 exceeds the individual's weekly wages earned with the employer, the individual's weekly benefit amount shall be the lesser of (1) the weekly benefit amount as determined under section 268.07, or (2) the weekly benefit amount which is 50 percent of the quotient derived by dividing the total wage credits earned in the individual's base period credit weeks from all employers in insured work by the number of base period credit weeks. If within the time specified for the filing of wage and separation information a protest as provided in subdivision 1, ~~clause (2)~~, the employer makes an allegation of disqualification or raises an issue of the chargeability to the employer's account of benefits that may be paid on such claim, if the claim is valid, the issue thereby raised shall be promptly determined by said official and a notification of the determination delivered or mailed to the claimant and the employer. If an initial determination or an appeal tribunal decision or the commissioner's decision awards benefits, the benefits shall be paid promptly

regardless of the pendency of any appeal period or any appeal or other proceeding which may thereafter be taken. Except as provided in clause (6), if an appeal tribunal decision modifies or reverses an initial determination awarding benefits, or if a commissioner's decision modifies or reverses an appeal decision awarding benefits, any benefits paid under the award of such initial determination or appeal tribunal decision shall be deemed erroneous payments.

(2) At any time within 24 months from the date of the filing of a valid claim for benefits by an individual, an official of the department or any interested party or parties raises an issue of claimant's eligibility for benefits for any week or weeks in accordance with the requirements of the provisions of sections 268.03 to 268.24 or any official of the department or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the rules of the commissioner, a determination shall be made thereon and a written notice thereof shall be given to the claimant and such other interested party or parties or benefit year employer. A determination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.

(3) A determination issued pursuant to clauses (1) and (2) shall be final unless an appeal therefrom is filed by a claimant or employer within 15 days after the mailing of the notice of the determination to the last known address or personal delivery of the notice. Every notice of determination shall contain a prominent statement indicating in clear language the method of appealing the determination, the time within which such an appeal must be made, and the consequences of not appealing the determination. A timely appeal from a determination of validity in which the issue is whether an employing unit is an employer within the meaning of this chapter or whether services performed for an employer constitute employment within the meaning of this chapter shall be subject to the provisions of section 268.12, subdivision 13.

(4) At any time within 24 months from the date of the filing of a valid claim for benefits by an individual, the commissioner on the commissioner's own motion may reconsider a determination of validity made thereon and make a redetermination thereof on finding that an error in computation or identity or the crediting of wage credits has occurred in connection therewith or if the determination was made as a result of a nondisclosure or misrepresentation of a material fact. A determination or redetermination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.

(5) However, the commissioner may refer any disputed claims directly to a referee for hearing and determination in accordance with the procedure outlined in subdivision 3 and the effect and status of such determination in such a case shall be the same as though the matter had been determined upon an appeal to the tribunal from an initial determination.

(6) If a referee's decision affirms an initial determination awarding benefits or the commissioner affirms an appeal tribunal decision awarding benefits, the decision, if finally reversed, shall not result in a disqualification and benefits paid shall neither be deemed overpaid nor shall they be considered in determining any individual employer's future contribution rate under section 268.06.

Sec. 20. Minnesota Statutes 1986, section 268.12, subdivision 8, is amended to read:

Subd. 8. [RECORDS; REPORTS.] (1) Each employing unit shall keep true and accurate work records for such periods of time and containing such information as the commissioner may prescribe. Such records shall be open to inspection, audit, and verification, and be subject to being copied by any authorized representative of the commissioner at any reasonable time and as often as may be necessary. The commissioner, appeal referee, or any other duly authorized representative of the commissioner, may require from any employing unit any sworn or unsworn reports, with respect to persons employed by it, which the commissioner, appeal referee, or any other duly authorized representative of the commissioner deems necessary for the effective administration of sections 268.03 to 268.24, ~~provided that quarterly contribution and wage report forms shall include the employee's name, social security number, and total wages paid to the employee.~~

(2) The commissioner may cause to be made such summaries, compilations, photographs, duplications, or reproductions of any records, reports, or transcripts thereof as the commissioner may deem advisable for the effective and economical preservation of the information contained therein, and such summaries, compilations, photographs, duplications or reproductions, duly authenticated, shall be admissible in any proceeding under sections 268.03 to 268.24, if the original record or records would have been admissible therein. Notwithstanding any restrictions contained in section 16B.50, except restrictions as to quantity, the commissioner is hereby authorized to duplicate, on equipment furnished by the federal government or purchased with funds furnished for that purpose by the federal government, records, reports, summaries, compilations, instructions, determinations, or any other written matter pertaining to the administration of the Minnesota economic security law.

(3) Notwithstanding any inconsistent provisions elsewhere, the commissioner may provide for the destruction or disposition of any records, reports, transcripts, or reproductions thereof, or other papers in the commissioner's custody, which are more than two years old, the preservation of which is no longer necessary for the establishment of contribution liability or benefit rights or for any purpose necessary to the proper administration of sections 268.03 to 268.24, including any required audit thereof, provided, that the commissioner may provide for the destruction or disposition of any record, report, or transcript, or other paper in the commissioner's custody which has been photographed, duplicated, or reproduced in the manner provided in clause (2).

(4) Notwithstanding the provisions of the Minnesota State Archives Act the commissioner shall with the approval of the legislative auditor destroy all benefit checks and benefit check authorization cards that are more than two years old and no person shall make any demand, bring any suit or other proceeding to recover from the state of Minnesota any sum alleged to be due on any claim for benefits after the expiration of two years from the date of filing such claim.

Sec. 21. Minnesota Statutes 1986, section 268.121, is amended to read:
268.121 [WAGE REPORTING.]

Beginning on April 1, 1984, each employer subject to this chapter shall provide the commissioner with a quarterly report of *the wages, as defined*

in section 268.04, subdivision 25, paid to each employee of that employer covered by this chapter. The commissioner shall provide the legislature with recommendations for statutory changes to fully implement this section no later than January 1, 1983. The report must include the employee's name, social security number, and the total wages paid to the employee. The report is due and must be filed at the same time as the contribution report in accordance with rules established by the commissioner for filing of quarterly contribution reports. For the purpose of this section, "wages paid" includes wages actually or constructively paid and wages overdue and delayed beyond the usual time of payment.

Sec. 22. Minnesota Statutes 1986, section 268.15, subdivision 3, is amended to read:

Subd. 3. [CONTINGENT ACCOUNT.] There is hereby created in the state treasury a special account, to be known as the economic security contingent account, which shall not lapse nor revert to any other fund. Such account shall consist of all moneys appropriated therefor by the legislature, all moneys in the form of interest and penalties collected pursuant to ~~section~~ sections 268.16 and 268.18, and all moneys received in the form of voluntary contributions to this account and interest thereon. All moneys in such account shall be supplemental to all federal moneys that would be available to the commissioner but for the existence of this account. Moneys in this account are hereby appropriated to the commissioner and shall be expended in accordance with the provisions of section 3.30, in connection with the administration of sections 268.03 to 268.24. Commencing with the fiscal year beginning July 1, 1987, the commissioner is authorized to expend annually, in addition to any federal money and without reference to section 3.30, the sum of \$500,000, from available money in this fund which is derived from interest and penalties collected pursuant to sections 268.16 and 268.18 and money received in the form of voluntary payments and interest thereon, for the purpose of providing for: (1) the investigation of fraud on the part of any person in claiming or obtaining benefits under sections 268.03 to 268.24 or fraud on the part of any employer in attempting to avoid or reduce any contribution or other payment required from an employing unit under those sections; (2) determination of benefit overpayments and contribution underpayments for reasons other than fraud; (3) recovery of money due to the commissioner as a result of clauses (1) and (2); (4) the verification of work search efforts especially in areas with robust economies; and (5) those special services which are reasonably directed toward assisting the unemployed in returning to suitable work. Whenever the commissioner expends moneys from said contingent account for the proper and efficient administration of the Minnesota economic security law for which funds have not yet been made available by the federal government, such moneys so withdrawn from the contingent account shall be replaced as hereinafter provided. Upon the deposit in the economic security administration fund of moneys which are received in reimbursement of payments made as above provided for said contingent account, the commissioner shall certify to the state treasurer the amount of such reimbursement and thereupon the state treasurer shall transfer such amount from the economic security administration fund to said contingent account. All moneys in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury. The state treasurer shall be liable on the treasurer's official bond for the faithful performance of duties in connection with the economic security contingent

account provided for herein. Notwithstanding anything to the contrary contained herein, on June 30 of each year, except 1982, all amounts in excess of \$300,000 in this account shall be paid over to the unemployment compensation fund established under section 268.05 and administered in accordance with the provisions set forth therein.

Sec. 23. Minnesota Statutes 1986, section 268.16, subdivision 2, is amended to read:

Subd. 2. [REPORTS; DELINQUENCIES; PENALTIES.] (1) (a) Any employer who knowingly fails to make and submit to the department of jobs and training any *contribution report of wages paid by or due from the employer for insured work in the manner and at the time such the report is required by rules prescribed by the commissioner shall pay to the department of jobs and training for the contingent account a penalty in the amount of 1-1/2 percent of contributions accrued during the period for which such the report is required, for each month from and after such date until such the report is properly made and submitted to the department of jobs and training. In no case shall the amount of the penalty imposed hereby be less than \$5 per month. The maximum penalty imposed hereby shall be \$25 or the amount determined at the rate of 1-1/2 percent per month, whichever is greater. Any employing unit which fails to make and submit to the commissioner any report, other than one of wages paid or payable for insured work, as and when required by the rules of the commissioner, shall be subject to a penalty in the sum of \$10 payable to the department of jobs and training for the contingent account. All such penalties shall be in addition to interest and any other penalties provided for by sections 268.03 to 268.24 and shall be collected as provided by section 268.161.*

(2) (b) If any employing unit required by sections 268.03 to 268.24 to make and submit contribution reports shall fail to do so within the time prescribed by these sections or by rules under the authority thereof, or shall make, willfully or otherwise, an incorrect, false or fraudulent contribution report, it shall, on the written demand of the commissioner, make such contribution report, or corrected report, within ten days after the mailing of such written demand and at the same time pay the whole contribution, or additional contribution, due on the basis thereof. If such employer shall fail within that time to make such report, or corrected report, the commissioner shall make a report, or corrected report, from the commissioner's own knowledge and from such information as the commissioner can obtain through testimony, or otherwise, and assess a contribution on the basis thereof, which contribution, plus penalties and interest which thereafter accrued (less any payments theretofore made) shall be paid within ten days after the commissioner has mailed to such employer a written notice of the amount thereof and demand for its payment. Any such contribution report or assessment made by the commissioner on account of the failure of the employer to make a report or corrected report shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto. Whenever such delinquent employer shall file a report or corrected report, the commissioner may, on finding it substantially correct, substitute it for the commissioner's report.

(c) Any employer who fails to file the wage detail report required by section 268.121 shall pay to the department for the contingent account a penalty of one-half of one percent of total wages paid and wages due but

not paid during the period for each month the report is delinquent. The penalty shall not be assessed if the wage detail report is properly made and filed within 30 days after a demand for the report is mailed to the employer's address of record. In no case shall the amount of the penalty, if assessed, be less than \$25. Penalties due under this subdivision may be waived where good cause for late filing is found by the commissioner.

(d) Any employer who files the wage detail report required by section 268.121, but knowingly fails to include any of the required information or knowingly enters erroneous information, shall be subject to a penalty of \$25 for each individual for whom the information is missing or erroneous.

(e) Any employing unit which fails to make and submit to the commissioner any report, other than a contribution report or wage detail report, as and when required by rule, shall be subject to a penalty in the sum of \$50 payable to the department for the contingent account.

(f) The penalties provided for in paragraphs (a), (c), (d), and (e) are in addition to interest and any other penalties imposed by sections 268.03 to 268.24 and shall be collected as provided by section 268.161.

Sec. 24. [REPEALER.]

Minnesota Statutes 1986, section 268.04, subdivisions 29 and 30, are repealed.

Sec. 25. [EFFECTIVE DATE.]

Section 22 and the amendment in section 12 to Minnesota Statutes 1986, section 268.07, subdivision 2, clause (d), are effective July 1, 1987. Sections 1 to 12, except for the amendment in section 12 to section 268.07, subdivision 2, clause (d), 13 to 15, 17 to 21, 23, and 24 are effective January 1, 1988. Section 16 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, before "and" insert "25,"

Page 1, line 12, before "repealing" insert "proposing coding for new law in Minnesota Statutes, chapter 268;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1063: A bill for an act relating to retirement; public employees retirement association; lowering vesting standards; amending Minnesota Statutes 1986, sections 353.29, subdivision 1; 353.30, subdivision 1c; 353.32, subdivision 1a; 353.33, subdivision 1; 353.34, subdivision 3; 353.651, subdivision 1; 353.657, subdivision 2a; 353.71, subdivision 1; and 356.30, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 352.113, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] Any employee covered by the system who is less than 65 years of age who becomes totally and permanently disabled after ~~ten five~~ or more years of allowable service ~~and any employee who is at least 50 years of age but less than 65 years of age who becomes totally and permanently disabled after five or more years of allowable service~~ shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled employee's state service has terminated at any time, at least ~~five~~ *three* years of allowable service must have been rendered after last becoming a state employee covered by the system.

Sec. 2. Minnesota Statutes 1986, section 352.115, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] After separation from state service any employee (a) who has attained the age of at least 55 years and who is entitled to credit for not less than ~~ten five~~ years allowable service or (b) who has received credit for not less than 30 years allowable service regardless of age is entitled upon application to a retirement annuity.

Sec. 3. Minnesota Statutes 1986, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] If an employee or former employee who has attained the age of at least 50 years and has credit for not less than ~~ten five~~ years allowable service or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before an annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse of the employee may elect to receive, in lieu of the refund with interest provided in subdivision 1, an annuity equal to the joint and 100 percent survivor annuity which the employee could have qualified for had the employee terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity shall be computed as provided in sections 352.115, subdivisions 1, 2, and 3, and 352.116, subdivisions 1 and 3. Sections 352.22, subdivision 3, and 352.72, subdivision 2, apply to a deferred annuity payable under this subdivision. The annuity shall cease with the last payment received by the surviving spouse in the lifetime of the surviving spouse. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the benefits paid and payable to the surviving spouse shall be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of such deceased spouse. Any employee may request in writing that this subdivision not apply and that payment be made only to a designated beneficiary as otherwise provided by this chapter.

Sec. 4. Minnesota Statutes 1986, section 352.22, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY.] (1) Any employee with at least ~~ten five~~ years of allowable service when such termination occurs may elect to leave the accumulated contributions in the fund and thereby be entitled to

a deferred retirement annuity. This annuity shall be computed in the manner provided by the law in effect at the time state service terminated, on the basis of allowable service prior to termination of service.

(2) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, who does not return to state service shall have any annuity, deferred annuity or other benefit to which the employee may become entitled computed under the law in effect on the last working day.

(3) No application for a deferred annuity shall be made more than 60 days prior to the time the former employee reaches the required age for entitlement to the payment of the annuity. The deferred annuity shall begin to accrue no earlier than 60 days prior to the date the application is filed in the office of the system, but in no event prior to the date the employee reaches the required age for entitlement to the annuity nor prior to the day following the termination of state service in a position not covered by the retirement system nor prior to the day following the termination of employment in a position which requires the employee to be a member of either the public employees retirement association or the teachers retirement association.

(4) Application for the accumulated contributions left on deposit with the fund may be made at any time after 30 days following the date of termination of service.

Sec. 5. Minnesota Statutes 1986, section 352.72, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT TO ANNUITY.] Any person who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association police and firefighters' fund, or the teachers retirement association, or the state patrol retirement association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if total allowable service in all funds or in any two of these funds totals ~~ten~~ five or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that a refund has not been taken from any one of these funds since service entitling the employee to coverage under the system or the employee's membership in any of the associations last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least ~~ten~~ five years allowable service in the respective system or association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ~~ten~~ five or more years.

Sec. 6. Minnesota Statutes 1986, section 352.93, subdivision 1, is amended to read:

Subdivision 1. After separation from state service an employee covered under section 352.91 who has attained the age of at least 55 years and has credit for not less than a total of ~~ten~~ five years of covered correctional service and regular Minnesota state retirement system service shall be entitled upon application to a retirement annuity under this section based

only on covered correctional employees' service. Application may be made no earlier than 60 days prior to the date the employee is eligible to retire by reason of both age and service requirements.

For the purpose of this section, average salary means the average of the monthly salary during the employees' highest five successive years of salary as an employee covered by the Minnesota state retirement system.

Sec. 7. Minnesota Statutes 1986, section 352B.08, subdivision 1, is amended to read:

Subdivision 1. Every member who is credited with ~~ten~~ five or more years of allowable service shall be entitled to separate from such state service and upon attaining the age of 55 years, shall be entitled to receive a life annuity, upon separation from state service. Members shall make application for an annuity in a form and manner prescribed by the executive director. No application may be made more than 60 days prior to the date the member is eligible to retire by reason of both age and service requirements. An annuity shall begin to accrue no earlier than 90 days prior to the date the application is filed with the executive director.

Sec. 8. Minnesota Statutes 1986, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] In the event any member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, clause (1), or a former member receiving a disability benefit as provided by section 352B.10, clause (3) dies from any cause, the surviving spouse and dependent child or dependent children shall be entitled to benefit payments as follows:

(a) A member with at least ~~ten~~ five years of allowable service or a former member with at least 20 years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member attained or would have attained the age of 55.

(b) The surviving spouse of a member who had credit for less than ~~ten~~ five years of service shall receive, for life, a monthly annuity equal to 20 percent of that portion of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least ~~ten~~ five years of service and who dies after attaining 55 years of age, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in clause (b).

(d) The surviving spouse of any member who had credit for ~~ten~~ five years or more and who was not 55 years of age at death, shall receive the benefit equal to 20 percent of the average monthly salary as described in clause (b) until the deceased member would have reached the age of 55 years, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving spouse remarries prior to the deceased member's 55th birthdate, all benefits or annuities shall cease as of the date of remarriage. Remarriage subsequent to the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten

percent of that portion of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over the age of 18 years and under the age of 22 years also may receive the monthly benefit provided herein, if the child is continuously attending an accredited school as a full time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full time attendance during any portion of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child shall be made to the surviving spouse, or if there be none, to the legal guardian of the child. The maximum monthly benefit shall not exceed 40 percent of the average monthly salary for any number of children.

(f) If the member shall die under circumstances which entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, amounts equal to the workers' compensation benefits received by them shall not be deducted from the benefits payable pursuant to this section.

(g) The surviving spouse of a deceased former member who had credit for ~~ten~~ five or more years of allowable service, but excluding the spouse of a former member receiving a disability benefit under the provisions of section 352B.10, clause (3), shall be entitled to receive the 100 percent joint and survivor annuity at such time as the deceased member would have reached the age of 55 years, provided the surviving spouse has not remarried prior to that date. In the event of the death of a former member who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs shall be entitled to receive a refund of the accumulated deductions left in the fund plus interest at the rate of five percent per annum compounded annually.

Sec. 9. Minnesota Statutes 1986, section 352B.30, subdivision 1, is amended to read:

Subdivision 1. [ENTITLEMENT TO ANNUITY.] Any person who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association police and firefighters' fund, or the teachers retirement association, or the state patrol retirement fund, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for police or firefighters shall be entitled when qualified to an annuity from each fund if total allowable service in all funds or in any two of these funds totals ~~ten~~ five or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the member has not taken a refund from any one of these funds since service entitling the member to coverage under the system or membership in any of the associations last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least ~~ten~~ five years allowable service in the respective system or association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ~~ten~~ five or more years.

Sec. 10. Minnesota Statutes 1986, section 353.29, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service any person who has attained the age of at least 65 years and who received credit for not less than ~~ten~~ five years of allowable service is entitled upon application to a retirement annuity. Such retirement annuity is known as the "normal" retirement annuity.

Sec. 11. Minnesota Statutes 1986, section 353.29, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of a member's highest salary upon which employee contributions were paid for any five successive years of allowable service, based on dates of salary periods as listed on salary deduction reports. *The five successive years average salary may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability, unless the average salary is higher if benefit payments from workers' compensation are included.*

Sec. 12. Minnesota Statutes 1986, section 353.30, subdivision 1c, is amended to read:

Subd. 1c. Any person who has received credit for at least 30 years of allowable service or any person who has attained the age of at least 55 years but not more than 65 years, and who received credit for at least ~~ten~~ five years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced by one-quarter of one percent for each month that the member is under age 65 at the time of retirement, except that for any member who has 30 or more years of allowable service the reduction shall be applied only for each month that the member is under age 62 at the time of retirement.

Sec. 13. Minnesota Statutes 1986, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member who has attained the age of at least 50 years and has credit for not less than ~~ten~~ five years of allowable service, or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before the annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in subdivision 1, or survivor benefits otherwise payable pursuant to section 353.31, an annuity equal to the 100 percent joint and survivor annuity which the member could have qualified for had the member terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity shall be computed as provided in sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b and 1c. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment shall accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount

equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. Any member may specify in writing that this subdivision shall not apply and that payment shall be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 14. Minnesota Statutes 1986, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] Any member who becomes totally and permanently disabled before age 65 and after ~~ten five~~ years of allowable service ~~or after age 50 but before age 65 with five years of allowable service, whichever is sooner,~~ shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled person's public service has terminated at any time, at least ~~five three~~ of the required ~~ten five~~ years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall not be entitled to a disability benefit. No repayment of a refund otherwise authorized pursuant to section 353.34 and no purchase of prior service or payment made in lieu of salary deductions otherwise authorized pursuant to section 353.01, subdivision 16, 353.017, subdivision 4, or 353.36, subdivision 2 may be made after the occurrence of the disability for which an application pursuant to this section is filed.

Sec. 15. Minnesota Statutes 1986, section 353.33, subdivision 5, is amended to read:

Subd. 5. [BENEFITS PAID UNDER WORKERS' COMPENSATION LAW.] Disability benefits paid shall be reimbursed and future benefits shall be reduced by any amounts received or receivable, including temporary total, permanent total, temporary partial or permanent partial benefits, in either periodic or lump sum payments from the employer under applicable workers' compensation laws, after deduction of amount of attorney fees, authorized under applicable workers' compensation laws, paid by a disabliant *if the total of the single life annuity actuarial equivalent disability benefit and the workers' compensation benefit exceeds: (1) the salary the disabled member received as of the date of the disability or (2) the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater. The disability benefit must be reduced to that amount which, when added to the workers' compensation benefits, does not exceed the greater of the salaries described in clauses (1) and (2).*

Sec. 16. Minnesota Statutes 1986, section 353.33, is amended by adding a subdivision to read:

Subd. 5a. [BENEFITS PAID UNDER WORKERS' COMPENSATION LAW.] A disabled member who is eligible to receive a disability benefit under subdivision 5 as of June 30, 1987, and whose disability benefit amount had been reduced prior to July 1, 1987, as a result of the receipt of workers' compensation benefits, must have the disability benefit payment amount restored, as of July 1, 1987, calculated in accordance with subdivision 5. However, a disabled member is not entitled to receive retroactive repayment of any disability benefit amounts lost before July 1,

1986, as a result of the reduction required before that date because of the receipt of workers' compensation benefits.

Any disability benefit overpayments made before July 1, 1987, and occurring because of the failure to reduce the disability benefit payment to the extent required because of the receipt of workers' compensation benefits, may be collected by the association through the reduction of disability benefit or annuity payment made on or after July 1, 1987, until the overpayment is fully recovered.

Sec. 17. Minnesota Statutes 1986, section 353.34, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.] Any person with at least ~~ten~~ five years of allowable service when termination of public service occurs shall have the option of leaving the accumulated deductions in the fund and thereby be entitled to a deferred retirement annuity commencing at age 65 or for a deferred early retirement annuity pursuant to section 353.30, subdivisions 1, 1a, 1b or 1c. The deferred annuity shall be computed in the manner provided in section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service and shall be augmented as provided in section 353.71, subdivision 2. Any person qualified to apply for a deferred retirement annuity may revoke this option at any time prior to the commencement of deferred annuity payments by making application for a refund. The person shall payments by making application for a refund. The person shall be entitled to a refund of accumulated member contributions within 30 days following date of receipt of the application by the executive director.

Sec. 18. Minnesota Statutes 1986, section 353.651, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service, any police officer or firefighter member who has attained the age of at least 55 years and who received credit for not less than ~~ten~~ five years of allowable service is entitled upon application to a retirement annuity. Such retirement annuity is known as the "normal" retirement annuity.

Sec. 19. Minnesota Statutes 1986, section 353.651, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of the highest salary earned as a police officer or firefighter upon which employee contributions were paid for any five successive years of allowable service.

The five successive years average salary may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability unless the average salary is higher if benefit payments from workers' compensation are included.

Sec. 20. Minnesota Statutes 1986, section 353.656, subdivision 2, is amended to read:

Subd. 2. [BENEFITS PAID UNDER WORKERS' COMPENSATION LAW.] If a member, as described in subdivision 1, is injured under cir-

cumstances which entitle the member to receive benefits under the workers' compensation law, the member shall receive the same benefits as provided in subdivision 1, with disability benefits paid reimbursed and future benefits reduced by all periodic or lump sum amounts paid to the member under the workers' compensation law, after deduction of amount of attorney fees, authorized under applicable workers' compensation laws, paid by a disabliant if the total of the single life annuity actuarial equivalent disability benefit and the workers' compensation benefit exceeds: (1) the salary the disabled member received as of the date of the disability or (2) the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater. The disability benefit must be reduced to that amount which, when added to the workers' compensation benefits, does not exceed the greater of the salaries described in clauses (1) and (2).

Sec. 21. Minnesota Statutes 1986, section 353.656, is amended by adding a subdivision to read:

Subd. 2a. A disabled member who is eligible to receive a disability benefit under subdivision 2 as of June 30, 1987, and whose disability benefit amount had been reduced prior to July 1, 1987, as a result of the receipt of workers' compensation benefits, must have the disability benefit payment amount restored, as of July 1, 1987, calculated in accordance with subdivision 2. However, a disabled member is not entitled to receive retroactive repayment of any disability benefit amounts lost before July 1, 1986, as a result of the reduction required before that date because of the receipt of workers' compensation benefits.

Any disability benefit overpayments made before July 1, 1987, and occurring because of the failure to reduce the disability benefit payment to the extent required because of the receipt of workers' compensation benefits, may be collected by the association through the reduction of disability benefit or annuity payment made on or after July 1, 1987, until the overpayment is fully recovered.

Sec. 22. Minnesota Statutes 1986, section 353.657, subdivision 2a, is amended to read:

Subd. 2a. If a member who has attained the age of at least 50 years and has credit for not less than ten five years allowable service dies before public service has terminated, or if an employee who has filed a valid application for an annuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in section 353.32, subdivision 1, or survivor benefits otherwise payable pursuant to subdivisions 1 and 2, an annuity equal to the 100 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in sections 353.651, subdivisions 2 and 3, and 353.30, subdivision 3. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment shall accrue beyond the end of the month in which entitlement to such annuity has terminated. An amount equal to the excess, if any, of the accumulated

contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of such deceased member. Any member may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 23. Minnesota Statutes 1986, section 353.71, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] Any person who has been a member of the public employees retirement association, or the Minnesota state retirement system, or the teachers retirement association, or any other public retirement system in the state of Minnesota having a like provision, except a fund providing benefits for police officers or firefighters governed by sections 69.77 or 69.771 to 69.776, shall be entitled when qualified to an annuity from each fund if the total allowable service in all funds or in any two of these funds totals ~~ten~~ five or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the person has not taken a refund from any one of these funds since the person's membership in that association or system last terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that a person must have at least ~~ten~~ five years of allowable service in the respective association or system shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ~~ten~~ five or more years.

Sec. 24. Minnesota Statutes 1986, section 354.44, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS AS TO AGE AND SERVICE.] Any member or former member who ceases or has ceased to render teaching services in any school or institution covered by the provisions of this chapter, and who has attained the age of at least 55 years with not less than ~~ten~~ five years allowable service, or who has received credit for not less than 30 years allowable service regardless of age, is entitled upon written application to a retirement annuity.

Sec. 25. Minnesota Statutes 1986, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] The surviving spouse of any member or former member who has attained the age of at least 50 years and has credit for at least ~~ten~~ five years of allowable service or who has credit for at least 30 years of allowable service irrespective of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to section 354.47, subdivision 1, or 354.62, subdivision 5, clause (3), whichever is applicable, the surviving spouse shall be entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivision 2, 6 or 7, whichever is applicable. The surviving spouse may apply

for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 354.44, subdivisions 6 and 7, and 354.60 apply to a deferred annuity payable under this section. If the member was a participant in the variable annuity division, the applicable portion of the benefit shall be computed pursuant to section 354.62, subdivision 5, clause (1). The benefit shall be payable for life.

Sec. 26. Minnesota Statutes 1986, section 354.48, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] Any member who became totally and permanently disabled after at least ~~ten five~~ years of allowable service ~~or after age 50 with five years of allowable service, whichever is sooner~~ shall be entitled to a disability benefit in an amount provided in subdivision 3. If such disabled person's teaching service has terminated at any time, at least ~~five three~~ of the required ~~ten five~~ years of allowable service must have been rendered after last becoming a member. Any member whose average salary is less than \$75 per month shall not be entitled to disability benefits.

Sec. 27. Minnesota Statutes 1986, section 354.49, subdivision 3, is amended to read:

Subd. 3. Any person who has attained the age of at least 65 with less than ~~ten five~~ years of credited allowable service shall be entitled to receive a refund in an amount equal to the person's accumulated deductions plus interest in lieu of a proportionate annuity pursuant to section 356.32 except those covered under the provisions of section 354.44, subdivisions 6 or 7 in which case the refund shall be an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957 and after July 1, 1957 the accumulated deductions plus interest at the rate of five percent compounded annually.

Sec. 28. Minnesota Statutes 1986, section 354.60, is amended to read:

354.60 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.]

Any person who has been a member of the Minnesota state retirement system or the public employees retirement association including the public employees retirement association police and fire fund or the teachers retirement association or the Minnesota state patrol retirement association, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all three funds or in any two of these funds totals ~~ten five~~ or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund and provided further that the person has not taken a refund from any one of these three funds since the person's membership in that association has terminated. The annuity from each fund shall be determined by the appropriate provisions of the law except that the requirement that an annuitant have at least ~~ten five~~ years' membership service or ~~ten five~~ years of allowable service in the respective association shall not apply for the purposes of this section provided the combined service in two or more of these funds equals ~~ten five~~ or more years.

Sec. 29. Minnesota Statutes 1986, section 354A.31, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] Any coordinated member or former coordinated member who has ceased to render teaching service for the school district in which the teachers retirement fund association exists and who has either attained the age of at least 55 years with not less than ~~ten~~ five years of allowable service credit or received credit for not less than 30 years of allowable service regardless of age, shall be entitled upon written application to a retirement annuity.

Sec. 30. Minnesota Statutes 1986, section 354A.31, subdivision 5, is amended to read:

Subd. 5. [UNREDUCED NORMAL RETIREMENT ANNUITY.] Upon retirement at age 65 with at least ~~ten~~ five years of service credit or at age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a normal retirement annuity calculated pursuant to subdivision 4.

Sec. 31. Minnesota Statutes 1986, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Upon retirement at an age prior to age 65 with ~~ten~~ five years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by one-half of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60.

Sec. 32. Minnesota Statutes 1986, section 354A.35, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE TO RETIRE; SURVIVING SPOUSE OPTIONAL ANNUITY.] The surviving spouse of any coordinated member who has attained the age of at least 50 years and has credit for at least ~~ten~~ five years of service or has credit for at least 30 years of service regardless of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The member's surviving spouse shall be paid a joint and survivor annuity as provided in section 354A.32 and computed pursuant to section 354A.31. Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity payable under this section. The benefits shall be payable for life.

Sec. 33. Minnesota Statutes 1986, section 354A.36, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM AGE, SERVICE AND SALARY REQUIREMENTS.] Any coordinated member who has ~~either~~ at least ~~ten~~ five years of allowable service credit or ~~attained the age of at least 50 years with at least five years of allowable service credit~~, has an average salary of at least \$75 per month and has become totally and permanently disabled shall

be entitled to a disability benefit. If the disabled coordinated member's allowable service credit has not been continuous, at least ~~five~~ *three* years of the required allowable service shall be required to have been rendered subsequent to the last interruption in service.

Sec. 34. Minnesota Statutes 1986, section 354A.39, is amended to read:

354A.39 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.]

Any person who has been a member of the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and fire fund, the teachers retirement association, the Minnesota state patrol retirement association, the legislators retirement plan, the constitutional officers retirement plan, the Minneapolis employees retirement fund, the Duluth teachers retirement fund association new law coordinated program, the Minneapolis teachers retirement fund association coordinated program, the St. Paul teachers retirement fund association coordinated program, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing retirement benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all of the funds or in any two or more of the funds totals ~~ten~~ *five* or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is used again in the computation for a retirement annuity from another fund and provided further that the person has not taken a refund from any of funds or associations since the person's membership in the fund or association has terminated. The annuity from each fund or association shall be determined by the appropriate provisions of the law governing each fund or association, except that the requirement that a person must have at least ~~ten~~ *five* years of allowable service in the respective fund or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals ~~ten~~ *five* or more years.

Sec. 35. Minnesota Statutes 1986, section 356.30, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; COMPUTATION OF ANNUITY.] (1) Notwithstanding any provisions to the contrary of the laws governing the funds enumerated in subdivision 3, a person who has met the qualifications of clause (2) may elect to receive a retirement annuity from each fund in which the person has at least six months allowable service, based on the allowable service in each fund, subject to the provisions of clause (3).

(2) A person may receive upon retirement, in lieu of any augmentation of deferred annuities provided by laws governing the funds enumerated in subdivision 3, a retirement annuity from each fund in which the person has at least six months allowable service if

(a) the person has allowable service totaling ~~ten~~ *five* or more years in any two or more of the enumerated funds;

(b) the person has at least six months of allowable service with the last such fund earned during the last period of employment; and

(c) the person has not begun to receive an annuity from any enumerated fund or the person has made application for benefits from all funds within

a six-month period.

(3) The retirement annuity from each fund shall be based upon the allowable service in each fund, except that:

(a) The laws governing annuities shall be the law in effect on the date of final termination from the last public service under a covered fund.

(b) The "average salary" on which the annuity from each covered fund in which the employee has credit in a formula plan shall be based on the employee's highest five successive years of covered salary during the entire service in covered funds.

(c) The formula percentages to be used by each fund shall be those percentages prescribed by each fund's formula as continued for the respective years of allowable service from one fund to the next, recognizing all previous allowable service with the other covered funds.

(d) Allowable service in all the funds shall be combined in determining eligibility for and the application of each fund's provisions in respect to actuarial reduction in the benefit amount for retirement prior to normal retirement.

(e) The benefit amount payable for any allowable service under a non-formula plan of a covered fund shall not be affected but such service and covered salary shall be used in the above calculation.

(f) This section shall not apply to any person whose final termination from the last public service under a covered fund is prior to May 1, 1975.

(g) For the purpose of computing benefits under this section the formula percentages used by any covered fund shall in no event exceed 2-1/2 percent per year of service for any year of service or fraction thereof.

(h) Any period of time for which a person has credit in more than one of the covered funds shall be used only once for the purpose of determining total allowable service.

(i) If the period of duplicated service credit is more than six months, or the person has credit for more than six months with each of the funds, each fund shall apply its formula to a prorated service credit for the period of duplicated service based on a fraction of the salary on which deductions were paid to that fund for the period divided by the total salary on which deductions were paid to all funds for the period.

(j) If the period of duplicated service credit is less than six months, or when added to other service credit with that fund is less than six months, the service credit shall be ignored and a refund of contributions made to the person in accord with that fund's refund provisions.

Sec. 36. [423A.19] [REDUCED VESTING REQUIREMENT.]

Subdivision 1. [REDUCED VESTING.] Notwithstanding any law to the contrary, for a police or salaried firefighters relief association that implements the provision with municipal approval as provided in subdivision 4, a person with at least five years of service credited by the relief association is entitled, upon termination of active service and reaching at least the required normal retirement age, to receive a pro rata monthly service pension. The pro rata monthly service pension must be calculated in the amount and manner specified by the board of trustees, but not to exceed that portion of the service pension payable upon meeting the minimum

age and years of service requirements that the person's actual years and portions of years of service bear to the minimum service requirement.

Subd. 2. [SURVIVOR BENEFIT COVERAGE.] A person entitled to or receiving a reduced vesting service pension as provided in subdivision 1 is entitled to surviving spouse benefit coverage, surviving child benefit coverage, or both, if all other qualification requirements are met. The survivor benefit must be calculated in the amount and manner specified by the board of trustees, but not to exceed that portion of survivor benefit payable to a survivor of a deceased retired member who had met the minimum years of service requirement which the actual years and portions of years of service of the person bear to the minimum service requirement for a service pension.

Subd. 3. [POSTRETIREMENT ADJUSTMENTS.] A reduced vesting service pension as provided in subdivision 1 or a survivor benefit payable on behalf of a deceased person entitled to or receiving a reduced vesting service pension as provided in subdivision 2 is entitled to postretirement adjustments if the comparable pension or benefit payable when the full minimum service requirement has been met is subject to postretirement adjustments. The postretirement adjustment must be the same percentage increase as the postretirement adjustment for the comparable pension or benefit payable when the full minimum service requirement has been met.

Subd. 4. [IMPLEMENTATION.] The reduced vesting requirement must be implemented by a local relief association through an amendment to the bylaws of the relief association with approval by the governing body of the municipality as required by section 69.77, subdivision 2i. The bylaw amendment may not be effective until a certified copy of it and the municipal approval has been filed by the municipal clerk with the executive director of the legislative commission on pensions and retirement, the state auditor, and the secretary of state.

Sec. 37. [EFFECTIVE DATE.]

Sections 1 to 36 are effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to retirement; various public pension plans; reducing the required service for vesting for benefits to five years; reducing the workers' compensation offset to public employees retirement association and public employees police and fire fund disability benefits; amending Minnesota Statutes 1986, sections 352.113, subdivision 1; 352.115, subdivision 1; 352.12, subdivision 2; 352.22, subdivision 3; 352.72, subdivision 1; 352.93, subdivision 1; 352B.08, subdivision 1; 352B.11, subdivision 2; 352B.30, subdivision 1; 353.29, subdivisions 1 and 2; 353.30, subdivision 1c; 353.32, subdivision 1a; 353.33, subdivisions 1, 5, and by adding a subdivision; 353.34, subdivision 3; 353.651, subdivisions 1 and 2; 353.656, subdivision 2, and by adding a subdivision; 353.657, subdivision 2a; 353.71, subdivision 1; 354.44, subdivision 1; 354.46, subdivision 2; 354.48, subdivision 1; 354.49, subdivision 3; 354.60; 354A.31, subdivisions 1, 5, and 6; 354A.35, subdivision 2; 354A.36, subdivision 1; 354A.39; and 356.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 423A."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1452: A bill for an act relating to state departments and agencies; abolishing the Minnesota humane society as a state agency and authorizing its formation as a state federation of county and district societies; providing for the powers and duties of county and district societies and for the prevention of cruelty to animals; amending Minnesota Statutes 1986, sections 16B.51, subdivision 1; 43A.27, subdivision 2; 343.01; 343.06; 343.10; 343.12; 343.22, subdivision 1; 343.29, subdivision 1; 346.37, subdivision 6; and 347.37; repealing Minnesota Statutes 1986, section 343.08.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, lines 27 to 31, reinstate the stricken language

Page 4, after line 35, insert:

"Sec. 6. Minnesota Statutes 1986, section 343.11, is amended to read:

343.11 [ACQUISITION OF PROPERTY, APPROPRIATIONS.]

Every county *and* district society for the prevention of cruelty to animals may acquire, by purchase, gift, grant, or devise, and hold, use, or convey, real estate and personal property, and lease, mortgage, sell, or use the same in any manner conducive to its interest, to the same extent as natural persons. The county board of any county, or the council of any city, in which such societies exist, may, in its discretion, appropriate for the maintenance and support of such societies in the transaction of the work for which they are organized, any sums of money not otherwise appropriated, not to exceed in any one year the sum of \$4,800 or the sum of 50 cents per capita based upon the county's or city's population as of the most recent federal census, whichever is greater; provided, that no part of the appropriation shall be expended for the payment of the salary of any officer of the society."

Page 7, after line 6, insert:

"Sec. 12. [REPORT TO LEGISLATURE.]

The commissioner of administration shall, by January 1, 1988, report to the legislature on the implementation of sections 1 to 11. The report must include the number of counties that have established or maintained county humane societies, the number and location of district societies, and a summary of any efforts to establish a state federation of county and district societies."

Page 7, line 9, delete "10" and insert "11"

Page 7, line 26, delete "12" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after "343.10;" insert "343.11;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1272: A bill for an act relating to public meetings; requiring certain notice for all meetings; permitting certain remedies for violations; providing penalties; amending Minnesota Statutes 1986, section 471.705, subdivisions 1b, 2, and by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 471.705, is amended by adding a subdivision to read:

Subd 1c. [NOTICE OF MEETINGS.] (a) [REGULAR MEETINGS.] A schedule of the regular meetings of a public body shall be kept on file at its primary offices. If a public body decides to hold a regular meeting at a time or place different from the time or place stated in its schedule of regular meetings, it shall give the same notice of the meeting that is provided in this subdivision for a special meeting.

(b) [SPECIAL MEETINGS.] For a special meeting, except an emergency meeting or a special meeting for which a notice requirement is otherwise expressly established by statute, the public body shall post written notice of the date, time, place and purpose of the meeting on the principal bulletin board of the public body, or if the public body has no principal bulletin board, on the door of its usual meeting room. The notice shall also be mailed or otherwise delivered to each person who has filed a written request for notice of special meetings with the public body. This notice shall be posted and mailed or delivered at least three days before the date of the meeting. As an alternative to mailing or otherwise delivering notice to persons who have filed a written request for notice of special meetings, the public body may publish the notice once, at least three days before the meeting, in the official newspaper of the public body or, if there is none, in a qualified newspaper of general circulation within the area of the public body's authority. A person filing a request for notice of special meetings may limit the request to notification of meetings concerning particular subjects, in which case the public body is required to send notice to that person only concerning special meetings involving those subjects. A public body may establish an expiration date for requests for notices of special meetings pursuant to this paragraph and require refiling of the request once each year. Not more than 60 days before the expiration date of a request for notice, the public body shall send notice of the refiling requirement to each person who filed during the preceding year.

(c) [EMERGENCY MEETINGS.] For an emergency meeting, the public body shall make good faith efforts to provide notice of the meeting to each news medium that has filed a written request for notice if the request includes the news medium's telephone number. Notice of the emergency meeting shall be given by telephone or by any other method used to notify the members of the public body. Notice shall be provided to each news medium which has filed a written request for notice as soon as reasonably practicable after notice has been given to the members. Notice shall include the subject of the meeting. Posted or published notice of an emergency meeting shall not be required. An "emergency" meeting is a special meeting called because of circumstances that, in the judgment of the public

body, require immediate consideration by the public body. If matters not directly related to the emergency are discussed or acted upon at an emergency meeting, the minutes of the meeting shall include a specific description of the matters.

(d) [RECESSED OR CONTINUED MEETINGS.] *If a meeting is a recessed or continued session of a previous meeting, and the time and place of the meeting was established during the previous meeting and recorded in the minutes of that meeting, then no further published or mailed notice is necessary. For purposes of this clause, the term "meeting" includes a public hearing conducted pursuant to chapter 429 or any other law or charter provision requiring a public hearing by a public body.*

(e) [CLOSED MEETINGS.] *The notice requirements of this subdivision apply to closed meetings.*

(f) [STATE AGENCIES.] *For a meeting of an agency, board, commission, or department of the state, (i) the notice requirements of this subdivision apply only if a statute governing meetings of the agency, board or commission does not contain specific reference to the method of providing notice, and (ii) all provisions of this subdivision relating to publication shall be satisfied by publication in the state register.*

(g) [ACTUAL NOTICE.] *If a person receives actual notice of a meeting of a public body at least 24 hours before the meeting, all notice requirements of this subdivision are satisfied with respect to that person, regardless of the method of receipt of notice.*

(h) [LIABILITY.] *No fine or other penalty may be imposed on a member of a public body for a violation of this subdivision unless it is established that the violation was willful and deliberate by the member."*

Delete the title and insert:

"A bill for an act relating to public meetings; requiring certain notice for all meetings; amending Minnesota Statutes 1986, section 471.705, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 666: A bill for an act relating to credit unions; permitting certain groups to join existing credit unions; amending Minnesota Statutes 1986, section 52.05.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 7, reinstate the stricken language and delete the new language

Page 2, line 8, delete the new language

Page 2, lines 18 and 19, reinstate the stricken language

Page 2, line 20, reinstate the stricken language and delete the new language

Page 2, line 22, delete "In addition to any other provisions the"

Page 2, line 23, delete "commissioner considers proper,"

Page 2, line 26, delete "not" and delete the second "a"

Page 2, line 27, delete "*contrary*" and insert "*no*"

Page 2, line 28, after "*applications*" insert ", *except for applications from groups made up of members of existing credit unions,*"

Page 2, line 33, delete "*Credit*"

Page 2, delete lines 34 and 35

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 757: A bill for an act relating to the organization and operation of state government; adding members to the board of animal health; modifying and clarifying the powers of the board; regulating dealers; prescribing a civil penalty; amending Minnesota Statutes 1986, sections 35.02, subdivision 1; 347.31; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; 347.39; and 347.40; proposing coding for new law in Minnesota Statutes, chapter 346.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 347.31, is amended to read:

347.31 [~~REGULATION OF DOG KENNELS~~; DEFINITIONS.]

Subdivision 1. [TERMS.] For the purpose of sections 347.31 to 347.40 the terms defined in this section ~~shall~~ have the meanings given to them.

Subd. 2. [DOG KENNEL.] "~~Dog~~ Kennel" means any place, building, tract of land, abode, or vehicle wherein or whereupon dogs *or cats* are kept, congregated, or confined, ~~such if the dogs having been or cats were~~ obtained from municipalities, ~~dog~~ pounds, ~~dog~~ auctions, or by advertising for unwanted dogs *or cats*, or dogs *or cats* strayed, abandoned, or stolen. "~~Dog~~ Kennel" does not ~~mean~~ include a ~~dog~~ pound owned and operated by any political subdivision of the state *or a person's home where dogs or cats are kept as pets*.

Subd. 3. [PREMISES.] ~~The word~~ "Premises" means any building, structure, shelter, or land wherein or whereon dogs *or cats* are kept or confined.

Subd. 4. [DEALER.] "~~Dealer~~" means a public or private agency, person, society, or corporation that is licensed or is required to be licensed as a "*class B dealer*" under United States Code, title 7, sections 2131 to 2155, as amended through December 31, 1986.

Subd. 5. [INSTITUTION.] "~~Institution~~" means a school or college of agriculture, veterinary medicine, medicine, pharmacy, dentistry, or other educational or scientific organization properly concerned with the investigation of living organisms, instruction concerning the structure or functions of living organisms, or the cause, prevention, control, or cure of diseases or abnormal conditions of human beings or animals.

Sec. 2. Minnesota Statutes 1986, section 347.32, is amended to read:

347.32 [LICENSE FOR ~~DOG~~ KENNEL OR DEALER.]

No person, firm, or corporation shall establish, maintain, conduct, or operate a ~~dog~~ kennel *or operate as a dealer* within this state without first obtaining a license therefor from the board of animal health. The license shall be issued for a term of one year.

Sec. 3. Minnesota Statutes 1986, section 347.33, is amended to read:

347.33 [LICENSING PROCEDURES; INSPECTIONS; ADMINISTRATION.]

Subdivision 1. [APPLICATION.] The application for a license to operate and maintain a ~~dog~~ kennel *or operate as a dealer* shall be made to the board of animal health, in the manner prescribed by rules of the board.

Subd. 2. [CONTENTS.] The application for a license shall be in writing and on a form as the board may by rule provide, and shall set forth:

(1) The full name and address of the applicant or applicants, or names and addresses of the partners if the applicant is a partnership, or the names and addresses of the officers if the applicant is a corporation, and the address of the corporation.

(2) The legal description or, in its place, the address and specific location of the site, lot, field, or tract of land upon which it is proposed to operate and maintain a ~~dog~~ kennel.

Subd. 3. [FEES; ISSUANCE OF LICENSE.] The annual license fee is \$10 for each kennel *or dealer* licensed. All license fees collected by the board shall be deposited in the state treasury and credited to the general fund.

When application is made to the board, complete in the manner set forth by rule to be issued by the board, and upon payment of the license fee, the license shall be issued by the board if, after inspection of the premises, the board determines that the ~~dog~~ kennel *or dealer* complies with sections 347.31 to 347.40 and the rules promulgated pursuant to ~~those sections~~.

Sec. 4. Minnesota Statutes 1986, section 347.34, is amended to read:

347.34 [LICENSES REQUIRED.]

It shall be unlawful for any person, firm, or corporation to establish, maintain, conduct, carry on, or operate a ~~dog~~ kennel *or operate as a dealer* without first having received a license to maintain, conduct, carry on, and operate a ~~dog~~ kennel, *or operate as a dealer*, duly signed and executed in the name of the state of Minnesota and signed by the board of animal health. The license shall be conspicuously displayed upon the licensed premises.

All licenses issued under sections 347.31 to 347.40 shall be personal to the licensee and be nontransferable.

Sec. 5. Minnesota Statutes 1986, section 347.35, is amended to read:

347.35 [BOARD OF ANIMAL HEALTH AUTHORIZED TO PROMULGATE RULES.]

The board of animal health shall promulgate rules as it deems necessary for the operation of ~~dog~~ kennels *and dealers* and the enforcement of sections 347.31 to 347.40 which shall be in addition to rules established herein.

The rules adopted by the board with respect to licensing, inspection, and enforcement of this act must provide for cooperation with the United States Department of Agriculture animal plant health inspection service program and for reference of complaints to local enforcement authorities. Rules may must include, but are not limited to, requirements governing the care of dogs and cats, minimum conditions, and maintenance of quarters and dog kennels, the humane treatment of dogs and cats while in the dog kennels, maintenance of detailed records showing the person from whom any dog or cat aged over three months has been received, and, in the case of a dealer, including address, drivers license number, or social security number, and to whom it has been transferred, and preservation of the records for a minimum period of two years. The dealer is responsible for making a reasonable attempt to ensure the accuracy of the data collected.

A payment from a dealer to a person from whom the dealer buys dogs or cats must be by check, payable only to that person. The check must contain the dealer's name and address.

Sec. 6. Minnesota Statutes 1986, section 347.37, is amended to read:

347.37 [PUBLIC ACCESS; NOTICE; INSPECTION; ENFORCEMENT.]

The board of animal health shall cause to be inspected from time to time all dog kennels and dealers licensed hereunder and all records required by sections 347.31 to 347.40 to be kept by the licensees.

Any duly authorized agent of the board, any sheriff, or sheriff's deputy, or police officer, or state humane agent appointed pursuant to section 343.01, is granted the power and the authority to enter upon the premises of any dog kennel or dealer at any time during the daylight hours for the purposes herein set forth, and for the purposes of inspecting the compliance with the provisions of sections 347.31 to 347.40 and the rules issued pursuant thereto, and for the purposes of enforcing sections 347.31 to 347.40.

Each dealer shall post a conspicuous notice in a format no less than 24 by 36 inches and easily readable by the general public, that states: (1) that the person is a licensed dealer in dogs and cats; (2) that dogs and cats left with the dealer may be used for research purposes; and (3) the hours the kennel or dealer is open to the public. The notice must be placed in at least two locations on the premises, one of which must be on or near the exterior mail delivery point and one of which must be at the regularly used point of exchange of dogs and cats. A person may view dogs and cats in the custody of a dealer during the time the premises are open to the public. Dealers are required to be open to the public on a regular basis at least four hours between 7:00 a.m. and 10:00 p.m. on at least four of the seven days of each week including at least one Saturday or Sunday. Any advertisement placed by a dealer seeking dogs or cats must inform the public that dogs and cats brought to the dealer may be used for research purposes.

Sec. 7. Minnesota Statutes 1986, section 347.38, is amended to read:

347.38 [REVOCATION OF LICENSE.]

The board of animal health may as hereinafter set forth revoke or suspend the license of any person, firm, or corporation, for violation of sections 347.31 to 347.40 or the rules issued pursuant to sections 347.31 to 347.40.

Upon written complaint made to the board by any person, firm, or corporation alleging any violation of this law sections 347.31 to 347.40

or any rules pursuant thereto by any licensee, the board may cause an investigation to be made upon matters related in said complaint.

Thereupon the board shall in its discretion either dismiss the complaint or require the kennel *or dealer* against whom the complaint is made to correct the conditions or violations complained of within ten days after receipt of written notice of the same. If upon termination of the ten day period the licensee has failed to correct or to remedy the violation or violations of sections 347.31 to 347.40 or any rules pursuant thereto, *or if the board considers it appropriate under the circumstances* the board shall, upon a minimum of 30 days' notice to the licensee, conduct a hearing for the purpose of determining whether the license to operate a kennel *or as a dealer* should be revoked or temporarily suspended ~~for a period not to exceed six months~~. If after notice and hearing the board finds that any provision of sections 347.31 to 347.40 has been violated by the licensee or any rule issued by the board has been violated by the licensee, the board may revoke and suspend the license. ~~The suspension shall not exceed a period of six months~~ *possession or transfer of a dog or cat by a dealer to an institution without the permission of the owner, failure of a dealer to keep accurate data as required in section 347.35, or failure of a dealer to permit access to its premises as required in section 347.37, is grounds for license revocation*. The licensee whose license is revoked or suspended may within 20 days after the board's decision appeal to the district court. The district court shall upon 20 days' notice to the board hear the appeal within 45 days after the filing of the appeal. On the hearing of the appeal the court shall review the decision of the board in a manner as though reviewed by certiorari, except that new or additional evidence may be taken, if in the opinion of the court additional evidence is necessary or proper to the disposition of the case.

Sec. 8. Minnesota Statutes 1986, section 347.39, is amended to read:

347.39 [PENALTIES.]

Violation of any provision of sections 347.31 to 347.40 or of any rule of the board of animal health issued pursuant to sections 347.31 to 347.40, ~~or the operation of a kennel or as a dealer without a license, or the operation of a kennel or as a dealer after revocation of a license or during a period of suspension,~~ shall constitute a misdemeanor.

Sec. 9. Minnesota Statutes 1986, section 347.40, is amended to read:

347.40 [EXCEPTIONS.]

Sections 347.31 to 347.40 shall in no way apply to any veterinarian licensed to practice in the state of Minnesota who keeps, congregates, or confines dogs *or cats* in the normal pursuit of the practice of veterinary medicine.

The provisions of sections 347.31 to 347.40 shall not apply to any institution licensed to obtain animals under the provisions of section 35.71, ~~and to any person licensed under Public Law Number 89-544, the federal Laboratory Animal Welfare Act.~~

Sec. 10. [APPROPRIATION.]

There is appropriated from the general fund to the board of animal health the sum of \$_____ for the purposes of this act for the biennium ending June 30, 1989."

Delete the title and insert:

"A bill for an act relating to animals; regulating dealers; appropriating money; amending Minnesota Statutes 1986, sections 347.31; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; 347.39; and 347.40."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 56: A bill for an act relating to health; requiring mosquito research and management activities to be ecologically nondisruptive; amending Minnesota Statutes 1986, section 144.95, subdivisions 1, 2, 3, 7, 9, and 10.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 1054: A bill for an act relating to vocational rehabilitation; limiting grants to sheltered workshops; providing for use of community-based employment; regulating and defining vocational rehabilitation programs; amending Minnesota Statutes 1986, sections 129A.01; 129A.03; 129A.06; 129A.07; and 129A.08.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 934: A bill for an act relating to natural resources; providing a program for the control of noxious weeds; appropriating money; amending Minnesota Statutes 1986, sections 18.291; and 18.311; proposing coding for new law in Minnesota Statutes, chapter 86.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 18.171, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] For the purposes of sections 18.181 to 18.271 and 18.281 to ~~18.311~~ 18.315 the terms defined in subdivisions 2 to 7 and section 3, have the meanings given to them.

Sec. 2. Minnesota Statutes 1986, section 18.171, subdivision 5, is amended to read:

Subd. 5. [NOXIOUS WEEDS.] "Noxious weeds" means the annual, biennial, and perennial plants which are deemed by the commissioner, by *commissioner's order*, to be injurious to public health, public roads, crops, livestock and other property. *The commissioner's orders under this subdivision are not subject to chapter 14.*

Sec. 3. Minnesota Statutes 1986, section 18.171, is amended by adding a subdivision to read:

Subd. 8. [LAND.] "Land" includes wetlands and public waters.

Sec. 4. [18.182] [PENALTY FOR SALE OF PURPLE LOOSESTRIFE.]

A person who sells purple loosestrife, lythrum salicaria, is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1986, section 18.241, subdivision 2, is amended to read:

Subd. 2. [RULES REGARDING TRANSPORTATION.] Except as provided in section 21.74, when any person desires to transport along a public highway materials containing seeds or other propagating parts of leafy spurge, horse nettle, Austrian field cress, field bindweed, perennial pepper grass, wild radish, sow thistle, Canada thistle, hoary alyssum, *purple loosestrife*, or any other noxious weed designated by the commissioner, the person shall secure from a local or state weed inspector, or county agricultural inspector, a written permit for the transportation of such material. All duly constituted weed inspectors may issue such permits to persons residing or operating within their respective weed jurisdictions to regulate the transportation of such material and to require proper treatment, cleaning, sterilization or destruction of any such material which has been or is about to be transported or deposited to prevent the growing or scattering of any weed seeds or other propagating parts contained therein. Copies of all permits issued under this section shall be immediately sent to the commissioner.

Except as provided in section 21.74, no grain seed, screenings, hay forage, straw, soil, gravel, sand, or refuse and other materials containing seeds and other propagating parts of leafy spurge, horse nettle, Austrian field cress, field bindweed, perennial pepper grass, wild radish, sow thistle, Canada thistle, hoary alyssum, *purple loosestrife*, or any other noxious weeds designated by the commissioner shall be transported upon any public highway unless it be in sacks, bales, boxes or other containers sufficiently tight and closed or covered with canvas or otherwise to prevent seeds and other propagating parts of such weeds from blowing or scattering along the highway or on other lands or water.

Scattering and dumping on land or in water of grain, seed, and screenings containing seeds and other propagating parts of noxious weeds in excess of legal limits of weed seeds per pound in agricultural seed, and of soil, gravel, rubbish, trash, and other materials containing seeds or other propagating parts of noxious weeds in harmful amounts as determined by rule of the commissioner is prohibited unless such material is processed, treated, or buried sufficiently deep to destroy viable seeds and other propagating parts which they contain down to the limits provided by this section.

Sec. 6. Minnesota Statutes 1986, section 18.291, is amended to read:

18.291 [COMMISSIONER MAY QUARANTINE AND DESTROY WEEDS.]

When from investigation or otherwise, it appears to the commissioner that upon any tract of ~~agricultural~~ land there is an infestation of noxious weeds beyond the ability of the land occupant or owner to eradicate, upon request of the owner, or upon the commissioner's own motion, the com-

missioner shall take such steps as are necessary to prevent further spread of such weed growths. To this end, the commissioner shall quarantine such portion of each tract of land as may be so infested and put into immediate operation the necessary means for the eradication of such weed growths.

Sec. 7. Minnesota Statutes 1986, section 18.311, is amended to read:

18.311 [EXPENSES.]

The expenses of field operations, including cost of chemicals and other materials employed in weed eradication, except machinery and other equipment, shall be paid from the fund provided for this purpose. This fund shall be reimbursed not later than January first, of each year, 20 percent thereof by the county and, ten percent thereof by the town in which the land so quarantined and improved is situated, and ten percent thereof by the landowner involved.

When the infestations of noxious weeds, against which the activities of the commissioner are directed, are found located on the sides of public highways, the expenses of eradication shall be paid, 50 percent by the state from the fund provided for this purpose, 50 percent from the funds provided for the maintenance of the state highway department, if the infestation is on a state highway, 50 percent by the county, if the infestation is on a county or state aid road, and 50 percent by the town, if the infestation is on a town road or cartway.

When infestations of noxious weeds, against which the activities of the commissioner are directed, are found located within the corporate limits of a municipality or on property used by a municipality, the expense of the eradication of such weeds shall be paid as follows: 50 percent thereof by the state from the funds provided for this purpose and 50 percent by the municipality from its general revenue fund.

Sec. 8. [86.78] [CONTROL OF PURPLE LOOSESTRIFE.]

*Subdivision 1. [DEFINITION.] For the purpose of this section, "purple loosestrife" means *lythrum salicaria*.*

Subd. 2. [ESTABLISHMENT OF CONTROL PROGRAM.] The commissioner of natural resources shall coordinate a control program to curb the growth of purple loosestrife. The commissioners of agriculture and transportation must aid and cooperate with the commissioner of natural resources to establish, implement, and enforce the control program.

Sec. 9. [APPROPRIATIONS.]

Subdivision 1. [COMMISSIONER OF NATURAL RESOURCES.] \$_____ is appropriated from the general fund for the biennium ending June 30, 1989, to the commissioner of natural resources for:

<i>(a) program coordination and support</i>	\$ _____
<i>(b) purple loosestrife control</i>	\$160,000
<i>(c) public information and education</i>	\$ _____
<i>(d) evaluation of efficiency of control and environmental impact, which may be done by contract</i>	\$ _____
<i>(e) monitoring and data collecting</i>	\$ _____

The approved complement of the department of natural resources is increased by one position in the unclassified service.

Subd. 2. [COMMISSIONER OF AGRICULTURE.] \$105,000 is appropriated from the general fund for the biennium ending June 30, 1989, to the commissioner of agriculture to restore funding of field operations under section 18.311.

Subd. 3. [COMMISSIONER OF TRANSPORTATION.] \$20,000 is appropriated from the general fund for the biennium ending June 30, 1989, to the commissioner of transportation to control purple loosestrife along highway rights-of-way.

Subd. 4. [PRIVATE CONTRIBUTIONS.] The appropriations by subdivisions 1, 2, and 3, to the maximum extent possible, must be attempted to be equally matched by contributions from private sources. The program coordinator from the department of natural resources shall seek contributions from any private concern that has an interest in controlling purple loosestrife. Private contributions received are annually appropriated for the purpose of this section until June 30, 1989.

Sec. 10. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; providing a program for the control of noxious weeds; providing that purple loosestrife is a noxious weed; appropriating money; amending Minnesota Statutes 1986, sections 18.171, subdivisions 1 and 5, and by adding a subdivision; 18.241, subdivision 2; 18.291; and 18.311; proposing coding for new law in Minnesota Statutes, chapters 18 and 86."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 905: A bill for an act relating to appropriations; appropriating money to the commissioner of natural resources to replace income lost to state trust funds when certain timber permits were canceled.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 13, insert:

"Sec. 2. [TIMBER RELEASED FROM TRUST FOR FIVE YEAR PERIOD; DISPOSITION OF INCOME.]

Upon receipt by the permanent school fund of the funds necessary to replace lost income, as appropriated by section 1, the timber on the state trust fund lands covered by the canceled permits shall be released from the trust for a period of five years. During that five-year period the commissioner of natural resources shall attempt to sell, recycle, or dispose of the timber as otherwise provided by law. Any income generated during the five-year period shall be returned to the general fund to the extent of the funds actually received by the permanent school fund. Any excess shall be deposited in the forest suspense account."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the period, insert “; releasing timber from the trust for a five-year period; authorizing the commissioner of natural resources to sell, recycle or dispose of the timber; directing the disposition of income”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1101: A bill for an act relating to elections; increasing the size of the board of education of special school district No. 1 of the city of Minneapolis to nine members; providing for six members to be elected by districts; requiring compliance with certain campaign disclosure provisions; amending Minnesota Statutes 1986, sections 383B.041; 383B.042, subdivisions 5 and 9; 383B.053, subdivision 1; and 383B.058; and Laws 1959, chapter 462, section 3, subdivision 1, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 9 to 14 and insert “*district at large. For the 1989 election and later elections, the boundaries of the six school board districts must be determined by the board of education of the district. A candidate for*”

Page 2, line 22, after the period, insert “*The directors elected by district shall reside in the district from which they were elected during their term of office. The directors elected at large shall reside within the school district during their term of office.*”

Page 2, line 24, delete “*reapportionment commission*” and insert “*board of education of the district*”

Page 5, delete lines 4 to 6 and insert “*Notwithstanding Minnesota Statutes, section 645.021, subdivision 2, sections 1 to 6 are effective upon approval by a majority of the voters of special school district No. 1, Minneapolis, voting on the question at the 1987 school board general election.*”

Sec. 8. [BALLOT QUESTION.]

At the election on the question of approval of sections 1 to 6, the question submitted to the voters shall be:

“Shall the Minneapolis school district, beginning in 1989, have three directors elected to represent the district at large and six directors elected to represent six different districts within the school district?”

Yes _____

No _____” ”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 724: A bill for an act relating to horse racing; modifying the purse structure; providing for the representation of horsepersons contracting with a licensee; modifying taxes; eliminating the payment of a percentage of the breakage to the commission; amending Minnesota Statutes 1986, sections 240.13, subdivision 5; 240.15, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 240.13, subdivision 5, is amended to read:

Subd. 5. [PURSES.] From the amounts deducted from all pari-mutuel pools by a licensee, ~~an amount equal to not less than five percent of all money in all pools must be set aside by the licensee and used shall set aside for purses for races conducted by the licensee an amount of money as negotiated by the licensee and, with respect to each breed, the horseperson's organization representing the majority of the horsepersons racing at the licensee's facility. For calendar 1987, the amount of money set aside for purses shall be not less than 7.8 percent of all money in all pari-mutuel pools. For calendar 1988, the amount of money set aside for purses shall be not less than 5.7 percent nor more than 9 percent of all money in all pari-mutuel pools. For calendar 1989 and thereafter, the amount of money set aside for purses shall be not less than seven percent nor more than nine percent of all money in all pari-mutuel pools. The amount of money set aside for purses by a licensee operating a racetrack located outside the seven-county metropolitan area, with an average daily handle of \$350,000 or less, shall be not less than five percent of all money in all pari-mutuel pools.~~ The commission may by rule provide for the administration and enforcement of this subdivision.

From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation, benevolent programs, benefits, and services for horsepersons and their on-track employees, such amounts as may be determined by agreement by the licensee and the horseperson's organization. The amounts paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.

Sec. 2. Minnesota Statutes 1986, section 240.15, subdivision 1, is amended to read:

Subdivision 1. [TAXES IMPOSED.] (a) There is imposed on the total amount bet on all pari-mutuel pools on each racing day in calendar 1987 a tax at the following rates:

(1) For each racing day in a calendar year on which the total amount bet, together with the total amount bet at the same licensed racetrack in

all previous racing days in the same calendar year does not exceed \$48,000,000, 1-3/4 percent rate of one and three-quarters percent of the total amount bet in all pari-mutuel pools. For calendar 1988, the tax shall be at the rate of one and three-quarters percent for each racing day on which the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year does not exceed \$48,000,000 and five percent for each racing day in the calendar year after the racing day on which the total amount bet in all pari-mutuel pools at the same licensed racetrack exceeds \$48,000,000. For calendar 1989 and thereafter, the tax shall be at the rate of one and three-quarters percent.

(2) For each racing day in a calendar year after the racing day on which the total amount bet in all pari-mutuel pools at the same licensed racetrack in the same calendar year exceeds \$48,000,000, six percent of the total amount bet in all pari-mutuel pools.

In addition to the above tax, the licensee must designate and pay to the commission a tax for deposit in the Minnesota breeders fund, at the following rates:

(1) For racing days on which the state tax under clause (a)(1) is 1-3/4 percent total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year does not exceed \$48,000,000, one-half percent of the total amount bet in all pari-mutuel pools.

(2) For racing days after the day on which the state tax under clause (a)(2) is six percent total amount bet in all pari-mutuel pools at the same licensed racetrack in the same calendar year exceeds \$48,000,000, one percent of the total amount bet in all pari-mutuel pools.

(3) Effective January 1, 1988, the rate of tax for deposit in the Minnesota breeders fund shall be one percent of the total amount bet in all pari-mutuel pools.

Additionally, for calendar 1987, \$250,000 shall be deposited in the Minnesota breeders fund from the purse fund.

The taxes imposed by this clause must be paid from the amounts permitted to be withheld by a licensee under section 240.13, subdivision 4.

(b) The commission shall impose on each paid admission to each licensed racetrack on a racing day a tax of 40 cents. It may impose an additional admissions tax of not more than ten cents at any licensed racetrack if:

(1) the additional tax is requested by a local unit of government within whose borders the track is located;

(2) a public hearing is held on the request; and

(3) the commission finds that the local unit of government requesting the additional tax is in need of its revenue to meet extraordinary expenses caused by the racetrack.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective April 15, 1987."

Amend the title as follows:

Page 1, line 5, delete "eliminating the payment of a percentage of the"

Page 1, line 6, delete "breakage to the commission;"

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

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 473: A bill for an act relating to health; requiring a study and report to the legislature on the effects of exposure to low-level ionizing radiation.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [LOW-LEVEL IONIZING RADIATION REPORTS.]

The commissioner of health shall transmit to the governor and the legislature no later than December 31, 1987, a summary of the major reports on human health effects of low-level ionizing radiation. The reports shall include:

(1) data and risk coefficients relating to ionizing radiation effects of occupational exposure, on human fetuses, and on the general public; and

(2) information on the worldwide effects to the public health of the radioactive emissions resulting from the Chernobyl accident in April 1986."

Delete the title and insert:

"A bill for an act relating to health; requiring the commissioner of health to transmit the major reports on human health effects of low-level ionizing radiation."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 790: A bill for an act relating to human services; mandating a comprehensive system of mental health services; amending Minnesota Statutes 1986, sections 245.713, subdivision 2; 256B.19, subdivision 1, and by adding a subdivision; 256D.03, subdivision 4; 256D.06, subdivisions 3 and 6; 256D.37, subdivision 1; 256E.03, subdivision 2; 256E.06, by adding a subdivision; 256E.07, by adding a subdivision; and 256E.12, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.69, subdivision 1a; 245.713, subdivisions 1 and 3; 245.73; and 256E.12.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [245.461] [POLICY AND CITATION.]

Subdivision 1. [CITATION.] Sections 1 to 25 may be cited as the "Minnesota comprehensive mental health act."

Subd. 2. [MISSION STATEMENT.] The commissioner shall create and ensure a unified, accountable, comprehensive mental health service system that:

- (1) recognizes the right of people with mental illness to control their own lives as fully as possible;*
- (2) promotes the independence and safety of people with mental illness;*
- (3) reduces chronicity of mental illness;*
- (4) reduces abuse of people with mental illness;*
- (5) provides services designed to:*
 - (i) increase the level of functioning of people with mental illness or restore them to a previously held higher level of functioning;*
 - (ii) stabilize individuals with mental illness;*
 - (iii) prevent the development and deepening of mental illness;*
 - (iv) support and assist individuals in resolving emotional problems that impede their functioning;*
 - (v) promote higher and more satisfying levels of emotional functioning;*
- and*
 - (vi) promote sound mental health; and*
- (6) provides a quality of service that is effective, efficient, appropriate, and consistent with contemporary professional standards in the field of mental health.*

Subd. 3. [REPORT.] By February 15, 1988, and annually after that until February 15, 1990, the commissioner shall report to the legislature on all steps taken and recommendations for full implementation of sections 1 to 25 and on additional resources needed to further implement those sections.

Sec. 2. [245.462] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] The definitions in this section apply to sections 1 to 25.

Subd. 2. [ACUTE CARE HOSPITAL INPATIENT TREATMENT.] "Acute care hospital inpatient treatment" means 24-hour-a-day comprehensive medical, nursing, and psychosocial services provided in an acute care hospital licensed under chapter 144.

Subd. 3. [CASE MANAGEMENT SERVICES.] "Case management services" means services designed to help people with serious and persistent mental illness in gaining access to needed medical, social, educational, vocational, and other necessary services. Case management services include assuring completion of a diagnostic assessment, assessing client needs, developing an individual service plan, assisting with applications for government benefits, coordinating with service providers, referring the person to needed mental health and other services, coordinating services, and monitoring the delivery of services.

Subd. 4. [CASE MANAGER.] "Case manager" means an individual authorized by the county board to provide case management services. A case manager must be a social worker, a public health nurse, a mental health professional, or a mental health practitioner, skilled in the process of identifying and assessing a wide range of client needs, and knowledge-

able about local community resources and how to use those resources for the benefit of the client.

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

Subd. 6. [COMMUNITY SUPPORT SERVICES PROGRAM] "Community support services program" means services, other than inpatient or residential treatment services, provided or coordinated by an identified program and staff under the clinical supervision of a mental health professional and designed to help people with serious and persistent mental illness to function and remain in the community. A community support services program includes development of individual treatment plans, client outreach, medication management, assistance in independent living skills, development of employability and supportive work opportunities, crisis assistance, psychosocial rehabilitation, and the development, identification, and monitoring of living arrangements.

Subd. 7. [COUNTY BOARD.] "County board" means the county board of commissioners or board established pursuant to the joint powers act, section 471.59, or the human services board act, sections 402.01 to 402.10.

Subd. 8. [DAY TREATMENT SERVICES.] "Day treatment services" means a structured program of intensive therapeutic and rehabilitative services at least one day per week for a minimum three-hour time block that is provided within a group setting by a multidisciplinary staff under the clinical supervision of a mental health professional. Day treatment services are not a part of inpatient or residential treatment services, but may be part of a community support services program.

Subd. 9. [DIAGNOSTIC ASSESSMENT.] "Diagnostic assessment" means a written summary of the history, diagnosis, strengths, vulnerabilities, and specific treatment needs of a person with mental illness using diagnostic, interview, and other relevant mental health techniques provided by a mental health professional, used in developing an individual treatment plan and individual service plan.

Subd. 10. [EDUCATION AND PREVENTION SERVICES.] "Education and prevention services" means services designed to educate the general public or special high-risk target populations about mental illness, to increase the understanding and acceptance of problems associated with mental illness, to increase people's awareness of the availability of resources and services, and to improve people's skills in dealing with high-risk situations known to affect people's mental health and functioning.

Subd. 11. [EMERGENCY SERVICES.] "Emergency services" means an immediate response service available on a 24-hour, seven-day-a-week basis for persons having a psychiatric crisis or emergency.

Subd. 12. [INDIVIDUAL SERVICE PLAN.] "Individual service plan" means a written plan developed on the basis of a diagnostic assessment and an assessment of client needs. The plan identifies appropriate services proposed for a person with serious and persistent mental illness to develop independence or improved functioning in daily living. An individual service plan must include the individual treatment plans developed by treatment providers.

Subd. 13. [INDIVIDUAL PLACEMENT AGREEMENT.] "Individual placement agreement" means a written agreement or supplement to a

service contract entered into between the county board and a service provider on behalf of an individual client to provide residential treatment services.

Subd. 14. [INDIVIDUAL TREATMENT PLAN.] "Individual treatment plan" means a written plan of intervention, treatment, and services for a person with mental illness that is developed by a service provider under the clinical supervision of a mental health professional on the basis of a diagnostic assessment. The plan identifies goals and objectives of treatment, treatment strategy, a schedule for accomplishing treatment goals and objectives, and the individual responsible for providing treatment to the person with mental illness.

Subd. 15. [LOCAL MENTAL HEALTH PROPOSAL.] "Local mental health proposal" means the proposal developed by the county board as an identifiable part of the community social services plan, reviewed by the commissioner, and described in section 18.

Subd. 16. [MENTAL HEALTH BLOCK GRANT.] "Mental health block grant" means the state appropriation described in sections 19 and 20.

Subd. 17. [MENTAL HEALTH PRACTITIONER.] "Mental health practitioner" means a person providing services to persons with mental illness who is qualified in at least one of the following ways:

(1) holds a bachelor's degree in one of the behavioral sciences or related fields from an accredited college or university, and has 2,000 hours of supervised experience in the delivery of services to persons with mental illness;

(2) has 6,000 hours of supervised experience in the delivery of services to persons with mental illness;

(3) is a graduate student in one of the behavioral sciences or related fields, formally assigned to an agency or facility for clinical training by an accredited college or university;

(4) holds a master's or other graduate degree in one of the behavioral sciences or related fields from an accredited college or university with less than 4,000 hours of post-master's degree experience in the treatment of mental illness; or

(5) for purposes of case management only, has education or supervised experience less than in clauses (1) to (4) but receives 40 hours of training before assuming duties as a mental health practitioner and receives bi-monthly face-to-face clinical supervision regarding the provision of services to persons with mental illness.

Subd. 18. [MENTAL HEALTH PROFESSIONAL.] "Mental health professional" means a person providing clinical services in the treatment of mental illness who is qualified in at least one of the following ways:

(1) in psychiatric nursing: a registered nurse with a master's degree in one of the behavioral sciences or related fields from an accredited college or university or its equivalent, who is licensed under sections 148.171 to 148.285, with at least 4,000 hours of post-master's degree supervised experience in the delivery of clinical services in the treatment of mental illness;

(2) in clinical social work: a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours

of post-master's degree supervised experience in the delivery of clinical services in the treatment of mental illness;

(3) in psychology: a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental illness;

(4) in psychiatry: a physician licensed under chapter 147 and certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or

(5) in allied fields: a person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's degree supervised experience in the delivery of clinical services in the treatment of mental illness.

Subd. 19. [MENTAL HEALTH SERVICES.] "Mental health services" means all of the services that are described in sections 8 to 16.

Subd. 20. [MENTAL ILLNESS.] (a) "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that is listed in the clinical manual of the International Classification of Diseases (ICD-9-CM), current edition, code range 290.0 to 302.99 or 306.0 to 316.0 or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-MD), current edition, Axes I, II, or III, and that seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation.

(b) A "person with acute mental illness" means a person who has a mental illness that is serious enough to require prompt intervention.

(c) For purposes of sections 1 to 25, a "person with serious and persistent mental illness" means a person who has a mental illness and meets at least one of the following criteria:

(1) The person has undergone two or more episodes of inpatient care for a mental illness within the preceding 24 months.

(2) The person has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding 12 months.

(3) The person has had a history of recurring inpatient or residential treatment episodes of a frequency described in clause (1) or (2), but not within the preceding 24 months. There must also be a written opinion of a mental health professional stating that the person is reasonably likely to have future episodes requiring inpatient or residential treatment unless an ongoing community support services program is provided.

Subd. 21. [OUTPATIENT SERVICES.] "Outpatient services" means mental health services, excluding day treatment and community support services programs, provided by or under the clinical supervision of a mental health professional to persons with a mental illness who live outside a hospital setting. Outpatient services include clinical activities such as individual, group, and family therapy; individual treatment planning; diagnostic assessments; medication management; and psychological testing.

Subd. 22. [REGIONAL TREATMENT CENTER INPATIENT SERVICES.] "Regional treatment center inpatient services" means 24-hour-a-

day comprehensive medical, nursing, or psychosocial services provided in a regional treatment center operated by the state.

Subd. 23. [RESIDENTIAL TREATMENT.] "Residential treatment" means a 24-hour-a-day residential program under the clinical supervision of a mental health professional, other than an acute care hospital or regional treatment center, which must be licensed as a residential treatment facility for mentally ill persons under Minnesota Rules, parts 9520.0500 to 9520.0690 for adults, 9545.0900 to 9545.1090 for children, or other rule adopted by the commissioner.

Subd. 24. [SERVICE PROVIDER.] "Service provider" means either a county board or an individual or agency including a regional treatment center under contract with the county board that provides mental health services.

Subd. 25. [CLINICAL SUPERVISION.] "Clinical supervision," when referring to the responsibilities of a mental health professional, means the oversight responsibility of a mental health professional for individual treatment plans, service delivery, and program activities. Clinical supervision may be accomplished by full- or part-time employment of or contracts with mental health professionals. Clinical supervision must be documented by the mental health professional cosigning individual treatment plans and evidence of input into service delivery and program development.

Sec. 3. [245.463] [PLANNING FOR A MENTAL HEALTH SYSTEM.]

Subdivision 1. [PLANNING EFFORT.] Starting on the effective date of sections 1 to 25 and ending June 30, 1988, the commissioner and the county agencies shall plan for the development of a unified, accountable, and comprehensive statewide mental health system. The system must be planned and developed by stages until it is operating at full capacity.

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioner shall provide ongoing technical assistance to county boards to develop local mental health proposals as specified in section 18, to improve system capacity and quality. The commissioner and county boards shall exchange information as needed about the numbers of persons with mental illness residing in the county and the extent of existing treatment components locally available to serve the needs of those persons. County boards shall cooperate with the commissioner in obtaining necessary planning information upon request.

Sec. 4. [245.464] [COORDINATION OF MENTAL HEALTH SYSTEM.]

Subdivision 1. [MENTAL HEALTH BLOCK GRANT.] Effective July 1, 1988, a mental health block grant is established under the supervision of the commissioner. The commissioner shall use the mental health block grant to augment all other sources of funding to help county boards develop, maintain, and fund affordable and locally available mental health services in accordance with sections 1 to 25 and local mental health service proposals within the community social services plan approved by the commissioner.

Subd. 2. [SUPERVISION.] The commissioner shall supervise the development and coordination of locally available mental health services by the county boards in a manner consistent with sections 1 to 25 and chapter 256E. The commissioner shall coordinate regional treatment center services with locally available services. The commissioner shall review local

mental health service proposals developed by county boards as part of the community social services plan as specified in section 18, allocate mental health funds to county boards according to section 19, and provide technical assistance to county boards in developing and maintaining locally available mental health services. The commissioner shall monitor the county board's progress in developing its full system capacity and quality through ongoing review of the county board's mental health proposals, quarterly reports, and other information as required by sections 1 to 25 and chapter 256E.

Subd. 3. [PRIORITIES.] By January 1, 1990, the commissioner shall require each of the services described in sections 8 to 16 to be developed for persons with mental illness within available resources based on the following ranked priorities:

- (1) the provision of locally available emergency services;*
- (2) the provision of locally available services to persons with serious and persistent mental illness and persons with acute mental illness;*
- (3) the provision of specialized services regionally available to meet the special needs of persons with serious and persistent mental illness and persons with acute mental illness;*
- (4) the provision of locally available services to persons with other mental illness; and*
- (5) the provision of education and preventive mental health services targeted at high-risk populations.*

Sec. 5. [245.465] [DUTIES OF COUNTY BOARD.]

The county board shall use its community social service money and mental health block grant according to the biennial local mental health service proposal in the community social services plan approved by the commissioner. The county board must:

- (1) develop and coordinate a system of affordable and locally available mental health services in accordance with sections 6 to 14;*
- (2) provide for case management services to persons with serious and persistent mental illness in accordance with section 15;*
- (3) provide for screening of persons specified in section 16 upon admission to a residential treatment facility or acute care hospital inpatient, or informal admission to a regional treatment center; and*
- (4) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 1 to 25.*

Sec. 6. [245.466] [LOCAL SERVICE DELIVERY SYSTEM.]

Subdivision 1. [DEVELOPMENT OF SERVICES.] The county board is responsible for using community social service money and the mental health block grant to develop and coordinate a system of locally available and affordable mental health services. The county board may provide some or all of the mental health services specified in subdivision 2 directly through a county agency or under contracts with other individuals or agencies. A county or counties may enter into an agreement with a regional treatment center to enable the county or counties to provide the services in subdivision 2. Services provided through an agreement between a county

and a regional treatment center must meet the same requirements as services from other service providers. County boards shall demonstrate their continuous progress toward full implementation of sections 1 to 25 during the period July 1, 1987 to January 1, 1990. County boards must develop fully each of the services prescribed by sections 1 to 25 by January 1, 1990, according to the priorities established in section 4 and the local mental health services proposal approved by the commissioner under section 18.

Subd. 2. [MENTAL HEALTH SERVICES.] The mental health service system developed by each county board must include the following services:

- (1) education and prevention services in accordance with section 8;*
- (2) emergency services in accordance with section 9;*
- (3) outpatient services in accordance with section 10;*
- (4) community support program services in accordance with sections 11 and 15;*
- (5) residential treatment services in accordance with section 12;*
- (6) acute care hospital inpatient treatment services in accordance with section 13;*
- (7) regional treatment center inpatient services in accordance with section 14;*
- (8) case management services in accordance with section 15; and*
- (9) screening for hospital and residential treatment in accordance with section 16.*

Subd. 3. [LOCAL CONTRACTS.] Effective January 1, 1988, the county board shall review all proposed county agreements, grants, or other contracts related to mental health services for funding from any local, state, or federal governmental sources. Contracts with service providers must:

- (1) name the commissioner as a third party beneficiary;*
- (2) identify monitoring and evaluation procedures not in violation of the Minnesota government data practices act, chapter 13, which are necessary to ensure effective delivery of quality services;*
- (3) include a provision that makes payments conditional on compliance by the contractor and all subcontractors with sections 1 to 25 and all other applicable laws, rules, and standards; and*
- (4) require financial controls and auditing procedures.*

Subd. 4. [JOINT COUNTY MENTAL HEALTH AGREEMENTS.] In order to provide efficiently the services required by sections 1 to 25, counties are encouraged to join with one or more county boards to establish a multicounty local mental health authority pursuant to the joint powers act, section 471.59, the human services act, sections 402.01 to 402.10, community mental health center provisions, section 245.62, or to enter into multicounty mental health agreements. Participating county boards shall establish acceptable ways of apportioning the cost of the services.

Subd. 5. [LOCAL ADVISORY COUNCIL.] The county board, individually or in conjunction with other county boards, shall establish a local mental health advisory council or mental health subcommittee of an ex-

isting advisory council. The council's members must reflect a broad range of community interests. They must include at least one consumer, one family member of a person with mental illness, one mental health professional, and one community support services program representative. The local mental health advisory council or mental health subcommittee of an existing advisory council shall meet at least quarterly to review, evaluate, and make recommendations regarding the local mental health system. Annually, the local advisory council or mental health subcommittee of an existing advisory council shall arrange for input from the regional treatment center review board regarding coordination of care between the regional treatment center and community based services. The county board shall consider the advice of its local mental health advisory council or mental health subcommittee of an existing advisory council in carrying out its authorities and responsibilities.

Subd. 6. [OTHER LOCAL AUTHORITY.] The county board may establish procedures and policies that are not contrary to those of the commissioner or sections 1 to 25 regarding local mental health services and facilities. The county board shall perform other acts necessary to carry out sections 1 to 25.

Sec. 7. [245.467] [QUALITY OF SERVICES.]

Subdivision 1. [CRITERIA.] Mental health services required by sections 1 to 25 must be:

- (1) based, when feasible, on research findings;
- (2) based on individual clinical needs, cultural and ethnic needs, and other special needs of individuals being served;
- (3) provided in the most appropriate, least restrictive setting available to the county board;
- (4) accessible to all age groups;
- (5) delivered in a manner that provides accountability;
- (6) provided by qualified individuals as required in sections 1 to 25;
- (7) coordinated with mental health services offered by other providers; and
- (8) provided under conditions which protect the rights and dignity of the individuals being served.

Subd. 2. [DIAGNOSTIC ASSESSMENT.] All providers of residential treatment, acute care hospital inpatient treatment and regional treatment centers must complete a diagnostic assessment for each of their clients within five days of admission. Providers of outpatient and day treatment services must complete a diagnostic assessment within ten days of admission. In cases where a diagnostic assessment is available and has been completed within 90 days preceding admission, only updating is necessary.

Subd. 3. [INDIVIDUAL TREATMENT PLANS.] All providers of outpatient, residential, or acute care hospital inpatient treatment and all regional treatment centers must develop an individual treatment plan for each of their clients. The individual treatment plan must be based on a diagnostic assessment. To the extent possible, the client shall be involved in all phases of developing and implementing the individual treatment plan. The individual treatment plan must be developed within ten days of client

intake and reviewed every 90 days thereafter.

Sec. 8. [245.468] [EDUCATION AND PREVENTION SERVICES.]

By July 1, 1988, county boards must provide or contract for education and prevention services to persons residing in the county. Education and prevention services must be designed to:

(1) convey information regarding mental illness and treatment resources to the general public or special high-risk target groups;

(2) increase understanding and acceptance of problems associated with mental illness;

(3) improve people's skills in dealing with high-risk situations known to have an impact on people's mental health functioning; and

(4) prevent development or deepening of mental illness.

Sec. 9. [245.469] [EMERGENCY SERVICES.]

Subdivision 1. [AVAILABILITY OF EMERGENCY SERVICES.] By July 1, 1988, county boards must provide or contract for enough emergency services in the area to meet the needs of persons in the county who are experiencing an emotional crisis or mental illness. Clients may be required to pay a fee based on their ability to pay. Emergency services must include assessment, intervention, and appropriate case disposition. Emergency services must:

(1) promote the safety and emotional stability of people with mental illness or emotional crises;

(2) minimize further deterioration of people with mental illness or emotional crises;

(3) help people with mental illness or emotional crises to obtain ongoing care and treatment; and

(4) prevent placement in settings that are more intensive, costly, or restrictive than are necessary and appropriate to meet client needs.

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services provide immediate direct access to mental health professionals during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll free telephone access to a mental health professional, a mental health practitioner, or a designated person with training in human services who is under the clinical supervision of a mental health professional. Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for consultation within 30 minutes.

Sec. 10. [245.470] [OUTPATIENT SERVICES.]

Subdivision 1. [AVAILABILITY OF OUTPATIENT SERVICES.] By July 1, 1988, county boards must provide or contract for enough outpatient services within the county or nearby trade area to meet the needs of persons with mental illness residing in the county. Clients may be required to pay a fee based on their ability to pay. Outpatient services include:

(1) conducting diagnostic assessments;

(2) conducting psychological testing;

- (3) *developing or modifying individual treatment plans;*
- (4) *making referrals and recommending placements as appropriate;*
- (5) *treating a person's mental health needs through therapy;*
- (6) *prescribing and managing medication; and*
- (7) *preventing placement in settings that are more intensive, costly, or restrictive than are necessary and appropriate to meet client needs.*

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of outpatient services:

- (1) *meet the professional qualifications contained in sections 1 to 25;*
- (2) *use a multidisciplinary mental health professional staff including, at a minimum, arrangements for psychiatric consultation, licensed consulting psychologist consultation, and other necessary multidisciplinary mental health professionals;*
- (3) *develop individual treatment plans;*
- (4) *provide initial appointments within three weeks, except in emergencies where there must be immediate access as described in section 9; and*
- (5) *establish fee schedules approved by the county board that are based on a client's ability to pay.*

Sec. 11. [245.471] [COMMUNITY SUPPORT SERVICES PROGRAM.]

Subdivision 1. [AVAILABILITY OF COMMUNITY SUPPORT SERVICES PROGRAM.] By July 1, 1988, county boards must provide or contract for sufficient community support services within the county to meet the needs of persons with serious and persistent mental illness residing in the county. Clients may be required to pay a fee. The county board shall require that all service providers of community support services set fee schedules approved by the county board which are based on the client's ability to pay. The community support services program must be designed to improve the ability of persons with serious and persistent mental illness to:

- (1) *work in a regular or supported work environment;*
- (2) *handle basic activities of daily living;*
- (3) *participate in leisure time activities;*
- (4) *set goals and plans;*
- (5) *obtain and maintain appropriate living arrangements; and*
- (6) *reduce the use of more intensive, costly, or restrictive placements both in number of admissions and lengths of stay as determined by client need.*

Subd. 2. [DAY TREATMENT SERVICES PROVIDED.] (a) By July 1, 1989, day treatment services must be developed as a part of the community support program available to persons with serious and persistent mental illness residing in the county. Clients may be required to pay a fee. Day treatment services must be designed to:

- (1) *provide a structured environment for treatment;*
- (2) *provide family and community support;*

(3) prevent placement in settings that are more intensive, costly, or restrictive than are necessary and appropriate to meet client need; and

(4) establish fee schedules approved by the county board that are based on a client's ability to pay.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) an alternative plan of care exists through the county's community support program for clients who would otherwise need day treatment services;

(2) that day treatment, if included, would be duplicative of other components of the community support program; and

(3) that because of county demographics and geography, the provision of day treatment services is not cost effective and feasible.

Sec. 12. [245.472] [RESIDENTIAL TREATMENT SERVICES.]

Subdivision 1. [AVAILABILITY OF RESIDENTIAL TREATMENT SERVICES.] By July 1, 1988, county boards must provide or contract for enough residential treatment services to meet the needs of all persons with mental illness residing in the county. Residential treatment services include both intensive and structured residential treatment with length of stay based on client residential treatment need. Services must be as close to the county as possible. Residential treatment must be designed to:

(1) prevent placement in settings that are more intensive, costly, or restrictive than are necessary and appropriate to meet client needs;

(2) help clients achieve the highest level of independent living;

(3) help clients gain the necessary skills to be referred to a community support services program or outpatient services; and

(4) stabilize crisis admissions.

Subd. 2. [SPECIFIC REQUIREMENTS.] Providers of residential services must be licensed under applicable rules adopted by the commissioner and must be clinically supervised by a mental health professional.

Sec. 13. [245.473] [ACUTE CARE HOSPITAL INPATIENT SERVICES.]

Subdivision 1. [AVAILABILITY OF ACUTE CARE HOSPITAL INPATIENT SERVICES.] By July 1, 1988, county boards must make available, through contract or direct provision, enough acute care hospital inpatient treatment services as close to the county as possible to meet the needs of persons with mental illness residing in the county. Acute care hospital inpatient treatment services must be designed to:

(1) stabilize and treat the medical, including psychiatric, condition of people with acute or serious and persistent mental illness;

(2) improve functioning; and

(3) facilitate appropriate referrals, follow-up, and placements.

Subd. 2. [SPECIFIC REQUIREMENTS.] Providers of acute care hospital inpatient services must meet applicable standards established by the commissioner of health and the commissioner of human services.

Sec. 14. [245.474] [REGIONAL TREATMENT CENTER INPATIENT SERVICES.]

Subdivision 1. [AVAILABILITY OF REGIONAL TREATMENT CENTER INPATIENT SERVICES.] By July 1, 1987, the commissioner shall make sufficient regional treatment center inpatient services available to people with mental illness throughout the state. Regional treatment centers are responsible to:

- (1) stabilize and treat the medical, including psychiatric, condition of the person with mental illness;*
- (2) improve functioning;*
- (3) strengthen family and community support; and*
- (4) facilitate appropriate discharge, aftercare, and follow-up placements in the community.*

Subd. 2. [QUALITY OF SERVICE.] The commissioner shall biennially determine the needs of all mentally ill patients served by regional treatment centers by administering a client-based evaluation system. The client-based evaluation system must include at least the following independent measurements: behavioral development assessment; habilitation program assessment; medical needs assessment; maladaptive behavioral assessment; and vocational behavior assessment. The commissioner shall propose to the legislature staff ratios for the mental health and support units in regional treatment centers as indicated by the results of the client-based evaluation system. The proposed staffing ratios shall include professional, nursing, direct care, medical, clerical, and support staff based on the client-based evaluation system. The commissioner shall recompute staffing ratios and recommendations on a biennial basis.

Sec. 15. [245.475] [CASE MANAGEMENT SERVICES.]

Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By July 1, 1988, the county board shall provide or contract for sufficient case management services to meet the needs of all persons with serious and persistent mental illness residing in the county. Staffing ratios must be sufficient to serve the needs of the clients.

(b) All providers of case management services must develop an individual service plan. This plan must state for each of their clients:

- (1) the goals of each service;*
- (2) the activities for accomplishing each goal;*
- (3) a schedule for each activity; and*
- (4) the frequency of face-to-face client contacts, as appropriate to client need and implementation of the plan.*

The individual service plan must incorporate all individual treatment plans. The individual treatment plan may not be a substitute for the development of an individual service plan. The individual service plan must be developed within 30 days of client intake and reviewed every 90 days after it is developed. The case manager is responsible for developing the individual service plan based on a diagnostic assessment and on the assessment of client needs, and for implementing and monitoring the delivery of services. To the extent possible, the person with serious and persistent mental illness, the person's family, service providers, and significant others must be involved in all phases of development and implementation of the individual service plan.

Subd. 2. [DESIGNATION OF CASE MANAGER.] The county board shall designate a case manager within five working days after receiving an application for community support services or immediately after authorizing payment for residential treatment, acute care hospital inpatient treatment, or regional treatment center services under section 16.

The county board shall send a written notice to the applicant and the applicant's representative, if any, that identifies the designated case manager.

Subd. 3. [DIAGNOSTIC ASSESSMENT.] The case manager shall promptly arrange for a diagnostic assessment of the applicant when one is not available as described in section 7, subdivision 2, to determine the applicant's eligibility as a person with serious and persistent mental illness for ongoing case management, community support services or other mental health services. The county board shall notify in writing the applicant and the applicant's representative, if any, if the applicant is determined ineligible for services.

Subd. 4. [ARRANGEMENT OF SERVICES.] Upon a determination of eligibility for ongoing case management, the case manager shall develop an individual service plan as specified in subdivision 1, arrange and authorize payment for appropriate services, review the client's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

Subd. 5. [BENEFITS ASSISTANCE.] By July 1, 1988, help in applying for federal benefits, including supplemental security income, medical assistance, and Medicare, must be provided to individuals with serious and persistent mental illness for whom the county is financially responsible and who may qualify for these benefits. The case manager must offer help in applying for federal benefits to all persons with serious and persistent mental illness.

Sec. 16. [245.476] [SCREENING FOR HOSPITAL AND RESIDENTIAL TREATMENT.]

Subdivision 1. [SCREENING REQUIRED.] By January 1, 1989, the county board shall screen all persons before they may be admitted for treatment of mental illness to a residential treatment facility or an acute care inpatient hospital, or informally admitted to a regional treatment center if the mental health block grant, community social service money, general assistance medical care, medical assistance, or the regional treatment center account is used to pay for the services. Screening prior to admission must occur within five working days of the request for placement. If a person is admitted for treatment of mental illness on an emergency basis to a residential facility or acute care hospital or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, screening must occur within five days of the admission. Persons must be screened to ensure that: (1) an admission is necessary, (2) the length of stay is as short as possible consistent with individual client need, and (3) a case manager is immediately assigned to individuals with serious and persistent mental illness and an individual service plan is developed. A county board representative authorized to approve the use of community social service money and the mental health block grant must be involved in the placement decision when the mental health professional conducting

the screening is not a county employee authorized to approve the use of these funds. The screening process and placement decision must be documented.

Subd. 2. [QUALIFICATIONS.] Screening for residential and inpatient services must be conducted by a mental health professional. Mental health professionals providing screening for inpatient and residential services must not be financially affiliated with the admitting acute care inpatient hospital, residential treatment facility, or regional treatment center. The commissioner may waive this requirement in sparsely populated areas.

Subd. 3. [INDIVIDUAL PLACEMENT AGREEMENT.] The county board shall enter into an individual placement agreement with a provider of residential services to a person eligible for services under this section. The agreement must specify the payment rate and terms and conditions of county payment for the placement. The client may be required to pay a fee, based on a fee schedule approved by the county board. The fee charged to the client must be based on the client's ability to pay.

Sec. 17. [245.477] [APPEALS.]

Any person whose application for mental health services under sections 1 to 16 is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated may contest that action before the state agency as specified in section 256.045.

Sec. 18. [245.478] [LOCAL MENTAL HEALTH PROPOSAL.]

Subdivision 1. [TIME PERIOD.] The first local mental health proposal period is from July 1, 1988, to December 31, 1989. The county board shall submit its first proposal to the commissioner by January 1, 1988. The first proposal must be submitted as an amendment to the current community social services plan required by section 256E.09. Subsequent proposals must be an integral part of and on the same two-year cycle as the community social service plan. The proposal must be made available upon request to all residents of the county at the same time it is submitted to the commissioner.

Subd. 2. [PROPOSAL CONTENT.] The local mental health proposal must be an identifiable section of the community social service plan and must include:

(1) the local mental health advisory council's or mental health subcommittee of an existing advisory council's report on unmet needs and any other needs assessment used by the county board in preparing the local mental health proposal;

(2) a description of the local mental health advisory council's or the mental health subcommittee of an existing advisory council's involvement in preparing the local mental health proposal and methods used by the county board to obtain participation of citizens, mental health professionals, and providers in development of the local mental health proposal;

(3) information for the preceding year, including the actual number of clients who received each of the mental health services listed in sections 8 to 16, and actual expenditures and revenues for each mental health service;

(4) for the first proposal period only, information for the year during which the proposal is being prepared:

(i) a description of the current mental health system identifying each mental health service listed in sections 8 to 16;

(ii) a description of each service provider, including a listing of the professional qualifications of the staff involved in service delivery, that is either the sole provider of one of the services described in sections 8 to 16 or that provides over \$10,000 of mental health services per year;

(iii) a description of how the mental health services in the county are unified and coordinated;

(iv) the estimated number of clients receiving each mental health service; and

(v) estimated expenditures and revenues for each mental health service; and

(5) the following information describing how the county board intends to meet the requirements of sections 1 to 25 during the proposal period:

(i) specific objectives and outcome goals for each mental health service listed in sections 8 to 16;

(ii) a description of each service provider, including county agencies, contractors, and subcontractors, that is expected either to be the sole provider of one of the services described in sections 8 to 16 or to provide over \$10,000 of mental health services per year, including a listing of the professional qualifications of the staff involved in service delivery;

(iii) a description of how the mental health services in the county will be unified and coordinated;

(iv) the estimated number of clients who will receive each mental health service; and

(v) estimated expenditures and revenues for each mental health service.

Subd. 3. [PROPOSAL FORMAT.] The local mental health proposal must be made in a format prescribed by the commissioner. The commissioner shall design the format to meet requirements for allocation of funds under both the community social services act, chapter 256E, and the mental health block grant, section 19.

Subd. 4. [PROVIDER APPROVAL.] The commissioner's review of the local mental health proposal must include a review of the qualifications of each service provider required to be identified in the local mental health proposal under subdivision 2. The commissioner may reject a county board's proposal for a particular provider if:

(1) the provider does not meet the professional qualifications contained in sections 1 to 25;

(2) the provider does not possess adequate fiscal stability or controls to provide the proposed services as determined by the commissioner; or

(3) the provider is not in compliance with other applicable state laws or rules.

Subd. 5. [SERVICE APPROVAL.] The commissioner's review of the local mental health proposal must include a review of the appropriateness of the amount and types of mental health services in the local mental health proposal. The commissioner may reject the county board's proposal if the commissioner determines that the amount and types of services proposed

are not cost effective, do not meet client needs, or do not comply with sections 1 to 25.

Subd. 6. [PROPOSAL APPROVAL.] The commissioner shall review each local mental health proposal within 90 days and work with the county board to make any necessary modifications to comply with sections 1 to 25. After the commissioner has approved the proposal, the county board is eligible to receive an allocation from the mental health block grant as described in chapter 19 and community social service state aids under chapter 256E.

Subd. 7. [PARTIAL OR CONDITIONAL APPROVAL.] If the local mental health proposal is in substantial but not full compliance with sections 1 to 25 and necessary modifications cannot be made before the proposal period begins, the commissioner may grant partial or conditional approval and withhold a proportional share of the county board's community social services and mental health block grant allocation until full compliance is achieved.

Subd. 8. [AWARD NOTICE.] Upon approval of the county board proposal, the commissioner shall send a notice of approval for funding. The notice must specify any conditions of funding and is binding on the county board. Failure of the county board to comply with the approved proposal and funding conditions may result in withholding or repayment of funds as specified in section 21.

Subd. 9. [PLAN AMENDMENT.] If the county board finds it necessary to make significant changes in the approved local proposal, it must present the proposed changes to the commissioner for approval at least 60 days before the changes take effect. "Significant changes" means:

(1) the county board proposes to provide a mental health service through a provider other than the provider listed for that service in the approved local proposal;

(2) the county board expects the total annual expenditures for any single mental health service to vary more than ten percent from the amount in the approved local proposal;

(3) the county board expects a combination of changes in expenditures per mental health service to exceed more than ten percent of the total mental health services expenditures; or

(4) the county board proposes a major change in the specific objectives and outcome goals listed in the approved local proposal.

Sec. 19. [245.479] [MENTAL HEALTH BLOCK GRANT.]

Subdivision 1. [DEFINITION.] For purposes of this section, "CSSA base level" means the total expenditures indicated in each county's actual 1987 expenditure report under "State CSSA, Title XX and County Tax" for services to persons with mental illness:

(1) plus the total for emotionally disturbed children placed in Rule 5 facilities under the "Families and Children" target population in the actual 1987 expenditure report. The department of human services and the counties will analyze and determine the number of emotionally disturbed children placed in Rule 5 facilities;

(2) minus the county share for regional treatment center services as identified in the approved 1987 community social service plan for services

to persons with mental illness.

Subd. 2. [ADJUSTMENTS TO CSSA BASE LEVEL.] The commissioner shall work with the county board to develop an adjusted base level as necessary to reflect the following changes:

(1) the county board redefines its community social service expenditures to be more consistent with state reporting instructions under sections 256E.08 and 256E.10; or

(2) the county board demonstrates that a reduced base level is appropriate due to a decline in the county's population.

Subd. 3. [ALLOWABLE USES.] The county board shall use its allocation from the state mental health block grant for mental health services for which other sources of funding are not available. Until December 31, 1989, mental health block grant expenditures must be in addition to expenditures which are defined in the same manner as the CSSA base level in subdivision 1 and are at least equal in total dollars to the CSSA base level. The mental health block grant must not be used for inpatient services as defined in section 2, subdivisions 2 and 22.

Subd. 4. [PAYMENT LIMITS.] Payments to each county from the mental health block grant are limited to the lesser of:

(1) 90 percent of the county's expenditures as defined in subdivision 3 and as described in the approved local proposal; or

(2) the total allocated under subdivisions 8 to 10.

Subd. 5. [COUNTY MATCH.] At least 10 percent of the county's expenditures as defined in subdivision 3 shall be paid from the county's own funds unless the county qualifies for an exception under subdivision 6. These funds must not be funds which the county is also using as the legally required match for other state funds.

Subd. 6. [RECOGNITION OF EXTRA CSSA EFFORT.] The 90 percent limit for the state share in subdivision 4, clause (1), shall be increased if a county's CSSA base level includes extra effort as defined by this subdivision. The increase shall be up to 100 percent and shall equal the amount by which the county's CSSA base level exceeds the sum of the following amounts for the current year:

(1) 20 percent of the county's state community social services allocation under section 256E.06;

(2) the county tax funds required by section 256E.06 to match the state funds in clause (1);

(3) 20 percent of the county's Title XX allocation under section 256E.07; and

(4) 10 percent of the county's mental health block grant allocation under subdivisions 8 to 10.

Subd. 7. [TIME PERIOD FOR ALLOCATIONS.] The first allocations from the mental health block grant must be for the six-month period July 1 to December 31, 1988. Later allocations must be on a calendar year basis.

Subd. 8. [MENTAL HEALTH BLOCK GRANT BASE LEVEL ALLOCATIONS.] Each county's annual allocation from the mental health

block grant must include an amount at least equal to the sum of the following amounts for persons with mental illness who were the financial responsibility of the county board:

(1) the state funds expended by or for the county board under Minnesota Statutes 1986, sections 245.73 and 256E.12, in fiscal year 1987, with the exclusion of grants made for special one-time projects, the exclusion of grants for programs closed in 1987 or 1988, and with the addition of an annualized equivalent of grants made for new programs opening in 1987 or 1988; and

(2) the federal mental health block grant funds allocated for the county board under Minnesota Statutes 1986, section 245.713, subdivision 1, for calendar year 1987.

Subd. 9. [ALLOCATION OF INCREASED FUNDS.] If the statewide total available for allocation under this section is more than the amount in subdivision 8 and the reserve fund in subdivision 10, the increased funds must be distributed on the basis of the number of persons residing in each county as determined by the most recent data of the state demographer.

Subd. 10. [RESERVE FUND.] The reserve fund must include funds returned from counties under section 22. The commissioner shall make allocations from the reserve fund on the following criteria:

(1) the approved local proposal must show that the county board's allocation under subdivisions 8 and 9 will be less than 85 percent of the county board's expenditures in subdivision 3, or the county board provides new information showing that an unexpected increase in the need or cost of mental health services will result in the county board's mental health block grant allocation falling below 85 percent of the county board's expenditures in subdivision 3;

(2) based on past performance, the county board must demonstrate ability to use funds in a cost effective way to provide quality services;

(3) the county board and its contractors must demonstrate that third-party fees, appropriate client fees, and other alternate funds are being used wherever reasonably possible; and

(4) the county board has chosen services and vendors that are cost effective and appropriate to client needs.

Subd. 11. [PAYMENTS TO COUNTY BOARDS.] After the commissioner has approved an allocation from the mental health block grant, payments must be on a quarterly basis. Each payment must include the estimated mental health block grant share for the current quarter and an adjustment based on the actual mental health block grant share for the preceding quarter. The commissioner shall make a payment only after receiving a completed expenditure report for the preceding quarter.

Subd. 12. [COUNTY OF FINANCIAL RESPONSIBILITY.] For purposes of sections 1 to 25, the county of financial responsibility is the same as that for community social services under section 256E.08, subdivision 7. Disputes between counties regarding financial responsibility must be resolved by the commissioner in accordance with section 256D.18, subdivision 4.

Sec. 20. [245.481] [TRANSFER OF FUNDS.]

Subdivision 1. [BETWEEN APPROPRIATIONS.] To establish the mental

health block grant, the appropriations for fiscal year 1989 must include a transfer of funds into the mental health block grant from the appropriations under sections 245.73 and 256E.12.

Subd. 2. [BETWEEN FISCAL YEARS.] Funds appropriated to the commissioner for mental health services for fiscal year 1988 are available for expenditure in fiscal year 1989.

Subd. 3. [LATER APPROPRIATIONS.] Each appropriation for the mental health block grant after fiscal year 1989 shall include an increase at least equal to the projected increase in overall national consumer prices as determined by the commissioner of finance.

Subd. 4. [FUTURE TRANSFERS.] The commissioner shall include in the annual report required under section 1 recommendations regarding additional transfers to the mental health block grant.

Sec. 21. [245.482] [REPORTING AND EVALUATION.]

Subdivision 1. [FISCAL REPORTS.] The commissioner shall develop a unified format for quarterly fiscal reports that will include information that the commissioner determines necessary to carry out sections 1 to 25 and section 256E.08. The county board shall submit a completed fiscal report in the required format no later than 20 days after the end of each quarter.

Subd. 2. [PROGRAM REPORTS.] The commissioner shall develop a unified format for an annual program report that will include information that the commissioner determines necessary to carry out sections 1 to 25 and section 256E.10. The county board shall submit a completed program report in the required format no later than March 15 of each year.

Subd. 3. [PROVIDER REPORTS.] The commissioner may develop a format and procedures for direct reporting from service providers to the commissioner to include information that the commissioner determines necessary to carry out sections 1 to 25. In particular, the provider reports must include aggregate information by county of residence about mental health services paid for by funding sources other than counties.

Subd. 4. [INACCURATE OR INCOMPLETE REPORTS.] The commissioner shall promptly notify a county or provider if a required report is clearly inaccurate or incomplete. The commissioner may delay all or part of a community social services or mental health block grant payment if an appropriately completed report is not received as required by this section.

Subd. 5. [STATEWIDE EVALUATION.] The commissioner shall use the county and provider reports required by this section and chapter 256E to complete the statewide report required in section 1.

Sec. 22. [245.483] [TERMINATION OR RETURN OF AN ALLOCATION.]

Subdivision 1. [FUNDS NOT NEEDED.] If the commissioner determines that funds are not needed to carry out an approved local proposal, or that a county board's projected expenditures will not be sufficient to qualify for its entire mental health block grant allocation, and if the county board agrees the funds are not needed, the county board shall immediately return the unneeded funds. County board agreement is not needed when the county's final expenditure report for the year indicates that the county's actual expenditures were not sufficient to qualify for its entire mental health block

grant allocation.

Subd. 2. [FUNDS NOT PROPERLY USED.] If the commissioner determines that a county is not meeting the requirements of sections 1 to 25 or that funds are not being used according to the approved local proposal, all or part of the community social services and mental health block grant allocation may be terminated upon 30 days notice to the county board. The commissioner may require repayment of any funds not used according to the approved local proposal. If the commissioner receives a written appeal from the county board within the 30-day period, opportunity for a hearing under the Minnesota administrative procedure act, chapter 14, must be provided before the allocation is terminated or is required to be repaid. The 30-day period begins when the county board receives the commissioner's notice by certified mail.

Subd. 3. [USE OF RETURNED FUNDS.] The commissioner may reallocate mental health block grant funds returned under subdivision 1 or 2 through the reserve fund under section 19.

Subd. 4. [DELAYED PAYMENTS.] If the commissioner finds that a county board or its contractors are not in compliance with the approved local proposal or sections 1 to 25, the commissioner may delay all or part of the quarterly community social services and mental health block grant payment until the county board and its contractors meet the requirements. The commissioner shall not delay a payment without first issuing a notice under subdivision 2 that all or part of the allocation will be terminated or required to be repaid.

Subd. 5. [STATE ASSUMPTION OF RESPONSIBILITY.] If the commissioner determines that services required by sections 1 to 25 will not be provided by the county board in the manner or to the extent required by sections 1 to 25, the commissioner shall contract directly with providers to ensure that clients receive appropriate services. In this case, the commissioner shall use the county board's community social services and mental health block grant allocation to the extent necessary to carry out the county's responsibilities under sections 1 to 25. The commissioner shall work with the county board to allow for a return of authority and responsibility to the county board as soon as compliance with sections 1 to 25 can be assured.

Sec. 23. [245.484] [RULES.]

The commissioner shall adopt permanent rules as necessary to carry out sections 1 to 25.

Sec. 24. [245.485] [NO RIGHT OF ACTION.]

Sections 1 to 23 do not independently establish a right of action on behalf of recipients of services or service providers against a county board or the commissioner. A claim for monetary damages must be brought under section 3.736 or 3.751.

Sec. 25. [245.486] [LIMITED APPROPRIATIONS.]

Nothing in sections 1 to 24 shall be construed to require the commissioner or county boards to fund services beyond the limits of legislative appropriations.

Sec. 26. Minnesota Statutes 1986, section 245.713, subdivision 2, is amended to read:

Subd. 2. [TOTAL FUNDS AVAILABLE; REDUCTIONS ALLOCATION.] ~~The amount of funds available for allocation to counties for use by qualified community mental health centers shall be the total amount of Funds granted to the state by the federal government under United States Code, title 42, sections 300X to 300X-9 each federal fiscal year for mental health services reduced by the sum of the following shall be allocated as follows:~~

(a) Any amount set aside by the commissioner of human services for American Indian tribal organizations within the state, which funds shall not duplicate any direct federal funding of American Indian tribal organizations and which funds shall ~~not exceed~~ *be at least 25 percent of the total block grant federal allocation to the state for mental health services; provided that sufficient applications for funding are received by the commissioner which meet the specifications contained in requests for proposals and*. Money from this source may be used for special committees to advise the commissioner on mental health programs and services for American Indians and other minorities or underserved groups; ~~and~~. *For purposes of this subdivision, "American Indian organization" means an American Indian tribe or band or an organization providing mental health services which is legally incorporated as a nonprofit organization registered with the secretary of state and governed by a board of directors having at least a majority of American Indian directors.*

(b) Any amount calculated into the base of the block grant that is made available by the commissioner for qualified community mental health centers that were receiving grants for operations or other continuing grant obligations defined in United States Code, title 42, sections 300X to 300X-9 immediately prior to its enactment.

(c) An amount not to exceed ten percent of the total federal block grant allocation for mental health services to be retained by the commissioner for administration.

(d) (c) Any amount permitted under federal law which the commissioner approves for demonstration or research projects for severely disturbed children and adolescents, the underserved, special populations or multiply disabled mentally ill persons. The groups to be served, the extent and nature of services to be provided, the amount and duration of any grant awards are to be based on criteria set forth in the Alcohol, Drug Abuse and Mental Health Block Grant Law, United States Code, title 42, sections 300X to 300X-9, and on state policies and procedures determined necessary by the commissioner. Grant recipients must comply with applicable state and federal requirements and demonstrate fiscal and program management capabilities that will result in provision of quality, cost-effective services.

(e) (d) The amount required under federal law, for federally mandated expenditures.

(e) An amount not to exceed ten percent of the federal block grant allocation for mental health services to be retained by the commissioner for planning and evaluation.

Sec. 27. Minnesota Statutes 1986, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and re-

sources are insufficient to meet all of this cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in the State Register a proposed list of elective surgeries that require a second medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal;

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 256B.50, subdivision 1, for persons with mental retardation or related conditions who are residing in intermediate care facilities for persons with mental retardation or related conditions. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562;

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section;

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2;

(6) Home health care services;

(7) Private duty nursing services;

(8) Physical therapy and related services;

(9) Dental services, excluding cast metal restorations;

(10) Laboratory and X-ray services;

(11) The following if prescribed by a licensed practitioner: drugs, eye-glasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less

expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over-the-counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act;

(12) Diagnostic, screening, and preventive services;

(13) Health care prepayment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act;

(14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion;

(15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory;

(16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care;

(17) Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies; and

(18) *To the extent authorized by rule of the state agency, case management services to persons with serious and persistent mental illness;*

(19) *To the extent authorized by rule of the state agency, case management services to persons with brain injuries; and*

(20) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law, except licensed chemical dependency treatment programs or primary treatment or extended care treatment units in hospitals that are covered under Laws 1986, chapter 394, sections 8 to 20. The commissioner shall include chemical dependency services in the state medical assistance plan for federal reporting purposes,

but payment must be made under Laws 1986, chapter 394, sections 8 to 20.

Sec. 28. Minnesota Statutes 1986, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and X-ray services, physician's services, medical transportation, chiropractic services as covered under the medical assistance program, podiatric services, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for:

(1) outpatient services provided by a mental health center or clinic which is under contract with the county board and is certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

(2) day treatment services provided under contract with the county board; and

(3) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under section 256B.02, subdivision 8. The rates payable under this section must be calculated according to section 256.966, subdivision 2.

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985, to December 31, 1985, reductions below

the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(d) Any county may, from its own resources, provide medical 5 payments for which state payments are not made.

(e) Chemical dependency services that are reimbursed under Laws 1986, chapter 394, sections 8 to 20, must not be reimbursed under general assistance medical care.

Sec. 29. Minnesota Statutes 1986, section 256E.12, subdivision 3, is amended to read:

Subd. 3. The commissioner shall allocate grants under this section to finance up to 90 percent of each county's costs for services for chronically mentally ill persons. The commissioner shall promulgate emergency and permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping chronically mentally ill persons remain and function in their own communities. The commissioner shall report to the legislature no later than January 15, 1983 on the effectiveness of the experimental program and shall make recommendations regarding making this program an integral part of the social development programs administered by counties. The experimental program shall expire no later than June 30, 1987 1988.

Sec. 30. [REPEALER.]

Minnesota Statutes 1986, section 245.69, subdivision 1a, is repealed effective the day following final enactment. Minnesota Statutes 1986, sections 245.713, subdivisions 1 and 3; 245.73; and 256E.12, are repealed effective July 1, 1988.

Sec. 31. [EFFECTIVE DATE.]

Sections 1 to 18, 23 to 26, and 29 are effective the day following final enactment. Sections 19 to 22, and 27 to 31 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to human services; mandating a comprehensive system of mental health services; amending Minnesota Statutes 1986, sections 245.713, subdivision 2; 256B.02, subdivision 8; 256D.03, subdivision 4; and 256E.12, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.69, subdivision 1a; 245.713, subdivisions 1 and 3; 245.73; and 256E.12."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 294: A bill for an act relating to intoxicating liquor; authorizing counties to issue temporary on-sale licenses; amending Minnesota Statutes 1986, section 340A.404, subdivision 10.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 340A.308, is amended to read:

340A.308 [PROHIBITED TRANSACTIONS.]

(a) No brewer or malt liquor wholesaler may directly or indirectly, or through an affiliate or subsidiary company, or through an officer, director, stockholder, or partner:

- (1) give, or lend money, credit, or other thing of value to a retailer;
- (2) give, lend, lease, or sell furnishing or equipment to a retailer;
- (3) have an interest in a retail license; or
- (4) be bound for the repayment of a loan to a retailer.

(b) This section does not prohibit a manufacturer or wholesaler from:

(1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$100 excluding installation and repair costs;

(2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to \$100 in a year;

(3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100 per tap in a year;

(4) using or renting property owned continually since November 1, 1933,

for the purpose of selling intoxicating or nonintoxicating malt liquor at retail; or

(5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, *or engaging in cooperative advertising agreements with a retailer in connection with the sale of non-alcoholic beverages only.*"

Page 2, after line 7, insert:

"Sec. 3. Minnesota Statutes 1986, section 340A.405, is amended by adding a subdivision to read:

Subd. 4. [TEMPORARY OFF-SALE LICENSES; WINE AUCTIONS.] (a) The governing body of a city may issue a temporary license for the off-sale of wine at an auction with the approval of the commissioner. A license issued under this subdivision authorizes the sale of only vintage wine of a brand and vintage that is not commonly being offered for sale by any wholesaler in Minnesota. The license may authorize the off-sale of wine for not more than three consecutive days provided not more than 600 cases of wine are sold at any auction. The licenses are subject to the terms, including license fee, imposed by the issuing city. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except section 340A.409 and those laws and ordinances which by their nature are not applicable.

(b) As used in the subdivision, "vintage wine" means bottled wine which is at least ten years old."

Page 2, line 9, delete "Section 1" and insert "This act"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "permitting certain transactions by brewers and wholesalers;"

Page 1, line 3, after the semicolon, insert "authorizing cities to issue temporary off-sale licenses for the sale of vintage wine at auctions;"

Page 1, line 4, delete "section" and insert "sections 340A.308;"

Page 1, line 5, before the period, insert "; and 340A.405, by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 450: A bill for an act relating to commerce; regulating the advertisement of interest rates of investment products; proposing coding for new law in Minnesota Statutes, chapter 45.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [45.025] [ADVERTISEMENT OF INTEREST RATES.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section only,

the following terms have the meanings given them:

(a) "Advertisement" includes:

(1) *printed or published material, audio visual material, and descriptive literature of an issuer or agent used in direct mail, newspapers, magazines, other periodicals, radio scripts, television scripts, billboards, and other similar displays, excluding advertisements prepared for the sole purpose of obtaining employees, agents, or agencies;*

(2) *descriptive literature and sales aids of all kinds issued by an issuer or agent for presentation to members of the public, including but not limited to circulars, leaflets, booklets, depictions, illustrations, and form letters;*

(3) *prepared sales talks, presentations, and materials for use by issuers and agents and representations made by issuers and agents in accordance with these talks, presentations, and materials; and*

(4) *statements, written or oral, by an agent or issuer.*

(b) "Agent" is a person who effects or attempts to effect or assist in the purchase or sale of an investment product.

(c) "Commissioner" means the commissioner of commerce.

(d) "Effective annual yield" is the annualized income expressed as a simple interest rate per annum based on the initial investment principal.

(e) "Effective net annual yield" means the effective annual yield, based on a hypothetical \$1,000 investment, minus any annual fee or similar regular periodic charges.

(f) "Investment product" includes but is not limited to:

(1) *certificate of deposits, deposits, or fiduciary funds entrusted to banks, savings associations, trust companies, credit unions, savings banks, industrial loan and thrift companies, and any other financial institution whether or not licensed by or registered with the department of commerce;*

(2) *annuities, endowment policies, or other life insurance products;*

(3) *securities, including: a note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit sharing agreement; collateral trust certificate; preorganizational certificate or subscription; transferrable shares; investment contract, including but not limited to metals, gems, and coins; voting trust certificate; certificate of deposit for a security; certificate of interest or participation in an oil, gas, or mining right, title or lease, or in payments out of production under the right, title or lease; or, in general, any interest or instrument commonly known as a security, or any certificate of interest or participation in, temporary or interim certificate for, receipt for guarantee of, or warrant or right to subscribe to or purchase, any of the securities listed in this clause.*

(g) "Issuer" includes but is not limited to: banks, savings associations, trust companies, credit unions, savings banks, industrial loan and thrift companies, insurance companies, investment companies, trusts, or a person who issues an investment product.

(h) "Person" means an individual, corporation, a partnership, an association, a joint stock company, a trust where the interests of the beneficiaries are evidenced by a security, an unincorporated organization, a

government, a political subdivision of a government, or any other entity.

Subd. 2. [GENERAL RESTRICTION.] A person may not advertise the interest rate of an investment product unless the effective net annual yield is disclosed in an equally prominent manner.

The name and address of the issuer and any prepayment expense, surrender charge, or withdrawal penalty charged by the issuer must also be disclosed in a prominent manner. If the expense, charge, or penalty varies according to the length of time the product is held, the advertisement must disclose the expense, fee, or penalty imposed if surrendered or terminated within one year.

Subd. 3. [VARIABLE RATES.] With the exception of life insurance policy and annuity contract illustrations based upon a prospective purchaser's age and sex that do not provide a comparison with another policy or contract, an investment product whose interest rate varies according to the income or earnings of the issuer may not advertise projections of effective annual yield for a period exceeding one year. In addition, the advertisement must include in a prominent manner substantially the following statement:

"The effective annual yield or total return will fluctuate along with market and other economic conditions. Past performance does not guarantee future results."

Subd. 4. [PAST PERFORMANCE.] If the advertisement refers to the past performance of an investment product, the advertisement must disclose the effective net annual yield for the one-year period immediately preceding the most recent quarter. "Quarters" for the purposes of this subdivision end on March 31, June 30, September 30, and December 31.

Subd. 5. [COMPARATIVE ILLUSTRATIONS.] Illustrations comparing a life insurance policy or annuity contract of one company with a life insurance policy or an annuity contract of another company must clearly disclose with equal prominence for each policy or contract:

- (1) the guaranteed rate of interest paid on the cash value;*
- (2) the current dividend scale or current rate of interest paid on the cash value;*
- (3) the nonguaranteed nature of any current dividends, current interest rates, charges, or other fees applied to the policy or contract, including the issuer's rights to alter any of these factors;*
- (4) any limitations on the crediting of dividends or interest;*
- (5) the frequency and timing by which dividends or the current interest rate is determined; and*
- (6) the net cash surrender value at all ages and contract durations illustrated.*

Subd. 6. [WAIVER.] The commissioner may by rule or order waive or defer implementation of the provisions of subdivisions 2 to 5 with regard to any person or persons who comply with similar restrictions imposed by the Securities and Exchange Commission or other regulatory agency.

Subd. 7. [MISDEMEANOR.] A person who willfully violates a provision of this section, knowing that the advertisement was false or misleading in any material respect, may be fined not more than \$700 or imprisoned not

more than 90 days, or both. Each act in violation of this section constitutes a separate offense and a prosecution or conviction for any violation of this section does not bar prosecution or conviction for another violation under this section.

Subd. 8. [CIVIL REMEDY.] A person violating this section is liable to a purchaser of the investment product. The purchaser may sue either in equity for rescision upon tender of the investment product or at law for damages if the purchaser no longer owns the investment product. In an action for rescision, the purchaser is entitled to recover the consideration paid for the investment product, together with interest at the legal rate, costs, and reasonable attorney fees, less the amount of any income received on the investment product. In an action at law, damages are the consideration paid for the investment product together with interest at the legal rate to the date of disposition, costs, and reasonable attorney fees, less the value of the investment product at the date of disposition. If the advertisement advertises an investment product whose interest rate varies according to the earnings or income of the issuer and if the advertisement projects the accumulated earnings for a period longer than one year, the issuer and agent are jointly and severally liable to the purchaser for the difference in the principal and interest received by the purchaser and the principal and interest as projected in the advertisement.

Subd. 9. [DENIAL, SUSPENSION, OR REVOCATION.] The commissioner may by order deny, suspend, or revoke an agent's or issuer's license or may censure the licensee if the commissioner finds that: (1) the order is in the public interest; (2) the agent or issuer violated any provision of this section; and (3) the agent or issuer is licensed by the department."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing penalties;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1249: A bill for an act relating to small business; modifying the definition of small business; amending Minnesota Statutes 1986, section 645.445, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1986, section 16B.19, subdivision 6, is amended to read:

Subd. 6. [CONTRACTS IN EXCESS OF \$200,000; SET-ASIDE.] The commissioner as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional, or technical services pursuant to section 16B.17 in excess of \$200,000 shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a business owned and operated by a socially or economically disadvantaged person or persons or that at least ten percent of the contract award be expended in purchasing materials or supplies from said

person or persons. If there is no socially or economically disadvantaged person or persons or other small businesses able to perform the subcontract or to provide the supplies or materials, the construction contract or contract for consultant, professional, or technical services may be awarded notwithstanding the ten percent requirement provided that the ten percent requirement is made up in other such contracts awarded or to be awarded by the same agency. Any subcontracting or purchasing of supplies and materials pursuant to this subdivision may not be included in determining the total amount of awards required by subdivisions 1, 2, and 5. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ten percent of the prime contract award, the commissioner shall require that other small businesses perform at least ten percent of the prime contract award. The commissioner may determine that small businesses owned and operated by socially and economically disadvantaged persons are unable to perform at least ten percent of the prime contract award prior to the advertising for bids. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work or supplying supplies and materials on the prime contract and the dollar amount of the work performed or to be performed or the supplies and materials to be supplied. *Once the contract has been awarded, the prime contractor must use the socially and economically disadvantaged subcontractors proposed to be utilized on the project, unless the subcontractors are unable to perform in accordance with the award.*

This subdivision does not apply to prime contractors that are themselves small businesses owned and operated by socially or economically disadvantaged persons, as duly certified pursuant to section 16B.22."

Page 1, line 20, delete "\$2,000,000" and insert "\$2,500,000"

Page 2, line 1, delete "\$2,000,000" and insert "\$2,500,000"

Page 2, after line 2, insert:

"Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring use of certain socially and economically disadvantaged subcontractors;"

Page 1, line 4, delete "section" and insert "sections 16B.19, subdivision 6; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 993: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to make grants to municipalities for the provision of housing for very low income persons; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 462A.05, is amended by adding a subdivision to read:

Subd. 25. [GRANTS FOR HOUSING FOR VERY LOW INCOME PERSONS LIVING ALONE.] The agency may make grants for residential housing to be used by very low income persons living alone whose annual gross income does not exceed 150 percent of the poverty line as updated by the United States office of management and budget. The grants may be made to home rule charter or statutory cities, joint powers boards established by two or more home rule charter or statutory cities, housing and redevelopment authorities created under sections 462.415 to 462.705, or nonprofit entities as defined by the agency. The occupants of the residential housing must be offered a written lease that complies with section 325G.31, offers the occupants the option to renew, and prohibits eviction of an occupant without good cause. Grants under this subdivision shall not exceed 50 percent of the development costs for the residential housing, and shall not be made for any residential housing that requires the occupants to accept board as well as lodging. In making grants, the agency shall determine the circumstances, terms, and conditions under which all or part of the grant will be repaid and the appropriate security if repayment is required.

Sec. 2. Minnesota Statutes 1986, section 462A.21, is amended by adding a subdivision to read:

Subd. 4k. [HOUSING DEVELOPMENT FUND.] The agency may make grants for residential housing for very low income persons under section 1 from funds specifically appropriated by the legislature for that purpose and may pay the costs and expenses for the development and operation of the program.

Sec. 3. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the housing development fund created in section 462A.20 for the purposes of sections 1 and 2."

Delete the title and insert:

"A bill for an act relating to housing; authorizing the Minnesota housing finance agency to make grants for the provision of housing for very low income persons; appropriating money; amending Minnesota Statutes 1986, sections 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1479: A bill for an act relating to economic development; establishing the Minnesota council on quality and productivity and providing for its powers and duties; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [116J.941] [COUNCIL ON PRODUCTIVITY AND QUALITY.]

Subdivision 1. [MEMBERSHIP] The Minnesota council on productivity and quality consists of the commissioner of energy and economic development and eight members, appointed from the general public to four-year terms, who have backgrounds in or are representatives of management, labor, small business, engineering, or business-management education. The governor shall appoint four members, the speaker of the house of representatives shall appoint two members, and the senate majority leader shall appoint four members. The council shall elect two co-chairs from its membership, except that the commissioner of energy and economic development may not serve as a co-chair. Compensation of public members for expenses is as provided for members of advisory task forces under section 15.059, subdivision 6.

Subd. 2. [STAFF] The council may employ an executive director. Subject to the approval of the council, the executive director may employ employees necessary to carry out the council's policies. Council employees, including the executive director, are not state employees, but, at the option of the council, may participate in the state unclassified employees retirement plan, the state deferred compensation plan, and the insurance plans for employees covered by section 43A.18, subdivision 3.

Sec. 2. [116J.942] [COUNCIL ACTIVITIES.]

Subdivision 1. [PUBLIC INFORMATION.] The council shall inform the business community, organized labor, and the general public of the importance of productivity and quality in the workplace to the state and its economy. To do so, the council may use advertisements, press releases, public service announcements, seminars, workshops, or any other means the council deems practical and effective.

Subd. 2. [RESEARCH.] The council shall conduct research into education programs relating to productivity and quality, the effectiveness of those programs, new production technologies, methods of quality control, innovative strategies for marketing goods and services, issues relating to the quality of the workplace, and developments in labor-management relations. The council shall establish a system for receiving and responding to requests for information in those areas.

Subd. 3. [MATCHING FUNDS.] The council shall seek money or in-kind services from the private sector to match money appropriated by the state for its activities. The council may accept gifts, grants, or services from individuals, firms, corporations, foundations, or other organizations.

Subd 4. [CONSULTANTS.] The council shall compile a list of consultants experienced in productivity and quality techniques and education and shall, upon request, provide the names of appropriately qualified con-

sultants to businesses or labor organizations. The list may include the names of individuals, businesses, or organizations willing to provide consulting services without fee to clients selected by the council as an in-kind grant to the council. The council may establish a grant program to assist businesses or labor organizations in need of consulting services, but unable to pay a consulting fee and for which no in-kind grant of services is available.

Subd. 5. [CONTRACT FOR RESEARCH AND MONITORING SERVICES.] The council shall contract with the commissioner of energy and economic development to investigate and monitor developments in productivity and quality in the state and the nation. The investigation may examine the effect of productivity and quality improvements on the state's economy and seek to identify kinds of businesses that could especially benefit from new productivity and quality control techniques.

Subd. 6. [REPORT TO GOVERNOR AND LEGISLATURE.] By January 15 of each odd-numbered year, the council shall report to the governor and the legislature on its activities in the preceding two years. The report must include:

- (1) the means the council used to educate business, labor, and the public on the importance of productivity and quality;
- (2) the number of businesses and labor organizations the council helped to find appropriately qualified consultants;
- (3) the amount of private funds raised to help support the council and its activities;
- (4) a summary of its research and of the results of the investigating and monitoring services provided for it under contract by the commissioner of energy and economic development;
- (5) recommendations for changes in state policies that could improve productivity and quality in the state; and
- (6) a recommendation as to whether the state should continue to appropriate money for the council's activities.

Sec. 3. [INITIAL APPOINTMENTS.]

Notwithstanding section 1, the governor shall make initial appointments to the council as follows: two members to four-year terms and two members to two-year terms. If the position of one of the initial appointees becomes vacant, the governor shall appointment a replacement to serve the remainder of the term for that position.

Sec. 4. [APPROPRIATION.]

§ _____ is appropriated from the general fund to the commissioner of energy and economic development for use by the Minnesota council on productivity and quality in carrying out sections 1 and 2. \$50,000 of the appropriation is available immediately after the appointment of the council. The commissioner shall place the remainder in a separate account and release money from that account to the council only as an equal match for nonstate gifts and grants verified by the commissioner. Up to three-fifths of the required nonstate match may be the value, as determined by the council, of consulting services provided to businesses or labor organizations through the council."

Delete the title and insert:

"A bill for an act relating to economic development; establishing the Minnesota council on productivity and quality; assigning its powers and duties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1437: A bill for an act relating to economic development; providing for review of state-funded scientific and technologically related research; creating a division of science and technology within the department of energy and economic development; creating research review committees and providing for their powers and duties; amending Minnesota Statutes 1986, section 116J.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1986, section 116J.94.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 116J.01, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENTAL ORGANIZATION.] The commissioner shall organize the department as provided in section 15.06. The department shall be organized into four divisions, *one of which shall be designated the energy division, the community development division, the economic development division, and the science and technology division the financial management division*; and the office of tourism. Each division and office is responsible for administering the duties and functions assigned to it by law. When the duties of the divisions or office are not allocated by law, the commissioner may establish and revise the assignments of each division and office. Each division shall be under the direction of a *deputy an assistant* commissioner in the unclassified service. The office of tourism is under the direction of a director of tourism in the unclassified service. The governor shall appoint the director of tourism *and the assistant commissioner for science and technology*.

Sec. 2. [116J.970] [SCIENCE AND TECHNOLOGY RESEARCH DIVISION.]

Subdivision 1. [DUTIES.] The science and technology division shall:

(1) provide assistance to the committee on science and technology research and development established in section 3;

(2) prepare and deliver to the legislature every January 15, a science and technology annual report that shall contain:

(i) a list of the scientifically and technologically related research and development projects and development activities funded by a grant or loan of state money;

(ii) guidelines that the legislature may use in allocating state grant or

loan money for scientifically and technologically related research and development projects, to include assessments of emerging technologies and those technologies that provide significant promise for the development of job-creating businesses; and

(iii) an analysis of the efficacy and completeness of the decentralized research peer review processes mandated in section 3, subdivision 6, with special emphasis on whether or not scientifically and technologically related research and development projects in Minnesota are in conformance with the guidelines established in item (ii), and whether or not the scientifically and technologically related research and development projects have or will result in creating scientifically and technologically related jobs;

(3) keep a current roster of technology intensive businesses in the state;

(4) collect and disseminate information on financial, technical, marketing, management, and other services available to technology intensive small and emerging businesses, including potential sources of debt and equity capital;

(5) review the technological development potential of various regions of the state and cooperate with and make recommendations to the legislature, state agencies, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of the development potential;

(6) sponsor and conduct conferences and studies, collect and disseminate information, and issue periodic reports relating to scientifically and technologically related research and development, and education in the state and represent the state at appropriate interstate and national conferences; and

(7) take other action as assigned by the commissioner.

Sec. 3. [116J.971] [COMMITTEE ON SCIENCE AND TECHNOLOGY RESEARCH AND DEVELOPMENT.]

Subdivision 1. [COMMITTEE CREATED; MEMBERSHIP.] There is created the permanent committee on science and technology research and development. The chair and eight members of the committee shall be appointed by the governor. The chair will serve for a term of four years. The members of the committee appointed by the governor, except for the chair, have terms of six years. One member of the committee shall be appointed by the speaker of the house of representatives at the beginning of each biennium to serve for two years. One member of the committee shall be appointed by the minority leader of the house of representatives at the beginning of each biennium to serve for two years. One member of the committee shall be appointed by the majority leader of the senate at the beginning of each biennium to serve for two years. One member of the committee shall be appointed by the minority leader of the senate at the beginning of each biennium to serve for two years. At least one member must be appointed from each of the regions established in subdivision 2.

Subd. 2. [RURAL REGION REPRESENTATION.] The department of energy and economic development shall divide the part of the state located outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the development regions established under

section 462.385.

Subd. 3. [QUALIFICATIONS AND DUTIES OF THE PERMANENT COMMITTEE.] *The permanent committee on science and technology research and development shall be comprised of persons qualified in at least one of the five following areas: economic development, academic and applied research, the administration of research, the review of research processes, and the management and development of technology intensive companies. The duties of the permanent committee are to:*

(i) advise upon and approve by a majority vote the guidelines required by section 2, clause (2), item (ii);

(ii) advise the assistant commissioner for science and technology on the preparation of the analysis required by section 2, clause (2), item (iii);

(iii) approve the assignment of ad hoc advisory committees on science and technology research and development as needed; and

(iv) review and comment upon, if the committee considers it to be necessary, the reports of the ad hoc advisory committees and forward the reports to the assistant commissioner for science and technology.

Subd. 4. [AD HOC ADVISORY COMMITTEES.] *To perform the acts required by section 2, clause (2), the permanent committee on science and technology research and development may, from time to time, approve the creation and use of ad hoc advisory committees composed of 3 to 15 members each. Members of the permanent committee on science and technology research and development may be ad hoc committee members, but members of the permanent committee may not be a majority of an ad hoc committee.*

Subd. 5. [COMPENSATION.] *Members of the permanent committee on science and technology research and development and of the ad hoc advisory committees shall receive no compensation but shall be paid their expenses under section 15.059, subdivision 6.*

Subd. 6. [PEER REVIEW PLANS.] *A state agency, board, commission, authority, or institution that funds scientifically and technologically related research shall establish a peer review system to evaluate the research. The permanent committee on science and technology research and development shall recommend guidelines for establishing effective peer review. An agency, board, commission, authority, or institution that funds scientifically and technologically related research shall, at least biennially, present to the permanent committee or to ad hoc committees, as determined by the permanent committee, a review and evaluation of the peer review process used in that organization.*

Subd. 7. [AUTHORITY TO PERFORM REQUESTED EVALUATIONS.] *The governor, commissioner or assistant commissioner for science and technology, speaker of the house of representatives, house of representatives minority leader, senate majority leader, senate minority leader, chair of the house of representatives appropriations committee, chair of the senate finance committee, or a member of the legislature considering the introduction or approval of legislation containing funding for scientifically and technologically related research and development, may request the permanent committee on science and technology research and development to evaluate a loan or grant made or to be made or the proposed legislation for funding scientifically and technologically related research and devel-*

opment to determine (1) whether it complies with the guidelines required by section 2, clause (2), item (ii); (2) whether it is technically feasible; and (3) for development proposals, whether the proposal appears to have the potential for economic development. Ad hoc committees may be appointed by the permanent committee to perform these reviews.

Subd. 8. [AUTHORITY FOR REVIEW AND COMMENT UPON RESEARCH AND DEVELOPMENT PROGRAMS.] Each agency, board, commission, authority or institution receiving an appropriation for the funding of scientifically and technologically related research and development shall notify the permanent committee within 30 days of making a loan or grant for scientifically or technologically related research and development. The notice shall contain a copy of the grant or loan application and any contract or agreement under which the loan or grant was made. The permanent committee on science and technology research and development shall, at least once each biennium, review scientifically and technologically related research funded by a state agency, board, commission, authority, or institution to assess whether or not the research and development is conducted in accordance with the guidelines required by section 2, clause (2), item (ii). The committee's assessment shall be sent to the legislature on or before January 15 of every odd-numbered year.

Subd. 9. [STAFF APPOINTMENTS.] The assistant commissioner for science and technology shall appoint those staff members in the classified and unclassified services necessary to perform the functions of the science and technology division. The assistant commissioner shall appoint in the unclassified service an executive director of the permanent committee on science and technology research and development, who shall report to the assistant commissioner. The executive director must hold a post-baccalaureate degree in scientific or technologically related studies, or demonstrate experience in technological policy formulation.

Sec. 4. [RESEARCH LINE ITEMS REQUIRED.]

The commissioner of finance shall establish budget line items that specifically identify funds used for scientifically and technologically related research and development.

Sec. 5. [INITIAL APPOINTMENTS.]

Notwithstanding section 3, subdivision 1, the governor shall make the following initial appointments: the first chair to serve from July 1, 1987, to January 1, 1990; three members to serve from July 1, 1987, to January 1, 1993; three members to serve from July 1, 1987, to January 1, 1991; and two members to serve from July 1, 1987, to January 1, 1989.

Sec. 6. [REPEALER.]

Minnesota Statutes 1986, section 116J.94, is repealed."

Delete the title and insert:

"A bill for an act relating to economic development; providing for review of state-funded scientific and technologically related research; creating a division of science and technology within the department of energy and economic development; creating a committee on science and technology research and development and providing for its powers and duties; amending Minnesota Statutes 1986, section 116J.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1986, section 116J.94."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 971: A bill for an act relating to public finance; modifying and extending means of financing operations of local government and certain nonprofit institutions; providing an income tax exemption for interest earned on certain governmental obligations; amending Minnesota Statutes 1986, sections 124.76, subdivision 2; 290.01, subdivisions 20, 20a, and 20b; 290.091, subdivision 2; 373.01, by adding a subdivision; 400.101; 429.091, by adding a subdivision; 462.429; 462.445, subdivision 4; 462.461, subdivision 4; 462.555; 465.71; 466.06; 471.981, subdivisions 1, 4, and by adding subdivisions; 473.811, subdivision 2; 474.02, subdivision 1d; 475.51, subdivision 3; 475.52, subdivision 3; 475.54, subdivision 1, and by adding subdivisions; 475.55, subdivisions 1, 2, 3, 4, 6, 7, and by adding a subdivision; 475.56; 475.60, subdivision 2; 475.66, subdivision 3; and 475.67, subdivisions 3 and 12; proposing coding for new law in Minnesota Statutes, chapters 116M, 136A, 471, and 475; repealing Minnesota Statutes 1986, sections 475.55, subdivision 5; and 475.67, subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 4, delete sections 1 to 5

Pages 5 to 20, delete sections 7 to 21 and insert:

"Sec. 2. Minnesota Statutes 1986, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1983 payable in 1984 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum re-

quired share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of general assistance as defined in section 256D.02, subdivision 4, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year;

(e) pay the costs of principal and interest on bonded indebtedness *except on bonded indebtedness issued under sections 13 to 16* or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in manufactured homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 274.19, subdivision 8, as amended, is less than the distribution of the manufactured homes tax to the governmental subdivision pursuant to Minnesota Statutes 1969, section 273.13, subdivision 3, in calendar year 1971;

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(k) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing

body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) the increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) the amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(n) recover a loss or refunds in tax receipts incurred in nonspecial levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215

and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, chapter 253, section 3;

(r) compensate for revenue lost as a result of abatement or court action pursuant to section 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(s) pay the total operating cost of a county jail as authorized in section 641.01. If the county government utilizes this special levy, then any amount levied by the county government in the previous year for operating its county jail and included in its previous year's levy limitation computed pursuant to section 275.51 shall be deducted from the current levy limitation;

(t) pay the costs of implementing section 18.023, including sanitation and reforestation;

(u) pay the estimated cost for the following calendar year of the county's share of funding the Minnesota cooperative soil survey; and

(v) pay the costs of meeting the planning requirements of section 115A.46; the requirements of section 115A.917; the planning requirements of the metropolitan plan adopted under section 473.149 and county master plans adopted under section 473.803; waste reduction and source separation programs and facilities; response actions that are financed in part by service charges under section 400.08 or 115A.15, subdivision 6; closure and post-closure care of a solid waste facility closed by order of the pollution control agency or by expiration of an agency permit before January 1, 1989; and current operating and maintenance costs of a publicly-owned solid waste processing facility financed with general obligation bonds issued after a referendum before March 25, 1986."

Page 21, after line 9, insert:

"Sec. 4. Minnesota Statutes 1986, section 429.061, subdivision 2, is amended to read:

Subd. 2. [ADOPTION; INTEREST.] At such meeting or at any adjournment thereof the council shall hear and pass upon all objections to the proposed assessment, whether presented orally or in writing. The council may amend the proposed assessment as to any parcel and by resolution adopt the same as the special assessment against the lands named in the assessment roll. Notice of any adjournment of the hearing shall be adequate if the minutes of the meeting so adjourned show the time and place when and where the hearing is to be continued.

The council may consider any objection to the amount of a proposed assessment as to a specific parcel of land at an adjourned hearing upon further notice to the affected property owner as it deems advisable. At the adjourned hearing the council or a committee of it may hear further written or oral testimony on behalf of the objecting property owner and may consider further written or oral testimony from appropriate city officials and other witnesses as to the amount of the assessment. The council or committee shall prepare a record of the proceedings at the adjourned hearing and written findings as to the amount of the assessment. The amount of the assessment as finally determined by the council shall become a part of the adopted assessment roll. No appeal may be taken as to the amount of any assessment adopted under this section unless written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing. All objections to the assessments not received at the assessment hearing in the manner prescribed by this subdivision are waived, unless the failure to object at the assessment hearing is due to a reasonable cause.

If the adopted assessment differs from the proposed assessment as to any particular lot, piece, or parcel of land, the clerk must mail to the owner a notice stating the amount of the adopted assessment. Owners must also be notified by mail of any changes adopted by the council in interest rates or prepayment requirements from those contained in the notice of the proposed assessment.

The assessment, with accruing interest, shall be a lien upon all private and public property included therein, from the date of the resolution adopting the assessment, concurrent with general taxes; but the lien shall not be enforceable against public property as long as it is publicly owned, and during such period the assessment shall be recoverable from the owner of such property only in the manner and to the extent provided in section 435.19. ~~Except as provided below~~ *Unless otherwise provided in the resolution*, all assessments shall be payable in equal annual installments extending over such period, not exceeding 30 years, as the resolution determines, payable on the first Monday in January in each year, but the number of installments need not be uniform for all assessments included in a single assessment roll if a uniform criterion for determining the number of installments is provided by the resolution. The first installment of each assessment shall be included in the first tax rolls completed after its adoption and shall be payable in the same year as the taxes contained therein; except that the payment of the first installment of any assessment levied upon unimproved property may be deferred until a designated future year, or until the platting of the property or the construction of improvements thereon, upon such terms and conditions and based upon such standards and criteria as may be provided by resolution of the council. If special assessments against the property have been deferred pursuant to this subdivision, the governmental unit shall file with the county recorder in the county in which the property is located a certificate containing the legal description of the affected property and of the amount deferred. In any event, every assessment the payment of which is so deferred, when it becomes payable, shall be divided into a number of installments such that the last installment thereof will be payable not more than 30 years after the levy of the assessment. All assessments shall bear interest at such rate as the resolution determines, ~~not exceeding eight percent per annum~~, ~~except that the rate may in any event equal the average annual interest rate on bonds issued to finance the improvement for which the assessments are~~

levied. To the first installment of each assessment shall be added interest on the entire assessment from a date specified in the resolution levying the assessment, not earlier than the date of the resolution, until December 31 of the year in which the first installment is payable, and to each subsequent installment shall be added interest for one year on all unpaid installments; or alternatively, any assessment may be made payable in equal annual installments including principal and interest, each in the amount annually required to pay the principal over such period with interest at such rate as the resolution determines, not exceeding the maximum period and rate specified above. In the latter event no prepayment shall be accepted under subdivision 3 without payment of all installments due to and including December 31 of the year of prepayment, together with the original principal amount reduced only by the amounts of principal included in such installments, computed on an annual amortization basis. When payment of an assessment is deferred, as authorized in this subdivision, interest thereon for the period of deferment may be made payable annually at the same times as the principal installments of the assessment would have been payable if not deferred; or interest for this period may be added to the principal amount of the assessment when it becomes payable; or, if so provided in the resolution levying the assessment, interest thereon to December 31 of the year before the first installment is payable may be forgiven.

Sec. 5. Minnesota Statutes 1986, section 429.091, subdivision 2, is amended to read:

Subd. 2. [TYPES OF OBLIGATIONS PERMITTED.] ~~Except for bonds issued for a pedestrian skyway system,~~ The council may by resolution adopted prior to the sale of obligations pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest. Such obligations shall be called improvement bonds and the council shall pay the principal and interest out of any fund of the municipality when the amount credited to the specified fund is insufficient for the purpose and shall each year levy a sufficient amount to take care of accumulated or anticipated deficiencies, which levy shall not be subject to any statutory or charter tax limitation. Obligations for the payment of which the full faith and credit of the municipality is not pledged shall be called improvement warrants or, in the case of bonds for fire protection ~~or pedestrian skyway systems,~~ revenue bonds and shall contain a promise to pay solely out of the proper special fund or funds pledged to their payment. It shall be the duty of the municipal treasurer to pay maturing principal and interest on warrants or revenue bonds out of funds on hand in the proper funds and not otherwise."

Pages 22 to 27, delete sections 24 to 26 and insert:

"Sec. 7. Minnesota Statutes 1986, section 462.461, subdivision 4, is amended to read:

Subd. 4. An authority need not require either competitive bidding or bonds in the case of a contract for the acquisition of a low rent housing project for which financial assistance is provided by the federal government or any agency or instrumentality thereof, and which does not require any direct loan or grant of money from the municipality as a condition of such federal financial assistance, and where such contract provides for the construction of such a project upon land not owned by the authority at the time of such contract, or owned by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of such

project or improvements upon completion of construction. *An authority need not require competitive bidding with respect to a structured parking facility constructed in conjunction with, and directly above or below, a housing development project and financed with the proceeds of tax increment or parking ramp revenue bonds.*"

Page 27, lines 29 to 31, delete the new language

Page 28, strike lines 17 to 23

Page 28, delete lines 28 to 34

Pages 28 to 30, delete section 28

Page 30, line 14, reinstate the stricken language and delete the new language

Page 30, lines 15 to 17, delete the new language

Page 30, lines 30 to 32, delete the new language

Page 30, line 32, strike "defense" and insert "limits"

Page 30, line 33, strike "immunity" and insert "liability under section 466.04"

Page 30, line 35, after the period, insert "*Procurement of commercial insurance, participation in a self-insurance pool pursuant to section 471.981, or provision for an individual self-insurance plan with or without a reserve fund or reinsurance shall not constitute a waiver of any of the immunities conferred under section 466.03.*"

Page 31, line 1, delete "30 to 32" and insert "10 to 12"

Page 31, lines 9, 25, and 30, delete "32" and insert "12"

Page 31, line 13, after "to" insert ", or exercising the powers contained in," in both places

Page 31, line 29, after "273.77," insert "*with respect to a project, certification of which is requested before August 1, 1987, or pursuant to*"

Page 32, line 6, delete "solely"

Page 32, line 9, delete "31" and insert "11"

Page 32, line 27, delete "be subject to any liability on the bonds or"

Page 32, line 30, delete "holder or holders" and insert "owner or owners"

Page 32, line 32, delete "prinicipal" and insert "principal"

Page 33, delete section 33

Page 34, line 1, delete "political subdivisions" and insert "counties established by the Minnesota association of counties insurance trust"

Page 34, line 4, after the period, insert "*For purposes of this subdivision and subdivisions 4a, 4b, and 4c, "county" includes a joint powers entity created by counties for a special purpose.*"

Page 34, line 5, delete "political subdivision or"

Page 34, lines 6 and 8, delete "political subdivisions" and insert "counties"

Page 34, line 7, delete "political subdivisions and"

Page 35, lines 7, 28, and 29, delete "*political subdivision*" and insert "*county*"

Page 35, lines 11, 13, and 16, delete "*political*"

Page 35, line 12, delete "*subdivisions*" and insert "*counties*"

Page 35, line 14, delete the first "*subdivisions*" and insert "*counties*"

Page 35, lines 14 and 27, delete "*political subdivisions*" and insert "*counties*"

Page 35, line 17, delete "*subdivision*" and insert "*county*"

Page 35, line 18, delete everything after the period

Page 35, delete line 19

Page 35, line 20, delete everything before "*The*"

Page 35, lines 21, 23, and 25, delete "*fund or*"

Page 35, line 26, delete the second "*obligations*"

Page 35, line 27, delete "*of*" and insert "*payments made or to be made by*" and after "*insurance*" insert "*installment*"

Page 35, line 34, delete "*actuarily*" and insert "*actuarially*"

Page 36, delete lines 7 to 12

Page 36, line 13, delete "*this subdivision.*" and delete "*political*"

Page 36, line 14, delete "*subdivisions*" and insert "*counties*"

Page 36, line 16, delete "*or other obligations*"

Page 36, line 17, delete "*political subdivisions*" and insert "*counties*"

Page 36, line 19, delete "*political subdivision*" and insert "*county*"

Page 36, line 21, delete "*political*"

Page 36, line 22, delete "*subdivision the political subdivision's*" and insert "*county the county's*"

Page 36, line 35, delete "*political subdivision or*"

Page 37, line 7, delete "*political subdivision*" and insert "*county*"

Page 37, line 11, delete "*, and the levies shall*" and insert a period

Page 37, delete lines 12 and 13

Page 37, lines 17 and 18, delete "*political subdivisions*" and insert "*counties*"

Page 38, delete section 39

Pages 38 and 39, delete section 41 and insert:

"Sec. 19. Minnesota Statutes 1986, section 474.02, subdivision 2, is amended to read:

Subd. 2. "Municipality" means any city and any town described in section 368.01 and any county where the project is located outside the boundaries of a city or a town described in section 368.01. In all cases in which a project involves telephonic communications conducted by or to be conducted by a telephone company, or financial or other assistance to rail

users as defined in section 222.48, subdivision 6, for the purpose of making capital investment loans for rail line rehabilitation, "municipality" also means any county. *In any case in which a city or town described in section 368.01 has consented to the issuance of bonds by a county on behalf of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, to finance a project within its boundaries or to refund bonds previously issued by such city or town, "municipality" means any county.*

Sec. 20. Minnesota Statutes 1986, section 474.03, subdivision 12, is amended to read:

Subd. 12. [REFUNDING.] It may issue revenue bonds to refund, in whole or in part, bonds previously issued by the municipality or redevelopment agency under authority of sections 474.01 to 474.13, and interest on them. *The municipality may issue revenue bonds to refund, in whole or in part, bonds previously issued by any other municipality or redevelopment agency on behalf of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, under authority of sections 474.01 to 474.13, and interest on them, but only with the consent of the original issuer of such bonds.*"

Page 40, line 36, after the period, insert "*Subject to any applicable bonds covenants, any payments required to be made by the municipality under the swap agreement may be made from sums secured to pay debt service on the obligations with respect to which the swap agreement was made or from any other available source of the municipality.*"

Page 43, line 3, reinstate the stricken language

Page 43, line 7, reinstate the stricken "the maximum interest rate"

Page 43, line 8, reinstate the stricken "permitted to be charged against the assessments under the"

Page 43, line 9, reinstate the stricken language

Page 44, line 1, after "by" insert "*the corporate trust department of a bank or trust company acting as*" and delete ", remarketing"

Page 44, delete line 2

Page 44, line 3, delete "*otherwise obligated*" and insert "*pursuant to documents executed at the time of issuance of the obligations*" and delete "*or remarket*"

Page 44, line 6, delete "*remarketing*"

Page 44, line 7, delete "*agent,*"

Page 46, lines 1 and 2, reinstate the stricken language

Page 46, line 3, reinstate the stricken "than" and after the stricken "10,000" insert "5,000" and reinstate the stricken ", as defined in section 477A.011, subdivision 3, or"

Page 46, line 4, reinstate the stricken "A" and delete "BAA"

Page 46, line 8, reinstate the stricken language

Page 46, line 21, reinstate the stricken language and delete the new language

Page 46, delete line 22 and insert "~~three-month~~ 12-month period;"

Page 47, line 2, reinstate the stricken language

Page 47, line 10, delete the semicolon

Page 47, delete lines 11 and 12

Page 47, line 13, delete the new language

Pages 47 and 48, delete section 55 and insert:

“Sec. 34. Minnesota Statutes 1986, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in securities described in the preceding clause and repurchase agreements fully collateralized by those securities, if the repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities or (2) a general obligation of the Minnesota housing finance agency, provided that investments under this clause (2) may be made only (i) prior to August 1, 1990, and (ii) for a period of no more than three years,

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System, or

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.”

Page 49, line 36, reinstate the stricken language

Page 50, delete lines 1 to 18 and insert:

“shall be issued and sold more than six months before the refunded obligations mature or are called for redemption in accordance with their terms, unless either (i) as a result of the refunding the average life of the maturities is extended at least five two years or (ii) as of the nominal date of the

refunding obligations the *present value of the dollar amount of the debt service or interest only* on the refunding obligations, computed to their stated maturity dates, after deducting any premium or adding any discount, is lower by at least ~~five~~ *two* percent than the *present value of the dollar amount of debt service or interest only*, as the case may be, on all general obligations refunded, exclusive of any premium or discount, computed to their stated maturity dates; provided that in computing the dollar amount of debt service or interest only on the refunding obligations, any expenses of the refunding payable from a source other than the proceeds of the refunding obligations or the interest derived from the investment thereof shall be added to the dollar amount of debt service or interest only on the refunding obligations. *For purposes of this subdivision, the present value of the dollar amount of debt service means the dollar amount of debt service to be paid, discounted to the nominal date of the refunding obligations at a rate equal to the yield on the refunding obligations.* Expenses of the refunding”

Page 50, lines 19 to 28, reinstate the stricken language

Page 51, delete lines 2 and 3 and insert “Sections 25 to 31, 33, 37, and 38 are”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete “290.01,” and insert “275.50, subdivision 5;”

Page 1, delete line 8

Page 1, line 9, delete “373.01, by adding a subdivision;” and after “400.101;” insert “429.061, subdivision 2;” and before “by” insert “subdivision 2, and”

Page 1, line 10, delete “462.429; 462.445, subdivision 4;”

Page 1, line 11, delete “465.71;”

Page 1, line 12, delete “subdivisions 1,” and insert “subdivision”

Page 1, line 14, delete “1d;” and insert “2; 474.03, subdivision 12;” and delete “475.52;”

Page 1, line 15, delete “subdivision 3;”

Page 1, line 20, delete “116M, 136A;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1105: A bill for an act relating to recreation and natural resources; authorizing grants to local government units for park acquisition and betterment; authorizing dam safety projects; authorizing the acquisition of natural habitat; authorizing acquisition and betterment of units of the outdoor recreation system including, but not limited to, state parks, trails, forests, fishing management lands, wildlife management areas, scientific and natural areas, wild, scenic, and recreational rivers, canoe and boating routes, and public water access; authorizing acquisition and development of amateur athletic training facilities; imposing the sales tax on certain

clubs dues; providing for deposit and expenditures of certain sales tax revenues; authorizing the issuance of state bonds; appropriating money; amending Minnesota Statutes 1986, sections 297A.01, subdivision 3; and 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [BOND SALE; DEBT SERVICE.]

To provide the money appropriated by this act from the state building fund, the state water pollution control fund, and the waste management fund, the commissioner of finance, upon the request of the governor, shall sell and issue bonds of the state in the amount of \$194,882,600 in the manner, upon the terms and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.671, and the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 2. [DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT; APPROPRIATION FOR LOCAL RECREATION GRANTS PROGRAM.]

\$5,000,000 is appropriated from the state building fund to the commissioner of energy and economic development to acquire and better recreation open space projects upon application by local units of government. Projects that receive federal grants must be given priority. Notwithstanding any law to the contrary, grants under this section are not contingent upon the receipt of federal grants. A project may receive grant assistance of up to 50 percent of the total capital cost of the project or, if federal money is used, 50 percent of the local share. A project may not receive grant assistance of more than \$400,000. No local unit of government may receive more than one grant during each fiscal biennium.

\$1,250,000 the first year and \$1,250,000 the second year shall be granted for projects outside the metropolitan area defined in Minnesota Statutes, section 473.121.

Sec. 3. [DEPARTMENT OF NATURAL RESOURCES.]

Subdivision 1. [BRAINERD AIR TANKER BASE.] \$55,000 is appropriated from the state building fund to the commissioner of natural resources to complete construction of an air tanker base at the Brainerd/Crow Wing county airport for use in the suppression of wildfires.

Subd. 2. [APPROPRIATION FOR DAM SAFETY REPAIRS AND IMPROVEMENTS.] \$7,000,000 is appropriated from the state building fund to the commissioner of natural resources for dam safety projects under Minnesota Statutes, section 105.482.

Subd. 3. [APPROPRIATION FOR ACQUISITION AND BETTERMENT OF NATURAL RESOURCE LANDS.] The following sums are appropriated from the state building fund to the commissioner of natural resources to acquire critical natural habitat and to acquire and better public outdoor recreational lands and capital improvements.

(1) *For acquisition of state parks and recreation areas, as listed and described in Minnesota Statutes, sections 85.012 and 85.013.*

\$3,000,000

- | | |
|---|-------------|
| (2) For betterment of state parks and recreational areas, as listed and described in Minnesota Statutes, sections 85.012 and 85.013. | \$6,000,000 |
| (3) For acquisition of state forests listed and described in Minnesota Statutes, section 89.021, and in accordance with plans developed under Minnesota Statutes, section 89.021. | \$2,500,000 |
| (4) For betterment of state forests listed and described in Minnesota Statutes, section 89.021, and in accordance with plans developed under Minnesota Statutes, section 89.012. | \$1,000,000 |
| (5) For betterment of forest roads and bridges as identified in the 1982 Forest Road Plan developed under Minnesota Statutes, section 89.011. | \$ 550,000 |
| (6) For acquisition and betterment of state trails and trails within state parks and other units of the outdoor recreation system as defined in Minnesota Statutes, section 86A.05. | \$6,000,000 |
| (7) For acquisition of wildlife management areas pursuant to Minnesota Statutes, sections 97A.135, subdivision 1, and 97A.145, subdivisions 1 and 2, and wetlands under the water bank program pursuant to Minnesota Statutes, section 105.392. | \$5,000,000 |
| (8) For betterment of wildlife management areas, acquired pursuant to Minnesota Statutes, sections 97A.135, subdivision 1, and 97A.145, subdivision 1. | \$1,000,000 |
| (9) For acquisition of scientific and natural areas pursuant to Minnesota Statutes, section 84.033. | \$3,200,000 |
| (10) For betterment of scientific and natural areas designated pursuant to Minnesota Statutes, section 84.033. | \$ 750,000 |
| (11) For acquisition and betterment of water access sites pursuant to Minnesota Statutes, section 97A.141, subdivisions 1 and 2. | \$1,500,000 |
| (12) For acquisition of wild, scenic, and recreational rivers, pursuant to Minnesota Statutes, sections 104.25, subdivision 3, and 104.37, and canoe and boating, routes, portages, and camp sites, as listed in Minnesota Statutes, section 85.32. | \$ 950,000 |

Subd. 4. [PROFESSIONAL SERVICES; COMPLEMENT.] The commissioner of natural resources shall provide the necessary professional services for the performance of the duties under this section from the amount appropriated for the various purposes. An approved complement of 34 unclassified positions is authorized.

Subd. 5. [LAND ACQUISITION.] Lands must be acquired by the commissioner of natural resources in accordance with policies established in Minnesota Statutes, sections 86A.01 to 86A.09. Lands acquired for each unit of the outdoor recreational system must be suited for the purpose of

that unit and suited for management in accordance with principles applicable to it. The commissioner of natural resources shall submit semiannual work plans to the legislative commission on Minnesota resources and shall submit a work program to the commission and request its recommendation before spending any money appropriated by this section for any purpose. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 4. [METROPOLITAN AREA RECREATIONAL OPEN SPACE LANDS; APPROPRIATION FOR ACQUISITION AND BETTERMENT.]

\$34,000,000 is appropriated from the state building fund to the commissioner of energy and economic development for payment to the metropolitan council established under Minnesota Statutes, section 473.123. The commissioner shall transfer the amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of acquisition and betterment by the metropolitan council and local government units of regional recreational open space lands in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.315 and 473.341, including relocation costs and tax equivalents required to be paid by Minnesota Statutes, sections 473.315 and 473.341. Of the amount appropriated by this section, the council may expend \$6,000,000 for the acquisition and betterment of land on Lake Minnetonka for a regional park, and no more than \$400,000 for staff and independent professional services necessary to acquire and better open space and for the performance of duties of the metropolitan council under this section.

This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. [POLLUTION CONTROL AGENCY.]

The following sums are appropriated from the water pollution control fund to the pollution control agency for the purposes specified in this section. The approved complement of the pollution control agency is increased by 11 positions.

(1) For independent state construction grants	\$52,528,400
(2) For grant administration	\$ 800,000
(3) For combined sewer overflow	\$16,547,000
(4) For match to the federal revolving loan program	\$ 3,212,200

Sec. 6. [WASTE MANAGEMENT BOARD.]

\$6,000,000 is appropriated from the waste management fund to the waste management board for the program of state capital assistance grants to local projects to develop feasible and prudent alternatives to disposal of solid waste. Up to \$300,000 may be spent for administration and technical and professional services. The approved complement of the waste management board is increased by one position.

Sec. 7. [APPROPRIATIONS FOR AMATEUR ATHLETIC TRAINING FACILITIES.]

Subdivision 1. [COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT.] The following sums are appropriated from the state building fund to the commissioner of energy and economic development to

acquire and better amateur athletic training facilities.

- | | |
|---|--------------|
| (1) For a stadium, track and field, soccer, and training center in the city of Blaine | \$14,700,000 |
| (2) For a velodrome in the city of Blaine | \$ 700,000 |
| (3) For an ice hockey training center in the city of Blaine | \$ 3,000,000 |
| (4) For statewide ski jumping planning | \$ 25,000 |
| (5) For a speedskating center in the city of Roseville | \$ 3,000,000 |

Subd. 2. [IRON RANGE RESOURCES AND REHABILITATION BOARD.] The following sums are appropriated from the state building fund to the iron range resources and rehabilitation board to acquire and better amateur athletic training facilities at Biwabik.

- | | |
|--|--------------|
| (1) For expansion of the Giants Ridge ski center | \$ 2,245,000 |
| (2) For a canoe and kayak center | \$ 100,000 |
| (3) For a fieldhouse and multi-sport complex | \$ 3,400,000 |
| (4) Water system | \$ 1,700,000 |
| (5) Sewage system | \$ 1,700,000 |

Subd. 3. [UNIVERSITY OF MINNESOTA.] The following sums are appropriated from the state building fund to the board of regents of the University of Minnesota to acquire and better amateur athletic training facilities.

- | | |
|---------------------------|--------------|
| (1) For a swimming center | \$ 3,000,000 |
| (2) For a fencing center | \$ 250,000 |

Subd. 4. [STATE UNIVERSITY BOARD.] \$7,470,000 is appropriated from the state building fund to the state university board to construct a multi-purpose recreational and instructional facility at Bemidji State University, including a running track, weight room, racquetball courts, dance studio, seminar rooms, office space, and related facilities, and to improve the outdoor stadium.

Sec. 8. Minnesota Statutes 1986, section 115A.58, subdivision 5, is amended to read:

Subd. 5. [APPROPRIATIONS TO DEBT SERVICE ACCOUNT; APPROPRIATION FROM ACCOUNT TO PAY DEBT SERVICE.] The premium and accrued interest received on each issue of Minnesota state waste management bonds, and all payments received in repayment of loans and other revenues received are appropriated to the debt service account. All income from the investment of the Minnesota state waste management fund is appropriated to the debt service account. A sum sufficient to pay all principal and interest on the waste management bonds authorized by this act due and to become due before July 1 in the second ensuing year is appropriated from the motor vehicle transfer fund for transfer to the debt service account on November 1 in each year. In order to reduce the amount of taxes otherwise required to be levied, there is also appropriated to the debt service account from any funds available in the general fund on November 1 in each year, a sum of money sufficient in amount, when added to the balance then on hand, to pay all principal and interest on Minnesota waste management bonds due and to become due before July 1 in the second ensuing year. So much of the debt service account of the state waste man-

agement fund as is necessary to pay principal and interest on waste management bonds is annually appropriated from the debt service account for the payment of principal and interest of the waste management bonds. All funds appropriated by this subdivision shall be available in the debt service account prior to any levy of the tax in any year required by the Minnesota Constitution, article XI, section 7.

Sec. 9. Minnesota Statutes 1986, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter. "Sales" also include the transfer of computer software, meaning information and directions which dictate the function to be performed by data processing equipment and which are sold without adaptation to the specific requirements of the purchaser. This type of computer software, whether contained on tape, discs, cards, or other devices, shall be considered tangible personal property;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges, or the occasional meal thereof by a charitable or church organization. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

- (i) heated food or drinks;
- (ii) sandwiches prepared by the retailer;
- (iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;
- (iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;
- (v) soft drinks and other beverages prepared or served by the retailer;
- (vi) gum;
- (vii) ice;
- (viii) all food sold in vending machines;
- (ix) party trays prepared by the retailers; and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement or athletic events and the privilege of use of amusement devices or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service and intrastate toll service; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9, the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association but shall not apply with respect to the sale of a horse bred and born in the state of Minnesota;

(i) The granting of membership in a club, association or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities without regard to whether a separate charge is assessed for use of the facilities; and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools and other similar athletic or sports facilities.

Sec. 10. Minnesota Statutes 1986, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) All revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the agricultural resource loan guaranty

fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty fund shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) Revenues, including interest and penalties, derived from the excise and use taxes imposed on sales as defined in section 297A.01, subdivision 3, clause (i), must be deposited in the state treasury and credited to the amateur athletic facilities account in the general fund.

Sec. 11. [16A.87] [AMATEUR ATHLETIC FACILITIES ACCOUNT.]

(a) An amateur athletic facilities account is created in the general fund to receive the money deposited under section 297A.44, subdivision 1, paragraph (c). The money in the account must be used to repay principal and interest on the bonds issued to finance projects authorized under section 7. The commissioner of finance must transfer from the money in the account to the state bond fund on December 1 of each year an amount equal to the share of the appropriation under section 16A.641, subdivision 10, that is attributable to bonds issued for projects authorized under section 7.

(b) If the commissioner of finance determines that the money in the account will be sufficient to pay the bond obligations as provided by paragraph (a), any excess money in the fund may be expended to operate and maintain the facilities constructed with the bonds. The amount so determined is appropriated to the commissioner of energy and economic development, the iron range resources and rehabilitation board, and the board of regents of the University of Minnesota in the proportion that the commissioner of finance determines is proper.

(c) The money in the amateur athletic facilities account is annually appropriated to the commissioner of finance for the purposes specified in this section."

Amend the title as follows:

Page 1, line 12, after "access;" insert "providing for open space improvements in the metropolitan area;"

Page 1, line 18, after "sections" insert "115A.58, subdivision 5;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

H.F. No. 1207: A bill for an act relating to real property; altering certain redemption periods; amending Minnesota Statutes 1986, section 580.23, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after "2." insert "[12-MONTH REDEMPTION PERIOD.]"

Page 1, line 15, strike "(a)" and insert "(1)"

Page 1, line 16, strike "(b)" and insert "(2)"

Page 1, line 19, strike "(c)" and insert "(3)"

Page 1, line 22, delete "(d)" and insert "(4)"

Page 1, line 23, delete "used" and insert "in agricultural use"

Page 1, line 24, delete "primarily for farming" and delete "500.24" and insert "40A.02"

Page 1, line 25, delete "2" and insert "3"

Page 2, line 1, delete "(e)" and insert "(5)"

Page 2, after line 2, insert:

"Sec. 2. Minnesota Statutes 1986, section 580.23, is amended by adding a subdivision to read:

Subd. 3. [AFFIDAVIT OF AGRICULTURAL USE.] An affidavit signed by the mortgagor and a certificate signed by the county assessor where the land is located stating that the mortgaged premises as legally described in the affidavit and certificate are not in agricultural use as defined in section 40A.02, subdivision 3, may be recorded in the office of the county recorder or registrar of titles where the property is located and are prima facie evidence of the facts contained in the affidavit and certificate."

Amend the title as follows:

Page 1, line 4, after "2" insert ", and by adding a subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 956, 1258, 921, 1243, 865, 1099, 200, 973, 449, 377, 506, 1331, 1277, 1161, 1063, 1452, 1272, 666, 1101, 724, 473, 1249 and 971 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 444, 281, 334, 26, 1213, 217, 638, 830, 1141, 904, 836, 294 and 450 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1116. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1270. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1275. The motion prevailed.

Mr. Luther moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1321. The motion prevailed.

Mr. Kroening moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 1372. The motion prevailed.

Ms. Piper moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1376. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Ramstad be added as a co-

author to S.F. No. 1468. The motion prevailed.

Mr. Luther moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1479. The motion prevailed.

CALENDAR

S.F. No. 863: A bill for an act relating to horse racing; authorizing the racing commission to issue an additional license for a racetrack in the seven-county metropolitan area to be used for standard-bred racing; amending Minnesota Statutes 1986, sections 240.06, by adding a subdivision; and 240.14, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Moe, R.D.	Schmitz
Anderson	Dicklich	Jude	Morse	Solon
Beckman	Diessner	Knaak	Novak	Spear
Benson	Frank	Kroening	Olson	Storm
Berg	Frederick	Laidig	Pehler	Vickerman
Bernhagen	Frederickson, D.J.	Langseth	Peterson, R.W.	Waldorf
Bertram	Frederickson, D.R.	Lantry	Pogemiller	Wegscheid
Chmielewski	Freeman	McQuaid	Ramstad	Willet
Cohen	Hughes	Mehrkens	Renneke	
Davis	Johnson, D.E.	Merriam	Samuelson	

Those who voted in the negative were:

Belanger	Brataas	Larson	Metzen	Peterson, D.C.
Berglin	Gustafson	Lessard	Moe, D.M.	Reichgott
Brandl	Knutson			

So the bill passed and its title was agreed to.

S.F. No. 678: A bill for an act relating to natural resources; authorizing Rice Creek watershed district to increase the administrative fund amount.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Metzen	Samuelson
Anderson	Dicklich	Knaak	Moe, D.M.	Schmitz
Beckman	Diessner	Knutson	Moe, R.D.	Solon
Belanger	Frank	Kroening	Morse	Spear
Benson	Frederick	Laidig	Novak	Storm
Berg	Frederickson, D.J.	Langseth	Olson	Vickerman
Berglin	Frederickson, D.R.	Lantry	Peterson, D.C.	Waldorf
Bernhagen	Freeman	Larson	Peterson, R.W.	Wegscheid
Brataas	Gustafson	Lessard	Pogemiller	Willet
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Davis	Johnson, D.J.	Merriam	Renneke	

Messrs. Bertram, Brandl and Pehler voted in the negative.

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 1390: A bill for an act relating to utilities; providing for representation of small business by attorney general in certain proceedings relating to utility rates, service, and other matters; amending Minnesota Statutes 1986, section 8.33.

Mr. Dicklich moved that H.F. No. 1390, No. 1 on the Consent Calendar, be stricken and placed at the bottom of General Orders. The motion prevailed.

S.F. No. 1296: A bill for an act relating to Gillette Children's Hospital; clarifying the hospital's exemption from certain tax provisions; amending Minnesota Statutes 1986, section 250.05, by adding subdivisions.

Ms. Berglin moved to amend S.F. No. 1296 as follows:

Page 2, after line 14, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

The motion prevailed. So the amendment was adopted.

S.F. No. 1296 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrrens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Belanger	Dicklich	Knutson	Moe, D.M.	Schmitz
Benson	Diessner	Kroening	Moe, R.D.	Solon
Berg	Frank	Laidig	Morse	Spear
Berglin	Frederick	Langseth	Novak	Storm
Bernhagen	Frederickson, D.J.	Lantry	Olson	Vickerman
Bertram	Frederickson, D.R.	Larson	Pehler	Waldorf
Brandl	Freeman	Lessard	Peterson, D.C.	Wegscheid
Brataas	Gustafson	Luther	Peterson, R.W.	Willet
Chmielewski	Hughes	Marty	Piper	
Cohen	Johnson, D.E.	McQuaid	Pogemiller	

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

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

H.F. No. 510, which the committee recommends to pass with the following amendment offered by Mr. Wegscheid:

Page 9, after line 23, insert:

"Sec. 16. [HISTORICAL SOCIETY.]

Dakota county, in addition to the authority provided by section 138.051, may provide financial and accounting services, including payroll management and records, to the Dakota county historical society. Notwith-

standing this section or any other law to the contrary, Dakota county historical society employees shall not be deemed county employees for any other purpose."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing the county to provide certain services to the Dakota county historical society;"

The motion prevailed. So the amendment was adopted.

S.F. No. 134, which the committee reports progress, after the following motion:

Mr. Dicklich moved to amend S.F. No. 134 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 216B.03, is amended to read:

216B.03 [REASONABLE RATE.]

Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial or discriminatory, but shall be sufficient, equitable and consistent in application to a class of consumers. *Demand charges for a class of customers which include a customer with a connected load of over 100,000 kilowatts may not exceed the fixed cost of providing service to the class of customers, and may not include any recovery of any portion of the utility's authorized rate of return on equity.* To the maximum reasonable extent, the commission shall set rates to encourage energy conservation and renewable energy use and to further the goals of sections 116J.05, 216B.164, and 216B.241. Any doubt as to reasonableness should be resolved in favor of the consumer. For rate making purposes a public utility may treat two or more municipalities served by it as a single class wherever the populations are comparable in size or the conditions of service are similar.

Sec. 2. Minnesota Statutes 1986, section 216B.50, is amended by adding a subdivision to read:

Subd. 4. [ADJUSTMENT TO RATES.] The commission, as part of its investigation under subdivision 1, shall determine the extent to which and when any gain from a sale of a plant must be passed through to the utility's customers. Any pass through of a gain must be allocated in the utility's next general rate case to each customer class in the same proportion as the class was allocated or assigned the costs of the plant that was sold.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Section 2 is effective the day following final enactment and applies to any application for approval of the sale or purchase of a power plant filed after December 1, 1986."

Delete the title and insert:

"A bill for an act relating to utilities; requiring that demand charges for large customers of electric utilities not exceed certain costs; regulating the sale of power plants; amending Minnesota Statutes 1986, sections 216B.03;

and 216B.50, by adding a subdivision.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 31, as follows:

Those who voted in the affirmative were:

Berglin	Frederickson, D.J.	Kroening	Morse	Samuelson
Brandl	Frederickson, D.R.	Laidig	Novak	Schmitz
Cohen	Freeman	Langseth	Olson	Willet
Dahl	Johnson, D.J.	Lessard	Peterson, D.C.	
Davis	Jude	Luther	Piper	
DeCramer	Knaak	Marty	Pogemiller	
Dicklich	Knutson	Merriam	Reichgott	

Those who voted in the negative were:

Adkins	Bertram	Hughes	Moe, D.M.	Vickerman
Anderson	Brataas	Johnson, D.E.	Peterson, R. W.	Waldorf
Beckman	Chmielewski	Lantry	Ramstad	Wegscheid
Belanger	Diessner	Larson	Renneke	
Benson	Frank	McQuaid	Solon	
Berg	Frederick	Mehrkens	Spear	
Bernhagen	Gustafson	Metzen	Storm	

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

S.F. No. 134 was then progressed.

On motion of Mr. Luther the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Merriam and Novak introduced—

S.F. No. 1504: A bill for an act relating to the county of Anoka; exempting an allocation of issuance authority for a solid waste project from the notice of issue filing deadline.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dicklich, Marty and Luther introduced—

S.F. No. 1505: A bill for an act relating to utilities; defining terms; establishing least-cost planning; appropriating money; amending Minnesota Statutes 1986, sections 216B.02, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Public Utilities and Energy.

Mr. Dicklich introduced—

S.F. No. 1506: A bill for an act relating to retirement; Minnesota state retirement system; teachers retirement association; authorizing early un-reduced retirement under the rule of 90; amending Minnesota Statutes 1986, sections 352.116, by adding a subdivision; and 354.44, subdivision 6.

Referred to the Committee on Governmental Operations.

Mr. Lessard introduced—

S.F. No. 1507: A bill for an act relating to veterans; requiring the construction of a veterans home in Grand Rapids with the use of nonstate funds and providing for the operation and administration of the home; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans.

Mr. Taylor, Mrs. McQuaid, Mr. Wegscheid, Mrs. Lantry and Ms. Olson introduced—

S.F. No. 1508: A bill for an act relating to child care; expanding eligibility for child care sliding fee program; providing for reimbursement of child care provider accreditation fees; creating an office of child care providers assistance in the department of human services; increasing the number of certain licensing inspections; requiring a study of day care funding sources; requiring a privately operated child care in capitol complex; establishing state policy for certain inspections; exempting construction materials and equipment from sales tax; creating a tuition tax credit; creating an employer tax credit for child care operations; establishing state grants to county government; appropriating money; amending Minnesota Statutes 1986, sections 16B.04, subdivision 2; 16B.39, by adding a subdivision; 245.783, by adding a subdivision; 245.884; 256.01, subdivision 2; 268.91, subdivision 4, and by adding a subdivision; 290.06, by adding subdivisions; and 297A.25, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245 and 256.

Referred to the Committee on Health and Human Services.

Messrs. Lessard, Solon, Chmielewski, Mrs. Adkins and Mr. Kroening introduced—

S.F. No. 1509: A bill for an act relating to family law; abolishing certain limitations on paternity actions; amending Minnesota Statutes 1986, section 257.57, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Lessard, Solon, Chmielewski, Mrs. Adkins and Mr. Kroening introduced—

S.F. No. 1510: A bill for an act relating to marriage dissolution; regulating awards of spousal maintenance; repealing Minnesota Statutes 1986, section 518.552, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Wegscheid introduced—

S.F. No. 1511: A bill for an act relating to commerce; regulating personal property locker facilities; providing licensing and bonding requirements; regulating rental agreements; providing minimum health and safety standards; proposing coding for new law as Minnesota Statutes, chapter 504A.

Referred to the Committee on Commerce.

MEMBERS EXCUSED

Messrs. Purfeerst, Stumpf and Taylor were excused from the Session of today. Mr. Pehler was excused from the Session of today at 2:55 p.m. Ms. Piper was excused from the Session of today from 2:00 to 2:15 p.m. Mr. Dahl was excused from the Session of today from 2:00 to 2:20 p.m.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 3:00 p.m., Wednesday, April 29, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

THIRTY-NINTH DAY

St. Paul, Minnesota, Wednesday, April 29, 1987

The Senate met at 3:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. James D. Gorman.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 28, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 440.

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 59, 324, 365, 341 and 698.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1987

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 89: A bill for an act relating to agriculture; clarifying and amending the farmer-lender mediation act; amending Minnesota Statutes 1986, sections 336.9-501; 550.365; 559.209; 581.015; 583.22, subdivisions 2 and 8, and by adding a subdivision; 583.24, subdivisions 1, 3, and by adding a subdivision; 583.26, subdivisions 1, 2, 3, 4, 5, 6, 8, 9, and by adding a subdivision; 583.27, subdivisions 1, 3, and 4; 583.28; and 583.285; proposing coding for new law in Minnesota Statutes, chapter 583.

Senate File No. 89 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1987

Mr. Berg moved that the Senate do not concur in the amendments by the House to S.F. No. 89, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 248: A bill for an act relating to elections; ensuring the availability of absentee ballots for statewide elections; amending Minnesota Statutes 1986, sections 40.05, subdivision 3; 203B.05, subdivision 2; 204B.09, subdivision 2; 204B.35, subdivision 4; 205.065, subdivisions 2 and 3; and 205.13, subdivision 1.

Senate File No. 248 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1987

CONCURRENCE AND REPASSAGE

Ms. Peterson, D.C. moved that the Senate concur in the amendments by the House to S.F. No. 248 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 248: A bill for an act relating to elections; ensuring the availability of absentee ballots for statewide elections; amending Minnesota Statutes 1986, sections 40.05, subdivision 3; 123.32, subdivision 4; 203B.05, subdivision 2; 204B.35, subdivision 4; 205.02, subdivision 2; 205.065, subdivisions 2 and 3; and 205.13, subdivision 1.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Moe, R.D.	Solon
Anderson	Davis	Jude	Morse	Spear
Beckman	Dicklich	Knaak	Olson	Storm
Belanger	Diessner	Kroening	Pehler	Stumpf
Benson	Frank	Lantry	Peterson, D.C.	Taylor
Berg	Frederick	Larson	Peterson, R.W.	Vickerman
Berglin	Frederickson, D.J.	Luther	Piper	Waldorf
Bertram	Frank	Luther	Pogemiller	Willet
Brandl	Freeman	McQuaid	Purfeerst	
Brataas	Gustafson	Mehrkens	Ramstad	
Chmielewski	Hughes	Merriam	Renneke	
Cohen	Johnson, D.E.	Metzen	Schmitz	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1015: A bill for an act relating to public safety; regulating boilers and their operation; amending Minnesota Statutes 1986, sections 183.375, subdivision 2; 183.411, by adding a subdivision; 183.42; 183.545, subdivision 4; and 183.56; repealing Minnesota Statutes 1986, section 183.545, subdivision 5.

Senate File No. 1015 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1987

CONCURRENCE AND REPASSAGE

Mrs. Lantry moved that the Senate concur in the amendments by the House to S.F. No. 1015 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1015: A bill for an act relating to public safety; regulating boilers

and their operation; amending Minnesota Statutes 1986, sections 183.375, subdivision 2; 183.411, subdivision 2, and by adding a subdivision; 183.42; 183.545, subdivision 4; and 183.56; repealing Minnesota Statutes 1986, section 183.545, subdivision 5.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	Dicklich	Knaak	Moe, R.D.	Renneke
Belanger	Diessner	Kroening	Morse	Schmitz
Benson	Frank	Langseth	Novak	Storm
Berg	Frederick	Lantry	Olson	Stumpf
Berglin	Frederickson, D.J.	Larson	Pehler	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brandl	Freeman	Luther	Peterson, R.W.	Waldorf
Brataas	Gustafson	Marty	Piper	Wegscheid
Chmielewski	Hughes	McQuaid	Pogemiller	Willet
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 142, 1185, 1495, 464, 521, 909, 1041, 1113, 654, 1281, 291, 1103, 1263, 1312, 853, 1230, 1412, 969, 990 and 1015.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 142: A bill for an act relating to drivers' licenses; permitting limited license for homemaker; amending Minnesota Statutes 1986, section 171.30, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 29, now on General Orders.

H.F. No. 1185: A bill for an act relating to education; clarifying that funds may not be transferred from the debt redemption fund; amending Minnesota Statutes 1986, section 121.9121, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 371, now on General Orders.

H.F. No. 1495: A bill for an act relating to liquor; authorizing the city of Little Falls to issue a temporary on-sale intoxicating liquor license.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 990, now on General Orders.

H.F. No. 464: A bill for an act relating to insurance; accident and health; increasing the maximum lifetime benefit for major medical coverage; amending Minnesota Statutes 1986, sections 62E.04, subdivision 4; and 62E.06, subdivision 1.

Referred to the Committee on Commerce.

H.F. No. 521: A bill for an act relating to lake improvement districts; providing for notice of their annual meetings; amending Minnesota Statutes 1986, section 378.545, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 378.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 909: A bill for an act relating to waters; changing the posting and publication of notice requirements for aeration operations by a permittee of the commissioner of natural resources; providing an exclusion from government tort liability; amending Minnesota Statutes 1986, sections 3.736, subdivision 3; and 378.22, subdivisions 2 and 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 801.

H.F. No. 1041: A bill for an act relating to adoption; requiring certain notifications to parents placing a child for adoption and to proposed adoptive parents; specifying that adoptive parents may not voluntarily terminate parental rights for any reason not available to birth parents; amending Minnesota Statutes 1986, sections 259.24, subdivision 5; 259.25, subdivision 1; and 260.221; proposing coding for new law in Minnesota Statutes, chapter 259.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1478.

H.F. No. 1113: A bill for an act relating to state departments and agencies; abolishing the Minnesota humane society as a state agency and authorizing its formation as a state federation of county and district societies; providing for the powers and duties of county and district societies and for the prevention of cruelty to animals; amending Minnesota Statutes 1986, sections 16B.51, subdivision 1; 43A.27, subdivision 2; 343.01; 343.06; 343.10; 343.12; 343.22, subdivision 1; 343.29, subdivision 1; 346.37, subdivision 6; and 347.37; repealing Minnesota Statutes 1986, section 343.08.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1452.

H.F. No. 654: A bill for an act relating to metropolitan government; providing for the composition of the metropolitan airports commission; requiring plans and reports on noise, capacity, and other matters at Minneapolis-St. Paul International Airport; amending Minnesota Statutes 1986, sections 473.604, subdivision 1; 473.612; and 473.621, subdivision 1a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 923, now on General Orders.

H.F. No. 1281: A bill for an act relating to local government; authorizing Lake county to issue seasonal on-sale liquor licenses; authorizing St. Louis county to set the compensation of certain board and commission members;

amending Minnesota Statutes 1986, section 383C.073.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 873, now on General Orders.

H.F. No. 291: A bill for an act relating to financial institutions; regulating incorporations and operations of banks; requiring approval of certain insider agreements; regulating acquisitions by bank holding companies; authorizing the commissioner to borrow money to satisfy obligations of certain closed institutions; regulating bank or trust company investments; regulating claims against liquidated institutions; providing for the organization of credit unions; regulating interest and dividends paid on deposits; regulating industrial loan and thrifts; providing for the submission of certain reports; modifying the maximum allowable interest rate on certain loans used to satisfy the balances owed on contracts for deed; requiring the periodic examination of collection agencies; regulating consumer deficiency judgments; modifying the examination requirement for safe deposit companies and insurance premium finance companies; regulating motor vehicle installment sales; regulating bank applications; amending Minnesota Statutes 1986, sections 46.041; 46.042; 46.07, subdivision 2; 46.131, subdivision 9; 47.10, subdivision 3, and by adding a subdivision; 47.204, subdivision 1; 47.205, subdivisions 2 and 4; 48.055, subdivision 5; 48.15, subdivision 2; 48.51; 48.61, subdivisions 3 and 5; 48.92, subdivision 10; 48.97, subdivision 2; 48.98, subdivision 1; 48.99, subdivision 1; 49.04, subdivision 1; 49.05, by adding a subdivision; 49.24, subdivision 5; 51A.58; 52.01; 52.02, subdivision 3; 52.09, subdivision 2; 52.18; 53.04, subdivisions 3a and 5; 53.09, subdivision 2; 55.095; 55.15; 56.12; 59A.06, subdivision 3; 168.66, subdivisions 5 and 9; 168.705; 168.71; 168.72, subdivisions 1 and 4; 168.73; 168.74; 325G.36; and 332.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 46 and 47; repealing Minnesota Statutes 1986, sections 48.60 and 55.13.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 691, now on General Orders.

H.F. No. 1103: A bill for an act relating to retirement; providing benefit portability for disability benefits, survivor annuities, and survivor benefits; establishing a combined service disability benefit and a combined service survivor benefit; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

H.F. No. 1263: A bill for an act relating to the administration of state property; extending the period for which the commissioner of administration may lease state property; amending Minnesota Statutes 1986, section 16B.24, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1143, now on General Orders.

H.F. No. 1312: A bill for an act relating to peace officers; requiring licensure as a prerequisite to exercising the authority of a peace officer unless otherwise authorized by law; prohibiting persons from misrepresenting themselves as peace officers or part-time peace officers; prescribing penalties; amending Minnesota Statutes 1986, sections 169.98, by adding subdivisions; 367.41, subdivision 1; and 626.84; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1199.

H.F. No. 853: A bill for an act relating to education; clarifying the authority of contracting school districts to select an individual to provide services as a superintendent; amending Minnesota Statutes 1986, section 123.34, subdivision 9.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 759, now on General Orders.

H.F. No. 1230: A bill for an act relating to insurance; clarifying the authority of school districts to self-insure for property and casualty coverage; amending Minnesota Statutes 1986, section 471.98, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1426, now on General Orders.

H.F. No. 1412: A bill for an act relating to state land; authorizing private sale of certain tax-forfeited land in Lake county to city of Two Harbors; providing timing for 1987 sales of lakeshore lots; amending Minnesota Statutes 1986, section 92.67, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1276, now on General Orders.

H.F. No. 969: A bill for an act relating to the sentencing guidelines commission; including a crime victim as a member of the commission; providing that terms of members appointed by the governor are coterminous with the governor; changing the date on which the commission's report to the legislature is due; amending Minnesota Statutes 1986, section 244.09, subdivisions 2, 3, and 11.

Referred to the Committee on Judiciary.

H.F. No. 990: A bill for an act relating to crimes; providing that persons convicted of a crime of violence may not ship, transport, possess, or receive a firearm for ten years following restoration of civil rights, the setting aside of a conviction, or a pardon; amending Minnesota Statutes 1986, sections 609.165, by adding a subdivision; 609.168; 624.712, subdivision 5; and 638.02, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1321.

H.F. No. 1015: A bill for an act relating to motorboat safety; providing for enforcement of sanctions for operation of a motorboat while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, section 361.121, subdivisions 2 and 3, and by adding subdivisions.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 992.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 90: A bill for an act relating to public safety; pipelines and underground facilities; enacting the Minnesota pipeline safety act; requiring a routing permit to construct a new pipeline; creating the office of pipeline safety and providing for its powers and duties; authorizing rulemaking for purposes of delegation of federal authority; creating the pipeline safety advisory commission; regulating the operation of certain pipelines; requiring the adoption of pipeline setback ordinances; providing for notification of excavation in the area of underground facilities; providing for a pipeline inspection fee; establishing the pipeline safety fund; requiring a study; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 116I.02, subdivisions 2 and 3; 216B.16, by adding a subdivision; 299F56, by adding a subdivision; 299F57; 299F58; 299F60; 299F61; 299F62; 299F63; and 299F64; proposing coding for new law in Minnesota Statutes, chapter 116I; proposing coding for new law as Minnesota Statutes, chapters 216C and 299J.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 19, delete the comma and insert "and to"

Page 3, line 18, after "local" insert a comma

Page 5, line 1, delete "37" and insert "11, sections 299F56 to 299F64, or sections 20 to 36"

Page 5, lines 15 and 26, delete "any" and insert "an"

Page 6, line 9, delete "single statewide"

Page 6, line 13, delete "may" and insert "is" and delete "be"

Page 6, line 25, delete "communication" and insert "communications"

Page 9, line 21, delete "discharging" and insert "discharge"

Page 12, line 3, delete "office" and insert "director"

Page 12, line 33, delete "37" and insert "36"

Page 17, lines 22, 24, and 34, reinstate the old language and delete the new language

Page 17, line 36, before the headnote, insert "[299J.01]"

Page 18, lines 12 and 15, delete "37" and insert "36"

Page 19, line 25, delete "a division of the department of public safety"

Page 19, line 32, delete "interested and"

Page 20, lines 32 and 36, delete "37" and insert "36"

Page 20, line 36, delete "The rules" and insert:

"The rules adopted under clause (7)"

Page 21, line 10, delete "federal department" and insert "United States secretary"

Pages 22 and 23, delete section 25 and insert:

"Sec. 25. [299J.06] [PIPELINE SAFETY ADVISORY COMMISSION.]

Subdivision 1. [MEMBERSHIP] The pipeline safety advisory commis-

sion consists of seven members appointed by the commissioner. One member must be chosen from the hazardous liquid pipeline industry, and one from the gas pipeline industry. Two members must be state employees and three members must be state residents unaffiliated with state government or the pipeline or utility industries. The members serve on a part-time basis.

Subd. 2. [POWERS AND DUTIES.] The commission shall advise the director and other appropriate federal, state, and local government agencies and officials on matters relating to pipeline safety and operation. The commission shall advise the director on the implementation of sections 20 to 36 and shall review and comment on proposed rules and on the operation of the office of pipeline safety.

Subd. 3. [ADMINISTRATIVE ASSISTANCE.] The commissioner shall provide offices and administrative assistance necessary for the performance of the commission's duties.

Subd. 4. [TERMS; COMPENSATION; REMOVAL.] The terms, compensation, and removal of members are governed by section 15.0575."

Page 23, lines 26 and 34, delete "department" and insert "commissioner"

Page 24, line 11, after "office" insert "of pipeline safety"

Page 25, line 26, delete "37" and insert "36"

Page 27, line 3, delete "shall" and insert "must"

Page 28, line 27, delete "37" and insert "36,"

Page 28, line 29, delete the comma

Page 28, line 33, delete "pursuant to" and insert "under"

Page 28, line 36, delete "which" and insert "that"

Page 29, lines 6 and 7, delete "37" and insert "36"

Page 29, line 12, after "pipeline" insert a comma

Page 29, line 26, delete "the provisions of"

Page 29, line 36, delete "may not be construed to" and insert "does not"

Page 30, line 33, delete everything before "abolish" and insert "Sections 20 to 36 do not"

Page 30, line 34, delete "any" and insert "a"

Page 30, line 35, delete the first "any" and insert "a"

Page 31, delete sections 37 and 38

Page 31, delete lines 33 to 35 and insert:

"\$418,300 is appropriated from the general fund to the agencies indicated in this section for the purposes of this act, to be available for the fiscal year ending June 30 in the years indicated.

	1988	1989
(a) State planning director	\$ 73,000	-0-

Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

(b) Commissioner of public safety	\$184,400	\$160,900
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The approved complement of the department of public safety is increased by three positions."

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 3 and 4, delete "enacting the Minnesota pipeline safety act;"

Page 1, lines 13 and 14, delete "establishing the pipeline safety fund; requiring a study;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 381: A bill for an act relating to elections; requiring school district elections to comply with the Minnesota election laws; amending Minnesota Statutes 1986, sections 123.11; and 123.32, subdivision 1; repealing Minnesota Statutes 1986, sections 123.32, subdivisions 2, 3, 4, 5, 6, 8, 8a, 24, and 25; and 200.015.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ELECTION LAWS

Section 1. Minnesota Statutes 1986, section 200.01, is amended to read:
200.01 [CITATION, MINNESOTA ELECTION LAW.]

This chapter and chapters 201, 202A, 203B, 204B, 204C, 204D, 205, sections 48 to 60, 206, 208, 209 and 210A shall be known as the Minnesota election law.

Sec. 2. Minnesota Statutes 1986, section 200.015, is amended to read:
200.015 [SCHOOL DISTRICT ELECTIONS EXCLUDED APPLICATION.]

~~This chapter and chapters 201, 202A, 203B, 204B, 204C, 204D, 205, 206, 208, 209 and 210A do not apply~~ *The Minnesota election law applies to school district all elections held in this state unless otherwise specifically provided by law.*

Sec. 3. Minnesota Statutes 1986, section 200.02, is amended by adding a subdivision to read:

Subd. 19. [SCHOOL DISTRICT.] "School district" means an independent, special, or county school district.

Sec. 4. Minnesota Statutes 1986, section 201.016, subdivision 2, is amended to read:

Subd. 2. [DURATION OF RESIDENCE.] The governing body of any city by resolution may require an eligible voter to maintain residence in a precinct for a period of 30 days prior to voting on any question affecting only that precinct or voting to elect public officials representing only that precinct. The governing body of any town by resolution may require an eligible voter to maintain residence in that town for a period of 30 days prior to voting in a town election. *The school board of any school district by resolution may require an eligible voter to maintain residence in that school district for a period of 30 days prior to voting in a school district election.*

Sec. 5. Minnesota Statutes 1986, section 201.018, subdivision 2, is amended to read:

Subd. 2. [REGISTRATION REQUIRED.] An eligible voter must register in a manner specified by section 201.054, in order to vote in any primary, special primary, general, *school district*, or special election held in the county. ~~An eligible voter who maintains residence in a school district which uses the county voter registration system as authorized by section 201.095, must register in a manner specified by section 201.054, in order to vote in any school election held in that district.~~

Sec. 6. Minnesota Statutes 1986, section 201.061, subdivision 3, is amended to read:

Subd. 3. [ELECTION DAY REGISTRATION.] An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration card, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) showing a drivers license or Minnesota identification card issued pursuant to section 171.07;

(2) showing any document approved by the secretary of state as proper identification; or

(3) having a voter who is registered to vote in the precinct sign an oath in the presence of the election judge vouching that the voter personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day.

A county, *school district*, or municipality may require that an election judge responsible for election day registration initial each completed registration card.

Sec. 7. Minnesota Statutes 1986, section 201.061, subdivision 6, is amended to read:

Subd. 6. [PRECINCT MAP] Except as otherwise provided by this subdivision, the county auditor shall provide each precinct with an accurate precinct map or precinct finder to assist the election judges in determining whether an address is located in that precinct. A county auditor may delegate

this responsibility as provided in section 201.221, subdivision 4, to a municipal or school district clerk who prepares precinct maps as provided in section 204B.14, subdivision 5.

Sec. 8. Minnesota Statutes 1986, section 201.071, subdivision 3, is amended to read:

Subd. 3. [DEFICIENT REGISTRATION.] No registration is deficient if it contains the voter's name, address, date of birth, prior registration if any and signature. The absence of a zip code number does not cause the registration to be deficient. The election judges shall request an individual to correct a registration card if it is deficient or illegible or *may request the name or number of the voter's school district*. No eligible voter may be prevented from voting unless the voter's registration card is deficient or the voter is duly and successfully challenged in accordance with sections 201.195 or 204C.12.

A registration card accepted prior to August 1, 1983, is not deficient for lack of date of birth. The county or municipality may attempt to obtain the date of birth for a registration card accepted prior to August 1, 1983, by a request to the voter at any time except at the polling place. Failure by the voter to comply with this request does not make the card deficient.

Sec. 9. Minnesota Statutes 1986, section 201.071, is amended by adding a subdivision to read:

Subd. 8. [SCHOOL DISTRICT ASSISTANCE.] *School districts shall assist county auditors in determining the school district in which a voter resides.*

Sec. 10. Minnesota Statutes 1986, section 201.221, subdivision 3, is amended to read:

Subd. 3. [PROCEDURES FOR DUPLICATE REGISTRATION FILE.] The secretary of state shall prescribe the form of the duplicate registration file so that a duplicate card contains spaces for the voter's name, address, telephone number, *school district number*, and signature, and space to indicate whether the voter has voted in a given election. The secretary of state shall prescribe procedures for transporting the duplicate registration files to the election judges for use on election day.

The secretary of state shall prescribe an alternate form of the duplicate registration file for counties and cities which make the election authorized by section 201.071, subdivision 5. The alternate form shall not require a duplicate card or voter's signature. Information contained in the duplicate registration file shall include the voter's name, address, month and day of birth, last registration (if any), *school district number*, and a record of the vote history for the previous four years of elections. The secretary of state shall prescribe the form for the duplicate registration file to be used on election day in the polling place and the file shall include the name, address, month and day of birth, *school district number*, and a space for the voters to sign the file when they vote. The secretary of state shall prescribe the form for a county or municipality to request the day and month of birth from currently registered voters. The county or municipality shall not request the day and month of birth from currently registered voters by any communication other than the prescribed form and the form shall clearly indicate that a currently registered voter does not lose registration status by failing to provide the day and month of birth. The secretary of state shall prescribe procedures for transporting the duplicate registration files

to the judges on election day. In accordance with section 204B.40, the county auditor and the clerk of any municipality shall retain the prescribed duplicate registration file used on the date of election for one year following the election.

Sec. 11. Minnesota Statutes 1986, section 201.27, subdivision 2, is amended to read:

Subd. 2. [KNOWLEDGE OF VIOLATION.] A deputy, clerk, employee or other subordinate of a county auditor or municipal *or school district* clerk who has knowledge or reason to believe that a violation of this chapter has occurred shall immediately transmit a report of the knowledge or belief to the county auditor or municipal *or school district* clerk, together with any possessed evidence of the violation. Any county auditor or municipal *or school district* clerk who has knowledge or reason to believe that a violation of this chapter has occurred shall immediately transmit a report of the knowledge or belief to the county attorney of the county where the violation is thought to have occurred, together with any possessed evidence of the violation. The county auditor or municipal *or school district* clerk shall also immediately send a copy of the report to the secretary of state. A violation of this subdivision is a misdemeanor.

Sec. 12. Minnesota Statutes 1986, section 203B.01, subdivision 2, is amended to read:

Subd. 2. [MUNICIPAL CLERK.] "Municipal clerk" means a full-time town or city clerk who is authorized or required to administer the provisions of sections 203B.04 to 203B.15, as provided in section 203B.05. "*Municipal clerk*" also means *clerk of the school district who is authorized or required to administer the provisions of sections 203B.04 to 203B.15, as provided in section 203B.05 for a school district election not held on the same day as a statewide election.*

Sec. 13. Minnesota Statutes 1986, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURES.] Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, *or school district if applicable*, where the applicant maintains residence.

An application shall be accepted if it is signed and dated by the applicant, contains the applicant's residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02.

Sec. 14. Minnesota Statutes 1986, section 203B.05, subdivision 2, is amended to read:

Subd. 2. [CITY, SCHOOL DISTRICT, AND TOWN ELECTIONS.] For city elections not held on the same day as a statewide election, *for school district elections not held on the same day as a statewide election*, and for town elections conducted under the Australian ballot system, applications

for absentee ballots shall be filed with the city, *school district*, or town clerk and the duties prescribed by this chapter for the county auditor shall be performed by the city, *school district*, or town clerk unless the county auditor agrees to perform those duties on behalf of the city, *school district*, or town clerk. The costs incurred to provide absentee ballots and perform the duties prescribed by this subdivision shall be paid by the city or town, or *school district* holding the election.

Sec. 15. Minnesota Statutes 1986, section 203B.06, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS TO WRONG OFFICIAL.] If for any reason an application for absentee ballots is submitted to the wrong county auditor or ~~city or town~~ *municipal* clerk, that official shall promptly forward it to the proper county auditor or municipal clerk.

Sec. 16. Minnesota Statutes 1986, section 203B.08, subdivision 4, is amended to read:

Subd. 4. [RULES.] The secretary of state shall adopt rules establishing procedures to be followed by county auditors and ~~town and city~~ *municipal* clerks to assure accurate and timely return of absentee ballots. The rules of the secretary of state may authorize procedures and methods of return in addition to those specified in this section.

Sec. 17. Minnesota Statutes 1986, section 203B.10, is amended to read:

203B.10 [DELIVERY OF ABSENTEE BALLOT APPLICATIONS TO ELECTION JUDGES.]

On the day before an election:

(a) The county auditor shall deliver to the ~~town and city~~ *municipal* clerks within that county the applications for absentee ballots theretofore received and endorsed as provided in section 203B.06, subdivision 5; and

(b) The ~~town and city~~ *municipal* clerks shall deliver the applications received from the county auditor and the applications for absentee ballots filed with their respective offices and endorsed as provided in section 203B.06, subdivision 5, to the appropriate election judges. Applications received on election day pursuant to section 203B.04, subdivision 2, shall be promptly delivered to the election judges in the precincts or to the judges of an absentee ballot counting board.

Sec. 18. Minnesota Statutes 1986, section 203B.12, subdivision 6, is amended to read:

Subd. 6. [EXCEPTION FOR MUNICIPALITIES OR SCHOOL DISTRICTS WITH ABSENTEE BALLOT COUNTING BOARDS.] In municipalities or *school districts* with an absentee ballot counting board, the election judges in each precinct shall receive and process return envelopes and ballot envelopes as provided in this section except that the ballot envelopes from return envelopes marked "Accepted" shall be delivered in an absentee ballot container to the absentee ballot counting board for the counting of ballots as soon as possible after processing. Other law to the contrary notwithstanding, the governing body of a municipality or *the school board of a school district* with an absentee ballot precinct may authorize the judges of the absentee ballot precinct to validate ballots in the manner provided in this section. The vote totals provided by the absentee ballot counting board shall be included in the vote totals on the summary

statements of the returns for the precinct in which they were received.

Sec. 19. Minnesota Statutes 1986, section 203B.13, is amended to read:
203B.13 [ABSENTEE BALLOT COUNTING BOARDS.]

Subdivision 1. [ESTABLISHMENT.] The governing body of any municipality may by ordinance, *or the school board of any school district may by resolution*, authorize an absentee ballot counting board for the purpose of counting all absentee ballots cast in that municipality *or school district*. The board shall consist of a sufficient number of election judges appointed as provided in sections 204B.19 to 204B.22.

Subd. 2. [DUTIES.] The absentee ballot counting board shall:

(a) Receive from each precinct in the municipality *or school district* all ballot envelopes marked "Accepted" by the election judges; provided that the governing body of a municipality *or the school board of a school district* may authorize the board to examine all return absentee ballot envelopes and receive or reject absentee ballots in the manner provided in section 203B.12;

(b) Open and count the absentee ballots, tabulating the vote in a manner that indicates each vote of the absentee voter and the total absentee vote cast for each candidate or question in each precinct; and

(c) Report the vote totals tabulated for each precinct.

Subd. 3. [COMPENSATION OF MEMBERS.] The ~~city or town~~ *municipal* clerk shall pay a reasonable compensation to each member of the absentee ballot counting board for services rendered during each election.

Subd. 3a. [DUPLICATE REGISTRATION FILES.] If the election judges of an absentee ballot counting board are authorized to receive, examine, and validate absentee ballots, the county auditor or ~~city~~ *municipal* clerk shall remove from the duplicate registration files the cards of all persons who have applied for absentee ballots at the election and deliver them to the election judges of the absentee ballot counting board along with the applications for absentee ballots. When a duplicate registration card has been removed from the file for this purpose it shall be replaced with a notification to the election judges that the voter's card has been removed and directing them to contact the election judges of the absentee ballot counting board if that voter should appear at the polling place for the purpose of voting in person. If contacted by the judges of the precinct, the election judges of the absentee ballot counting board shall examine the duplicate registration card of the voter to determine if an absentee ballot has been cast. They shall notify the precinct election judges of their findings and, if the absentee ballot has not yet been cast, the voter shall be allowed to vote in person. The election judges of the absentee ballot counting board shall make a notation on the duplicate registration card that the voter has voted and no absentee ballot shall be counted for that voter.

Subd. 4. [APPLICABLE LAWS.] Except as otherwise provided by this section, all of the laws applicable to absentee ballots and absentee voters and all other provisions of the Minnesota election law shall apply to an absentee ballot counting board.

Sec. 20. Minnesota Statutes 1986, section 203B.15, is amended to read:
203B.15 [ADMINISTRATIVE EXPENSES.]

Each county shall pay the expenses incurred by its county auditor and each municipality or school district shall pay the expenses incurred by its clerk for administering the provisions of sections 203B.04 to 203B.15.

Sec. 21. Minnesota Statutes 1986, section 203B.19, is amended to read:
203B.19 [RECORDING APPLICATIONS.]

Upon accepting an application, the county auditor shall record in a permanent register the voter's name, address of present or former residence in Minnesota, mailing address, school district number, and the category under section 203B.16, to which the voter belongs. After recording this information, the county auditor shall retain the application for two years after the date of the next general election. A voter whose name is recorded as provided in this section shall not be required to register under any other provision of law in order to vote under sections 203B.16 to 203B.27.

Sec. 22. Minnesota Statutes 1986, section 203B.23, is amended to read:

203B.23 [APPLICATION RECORDS; DELIVERY TO ELECTION JUDGES.]

When election materials are transmitted to the town and city municipal clerks as provided in section 204B.28, subdivision 2, the county auditor shall also transmit a certified copy of the record of applications compiled as provided in section 203B.19, for absentee ballots to be cast at that election in that town, school district, or city. A certified copy of the record of additional applications received by the county auditor after the ballots have been delivered shall also be delivered to the appropriate town or city municipal clerk. Each town and city municipal clerk shall in turn deliver to the election judges in the appropriate precincts the application records received from the county auditor.

Sec. 23. Minnesota Statutes 1986, section 204B.02, is amended to read:

204B.02 [APPLICATION.]

This chapter applies to all elections held in this state, ~~except school district elections and~~ except as otherwise provided by law.

Sec. 24. Minnesota Statutes 1986, section 204B.09, subdivision 2, is amended to read:

Subd. 2. [OTHER ELECTIONS.] Affidavits of candidacy and nominating petitions for city, town or other elective offices shall be filed during the time and with the official specified in chapter 205 or other applicable law or charter. *Affidavits of candidacy and applications filed on behalf of eligible voters for school board office shall be filed during the time and with the official specified in chapter 205A or other applicable law.*

Sec. 25. Minnesota Statutes 1986, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; LOCATION.] The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. *Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day.* The polling place for a precinct in a municipality shall be located within the boundaries of the precinct or within 1,500 feet of one of those boundaries unless a

single polling place is designated for a city pursuant to subdivision 2. The polling place for a precinct may be located up to 3,000 feet outside one of the boundaries of the precinct if necessary to locate a polling place that is accessible to and usable by elderly and handicapped individuals as required in subdivision 5. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within the town, then the polling place for a town may be located outside the town within five miles of one of the boundaries of the town.

Sec. 26. Minnesota Statutes 1986, section 204B.18, subdivision 2, is amended to read:

Subd. 2. [BALLOT BOXES.] Each polling place shall be provided with one ballot box for each kind of ballot to be cast at the election. The boxes shall be substantially the same color as the ballots to be deposited in them. Each box shall be of sufficient size and shall have a sufficient opening to receive and contain all the ballots likely to be deposited in it. *When buff or goldenrod ballot boxes are required, a separate box must be provided for each school district for which ballots are to be cast at that polling place. The number and name of the school district must appear conspicuously on the top of each buff or goldenrod ballot box.*

Sec. 27. Minnesota Statutes 1986, section 204B.19, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUALS QUALIFIED TO BE ELECTION JUDGES.] Any individual who is eligible to vote in an election precinct is qualified to be appointed as an election judge for that precinct subject to this section. If the files of the appointing authority do not contain sufficient voters within a precinct who are qualified and willing to serve as election judges, election judges may be appointed who reside in another precinct in the same municipality, *or for school district elections, in the same school district.* If there are not sufficient voters within the municipality *or school district* who are qualified and willing to serve as election judges, election judges may be appointed who reside in the county where the precinct is located.

Sec. 28. Minnesota Statutes 1986, section 204B.25, subdivision 1, is amended to read:

Subdivision 1. [DUTIES OF COUNTY AUDITOR.] Each county auditor shall provide training for all election judges who are appointed to serve at any election to be held in the county. The county auditor shall also provide a procedure for emergency training of election judges elected to fill vacancies. The county auditor may delegate to a municipal election official the duty to provide training of election judges in that municipality *or school district.*

Sec. 29. Minnesota Statutes 1986, section 204B.29, is amended to read:

204B.29 [ELECTION JUDGES; ELECTION SUPPLIES; DUTIES.]

Subdivision 1. [SECURING ELECTION MATERIALS.] Before 9:00 p.m. on the day preceding an election, at least one election judge from each precinct in each municipality, *or school district if applicable,* shall secure voter registration files, ballots, forms, envelopes and other required supplies from the municipal clerk, *school district clerk,* or other legal custodian. The election judge shall deliver the materials to the polling place

before the time when voting is scheduled to begin on election day. The county auditor shall send or deliver the election supplies enumerated in this section to the election judges in the precincts in unorganized territory. The election supplies may be sent by certified mail, parcel post, express mail or any other postal service providing assured delivery by no later than the day before the election. If the election supplies are delivered by any other means, they shall be delivered by no later than the day before the election.

Each precinct shall be furnished with 100 ballots of each kind for every 85 individuals who voted in that precinct at the last election for the same office or on similar questions, or with ballots of each kind in an amount at least ten percent greater than the number of votes which are reasonably expected to be cast in that precinct in that election, whichever supply of ballots is greater. No precinct shall be furnished with any ballots containing the name of any candidate who cannot properly be voted for in that precinct.

The election judges shall be responsible for the preservation of all election materials received by them until returned to the appropriate election officials after the voting has ended.

Subd. 2. [FAILURE OF ELECTION JUDGES TO SECURE MATERIALS.] If no election judge secures the election materials for a precinct in any municipality, *or school district if applicable*, as provided in subdivision 1, the municipal *or school district* clerk shall deliver them to an election judge for that precinct not later than the time when voting is scheduled to begin. The municipal *or school district* clerk shall require the election judge accepting delivery of the election supplies to sign a receipt for them. The election judges of that precinct shall pay the expenses of delivery of the materials and shall be liable for the penalty provided by law for neglect of duty.

Sec. 30. Minnesota Statutes 1986, section 204B.31, is amended to read:
204B.31 [COMPENSATION FOR ELECTION SERVICES.]

The compensation for services performed under the Minnesota election law shall be as follows:

(a) To presidential electors from funds appropriated to the secretary of state for this purpose, \$35 for each day of attendance at the capitol and mileage for travel to and from the capitol in the amount allowed for state employees in accordance with section 43A.18, subdivision 2;

(b) To individuals, other than county, city, *school district*, or town employees during their normal work day, who are appointed by the county auditor to carry ballots to or from the county auditor's office, a sum not less than the prevailing Minnesota minimum wage for each hour spent in carrying ballots and mileage in the amount allowed pursuant to section 471.665, subdivision 1;

(c) To members of county canvassing boards, a sum not less than the prevailing Minnesota minimum wage for each hour necessarily spent and an amount for each mile of necessary travel equal to the amount allowed pursuant to section 471.665, subdivision 1;

(d) To election judges serving in any city, an amount fixed by the governing body of the city; *to election judges serving in any school district election which is not held in conjunction with a state election, an amount fixed by the school board of the school district*; to election judges serving

in unorganized territory, an amount fixed by the county board; and to election judges serving in towns, an amount fixed by the town board. Election judges shall receive at least the prevailing Minnesota minimum wage for each hour spent carrying out their duties at the polling places and in attending training sessions required by section 204B.25. An election judge who travels to pick up election supplies or to deliver election returns to the county auditor shall receive, in addition to other compensation authorized by this section, a sum not less than the prevailing Minnesota minimum wage for each hour spent performing these duties, plus mileage in the same amount as allowed pursuant to section 471.665, subdivision 1; and

(e) To sergeants at arms, an amount for each hour of service performed at the direction of the election judges, fixed in the same manner as compensation for election judges.

Sec. 31. Minnesota Statutes 1986, section 204B.32, is amended to read:
204B.32 [ELECTION EXPENSES; PAYMENT.]

The secretary of state shall pay the compensation for presidential electors, the cost of printing the pink paper ballots, and all necessary expenses incurred by the secretary of state in connection with elections. The counties shall pay the compensation prescribed in section 204B.31, clauses (b) and (c), the cost of printing the canary ballots, the white ballots, the pink ballots when machines are used, the state partisan primary ballots, and the state and county nonpartisan primary ballots, all necessary expenses incurred by county auditors in connection with elections, and the expenses of special county elections. The municipalities shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the municipal ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the municipal clerks in connection with elections, except special county elections. *The school districts shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the school district ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the school district clerks in connection with school district elections not held in conjunction with state elections. When school district elections are held in conjunction with state elections, the school district shall pay the costs of printing the school district ballots, providing ballot boxes and all necessary expenses of the school district clerk.* All disbursements under this section shall be presented, audited, and paid as in the case of other public expenses.

Sec. 32. Minnesota Statutes 1986, section 204B.34, is amended by adding a subdivision to read:

Subd. 4. [SCHOOL DISTRICT ELECTIONS.] Notice of school district elections shall be given as provided in sections 53, subdivision 2; and 54, subdivision 1.

Sec. 33. Minnesota Statutes 1986, section 204B.35, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] All ballots for every election, ~~except a school district election,~~ shall be prepared in accordance with sections 204B.35 to 204B.44 and chapter 204D, except for voting machine ballots or as otherwise provided by law.

Sec. 34. Minnesota Statutes 1986, section 204C.02, is amended to read:
204C.02 [APPLICATION.]

This chapter applies to all elections held in this state, ~~except school district elections and~~ except as otherwise provided by law.

Sec. 35. Minnesota Statutes 1986, section 204C.06, subdivision 2, is amended to read:

Subd. 2. [INDIVIDUALS ALLOWED IN POLLING PLACE.] Representatives of the secretary of state's office, the county auditor's office, and the municipal *or school district* clerk's office may be present at the polling place to observe election procedures. Except for these representatives, election judges, sergeants-at-arms, and challengers, an individual may remain inside the polling place during voting hours only while voting or registering to vote, providing proof of residence for an individual who is registering to vote, or assisting a handicapped voter or a voter who is unable to read English. During voting hours no one except individuals receiving, marking, or depositing ballots shall approach within six feet of a voting booth, unless lawfully authorized to do so by an election judge.

Sec. 36. Minnesota Statutes 1986, section 204C.07, subdivision 3, is amended to read:

Subd. 3. [ELECTIONS ON A QUESTION.] At an election where a question is to be voted upon, the mayor of a city, *or the school board of a school district*, or the board of supervisors of a town, upon receiving a written petition signed by at least 25 eligible voters, shall appoint by written certificate one voter for each precinct in the municipality, *or school district if applicable*, to act as a challenger of voters in the polling place for that precinct.

Sec. 37. Minnesota Statutes 1986, section 204C.08, subdivision 4, is amended to read:

Subd. 4. [BALLOT BOXES, BOXCAR SEALS.] The governing body of a municipality *or school district* by resolution may direct the municipal *or school district* clerk to furnish a boxcar seal for each ballot box in place of a lock and key. Each seal shall consist of a numbered metal strap with a self-locking device securely attached to one end of the strap so that the other end may be inserted and securely locked in the seal. No two metal straps shall bear the same number.

Sec. 38. Minnesota Statutes 1986, section 204C.19, subdivision 2, is amended to read:

Subd. 2. [BALLOTS; ORDER OF COUNTING.] Except as otherwise provided in this subdivision, the ballot boxes shall be opened, the votes counted, and the total declared one box at a time in the following order: the white box, the pink box, the canary box, the light green box, *the blue box, the buff box, the goldenrod box*, and then the other kinds of ballots voted at the election. If enough election judges are available to provide counting teams of four or more election judges for each box, more than one box may be opened and counted at the same time. The election judges on each counting team shall be evenly divided between the major political parties. The numbers entered on the summary sheet shall not be considered final until the ballots in all the boxes have been counted and corrections have been made if ballots have been deposited in the wrong boxes.

Sec. 39. Minnesota Statutes 1986, section 204C.20, subdivision 4, is amended to read:

Subd. 4. [BALLOTS NOT COUNTED; DISPOSITION.] When the final count of ballots agrees with the number of ballots to be counted, those ballots not counted shall be attached to a certificate made by the election judges which states why the ballots were not counted. The certificate and uncounted ballots shall be sealed in a separate envelope and returned to the county auditor or municipal *or school district* clerk from whom they were received.

Sec. 40. Minnesota Statutes 1986, section 204C.24, subdivision 2, is amended to read:

Subd. 2. [SEALING IN ENVELOPES.] The election judges shall place a full set of completed summary statements in each of three separate envelopes and seal them so that the envelopes cannot be opened without leaving evidence that they have been opened. The election judges shall then sign each envelope over the sealed part so that no envelope can be opened without disturbing the continuity of the signatures. Each of the envelopes shall show substantially the following information on its face:

“Summary statements of the returns of the _____ election precinct, (Town) or (City) of _____, *or (School District Number) _____*, in the County of _____, State of Minnesota.”

Sec. 41. Minnesota Statutes 1986, section 204C.25, is amended to read:

204C.25 [DISPOSITION OF BALLOTS.]

After the count and the summary statements have been completed, in the presence of all the election judges, the counted, defective and blank ballots shall be placed in envelopes marked or printed to distinguish the color of the ballots contained, and the envelopes shall be sealed. The election judges shall sign each envelope over the sealed part so that the envelope cannot be opened without disturbing the continuity of the signatures. The number and kind of ballots in each envelope, the name of the town or city, and the name of the precinct shall be plainly written upon the envelopes. *The number and name of the district must be plainly written on envelopes containing school district ballots.* The spoiled ballots shall be placed in separate envelopes and returned with the unused ballots to the county auditor or municipal *or school district* clerk from whom they were received.

Sec. 42. Minnesota Statutes 1986, section 204C.26, subdivision 2, is amended to read:

Subd. 2. [SUMMARY STATEMENTS; CONTENTS.] The blank summary statement forms furnished to each precinct shall identify the precinct, ward number if any, city, *school district if applicable*, or town, date, and kind of election and, under appropriate headings identifying each color ballot, shall contain spaces for the election judges to enter the information required by section 204C.24, subdivision 1.

Each blank summary statement form shall also contain a certificate to be signed by the election judges stating that the national flag was displayed on a suitable staff during voting hours; that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question.

Sec. 43. Minnesota Statutes 1986, section 204C.26, subdivision 3, is amended to read:

Subd. 3. [SECRETARY OF STATE.] On or before July 1 of each even numbered year, the secretary of state shall prescribe the form for summary statements of election returns and the methods by which returns for the state primary and state general election shall be recorded by precinct, county, and state election officials. Each county auditor and municipal *or school district* clerk required to furnish summary statements shall prepare them in the manner prescribed by the secretary of state. The summary statement of the primary returns shall be in the same form as the summary statement of the general election returns except that a separate part of the summary statement shall be provided for the partisan primary ballot and a separate part for the nonpartisan primary ballot.

Sec. 44. Minnesota Statutes 1986, section 204C.27, is amended to read:
204C.27 [DELIVERY OF RETURNS TO COUNTY AUDITORS.]

One or more of the election judges in each precinct shall deliver two sets of summary statements; all unused and spoiled white, pink, and canary ballots; and the envelopes containing the white, pink, and canary ballots either directly to the municipal clerk for transmittal to the county auditor's office or directly to the county auditor's office within 24 hours after the end of the hours for voting. One or more election judges shall deliver the remaining set of summary statements and returns, all unused and spoiled municipal *and school district* ballots, the envelopes containing municipal *and school district* ballots, and all other things furnished by the municipal *or school district* clerk, to the municipal *or school district* clerk's office within 24 hours after the end of the hours for voting.

Sec. 45. Minnesota Statutes 1986, section 204C.28, is amended by adding a subdivision to read:

Subd. 3. [SCHOOL DISTRICT RETURNS AND MATERIALS.] *At a school district election held in conjunction with a state election, the county auditor or municipal clerk shall deliver the summary statements of the school district election returns, all unused and spoiled school district ballots, and the envelope containing the school district ballots from each precinct to the clerk of the appropriate school district within 48 hours after the polls close.*

Sec. 46. Minnesota Statutes 1986, section 204C.29, subdivision 1, is amended to read:

Subdivision 1. [FAILURE OF ELECTION JUDGES TO MAKE DELIVERY; PENALTY.] If the election judges fail to deliver returns as required by section 204C.27, the county auditor or municipal *or school district* clerk to whom the returns should have been delivered shall dispatch a special messenger to obtain them. The messenger shall receive the same compensation as an election judge would receive for performing the same service and shall be subject to the same penalties as an election judge for violation of any provision of the Minnesota election law.

Sec. 47. Minnesota Statutes 1986, section 204C.36, is amended to read:
204C.36 [RECOUNTS IN COUNTY, SCHOOL DISTRICT, AND MUNICIPAL ELECTIONS.]

A losing candidate for nomination or election to a county ~~or~~, municipal,

or school district office may request a recount of the votes cast for the nomination or election to that office if the difference between the vote cast for that candidate and for a winning candidate for nomination or election is:

- (a) Five votes or less when the total vote cast for nomination or election to that office is 100 votes or less;
- (b) Ten votes or less when the total vote cast for nomination or election to that office is more than 100 but not more than 500 votes;
- (c) Twenty votes or less when the total vote cast for nomination or election to that office is more than 500 but not more than 2,000 votes;
- (d) One percent of the votes or less when the total vote cast for nomination or election to that office is more than 2,000 but less than 10,000 votes; or
- (e) ~~400~~ *One hundred* votes or less when the total vote cast for nomination or election to that office is 10,000 votes or more.

Candidates for county offices shall file a written request for the recount with the county auditor. Candidates for municipal *or school district* offices shall file a written request with the municipal *or school district* clerk *as appropriate*. All requests shall be filed during the time for notice of contest of the primary or election for which a recount is sought.

Upon receipt of a request made pursuant to this section, the county auditor shall recount the votes for a county office at the expense of the county ~~and~~, the governing body of the municipality shall recount the votes for a municipal office at the expense of the municipality, *and the school board of the school district shall recount the votes for a school district office at the expense of the school district.*

A losing candidate for nomination or election to a county ~~or~~, municipal, *or school district* office may request a recount in the manner provided in this section at the candidate's own expense when the vote difference is greater than the difference required by clauses (a) to (e). The votes shall be recounted as provided in this section if the requesting candidate files with the county auditor ~~or~~, municipal clerk, *or school district clerk* a bond, cash or surety in an amount set by the governing body of the jurisdiction *or the school board of the school district* for the payment of the recount expenses.

Time for notice of contest of a nomination or election to a county office which is recounted pursuant to this section shall begin to run upon certification of the results of the recount by the county canvassing board. Time for notice of contest of a nomination or election to a municipal office which is recounted pursuant to this section shall begin to run upon certification of the results by the governing body of the municipality. *Time for notice of contest of a school district election that is recounted under this subdivision begins to run on certification of the results of the recount by the school board.*

Sec. 48. [205A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in chapter 200 and in this section apply to this chapter.

Subd. 2. [SCHOOL DISTRICT.] "School district" means an independent or special school district, as defined in section 120.02.

Sec. 49. [205A.02] [ELECTION LAW APPLICABLE.]

Except as provided in this chapter, the Minnesota election law applies to school district elections, as far as practicable. Elections in common school districts shall be governed by section 123.11.

Sec. 50. [205A.03] [PRIMARY ELECTIONS.]

Subdivision 1. [RESOLUTION.] The school board of a school district may, by resolution adopted at least 12 weeks before the next school district general election, decide to choose nominees for school district elective offices by a primary as provided in subdivisions 1 to 6. The resolution, when adopted, is effective for all ensuing elections of board members in that school district until it is revoked.

Subd. 2. [DATE.] The school district primary must be held at a time designated by the school board in the resolution adopting the primary system, but no later than six weeks before the school district general election. The clerk shall give notice of the primary in the manner provided in section 54.

Subd. 3. [CANDIDATES, FILING.] The clerk shall place upon the primary ballot without partisan designation the names of individuals whose candidacies have been filed and for whom the proper filing fee has been paid. When not more than twice the number of individuals to be elected to a school district elective office file for nomination for the office, their names must not be placed upon the primary ballot and must be placed on the school district general election ballot as the nominees for that office.

Subd. 4. [RESULTS.] The school district primary must be conducted and the returns made in the manner provided for the state primary as far as practicable. Within two days after the primary, the school board of the school district shall canvass the returns, and the two candidates for each office who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to the office who receive the highest number of votes, are the nominees for the office named. Their names must be certified to the school district clerk who shall place them on the school district general election ballot without partisan designation and without payment of an additional fee.

Subd. 5. [RECOUNT.] A losing candidate at the school district primary may request a recount of the votes for that nomination subject to section 204C.36.

Subd. 6. [VACANCY IN NOMINATION.] When a vacancy occurs in a nomination made at a school district primary, the vacancy must be filled in the manner provided in section 204B.13.

Sec. 51. [205A.04] [GENERAL ELECTION.]

Except as may be provided in a special law or charter provision to the contrary, the general election in each school district must be held on the third Tuesday in May, unless the school board provides by resolution for holding the school district general election on the first Tuesday after the first Monday in November. When the time of a school district's general election is changed from May to November, the terms of all board members shall be lengthened to expire on January 1; when the time of a school district's general election is changed from November to May, the terms of all board members shall be shortened to expire on July 1. Whenever the time of a school district election is changed, the school district clerk shall

immediately notify in writing the county auditor or auditors of the counties in which the school district is located and the secretary of state of the change of date.

Sec. 52. [205A.05] [SPECIAL ELECTIONS.]

Subdivision 1. [QUESTIONS.] Special elections must be held for a school district on a question on which the voters are authorized by law to pass judgment. The school board may on its own motion, and upon petition of 50 or more voters of the school district or five percent of the number of voters voting at the preceding regular school district election, shall by resolution call a special election to vote on any matter requiring approval of the voters of a district. A question is carried only with the majority in its favor required by law. The election officials for a special election are the same as for the most recent school district general election unless changed according to law. Otherwise, special elections must be conducted and the returns made in the manner provided for the school district general election. A special election may not be held during the 20 days before and the 20 days after any scheduled statewide election.

Subd. 2. [VACANCIES IN SCHOOL DISTRICT OFFICES.] Special elections shall be held in school districts in conjunction with school district primary and general elections to fill vacancies in elective school district offices.

Sec. 53. [205A.06] [CANDIDATES, FILING.]

Subdivision 1. [AFFIDAVIT OF CANDIDACY.] Not more than ten nor less than eight weeks before a school district primary, or before the school district general election if there is no school district primary, an individual who is eligible and desires to become a candidate for an office to be voted on at the election must file an affidavit of candidacy with the school district clerk. The affidavit must be in substantially the same form as that in section 204B.06, subdivision 1. The school district clerk shall also accept an application signed by at least five voters and filed on behalf of an eligible voter in the school district whom they desire to be a candidate, if service of a copy of the application has been made on the candidate and proof of service is endorsed on the application being filed. No individual shall be nominated by nominating petition for a school district elective office except in the event of a vacancy in nomination as provided in section 50, subdivision 6. Upon receipt of the proper filing fee, the clerk shall place the name of the candidate on the official ballot without partisan designation.

Subd. 2. [NOTICE OF FILING DATES.] At least two weeks before the first day to file affidavits of candidacy, the school district clerk shall publish a notice in the official newspaper stating the first and last dates on which affidavits of candidacy may be filed in the clerk's office and the closing time for filing on the last day for filing. The clerk shall post a similar notice in the administrative offices of the school district at least ten days before the first day to file affidavits of candidacy.

Subd. 3. [FILING FEES.] The filing fee for a school district office is \$2.

Subd. 4. [PETITION IN PLACE OF FEES.] A candidate for school district office may file a petition in place of the filing fees in subdivision 3. The petition must meet the requirements of section 204B.11, subdivision 2.

Subd. 5. [WITHDRAWAL.] A candidate for a school district elective office may withdraw from the election by filing an affidavit of withdrawal with the school district clerk by 12:00 noon of the day after the last day for filing affidavits of candidacy. After that date, no candidate may file an affidavit of withdrawal.

Sec. 54. [205A.07] [NOTICE.]

Subdivision 1. [PUBLICATION AND POSTING.] The clerk of a school district shall give two weeks' published notice and give ten days' posted notice of a school district primary, general or special election, stating the time of the election, the location of each polling place, the offices to be filled, and all propositions or questions to be voted upon at the primary, general or special election. The notice shall be posted in the administrative offices of the school district for public inspection.

Subd. 2. [SAMPLE BALLOT, POSTING.] For every school district primary, general or special election, the school district clerk shall at least four days before the primary, general or special election, post a sample ballot in the administrative offices of the school district for public inspection, and shall post a sample ballot in each polling place on election day.

Sec. 55. [205A.08] [BALLOTS.]

Subdivision 1. [BUFF BALLOT.] The names of all candidates for offices to be voted on at a school district general election must be placed on a single ballot printed on buff paper and known as the "buff ballot."

Subd. 2. [PRIMARY BALLOTS.] The school district primary ballot must conform as far as practicable with the school district general election ballot except that no blank spaces may be provided for writing in the names of candidates.

Subd. 3. [VACANCIES.] The names of candidates to fill vacancies at a school district special election held in conjunction with the primary or general election must be placed on the school district primary and general election ballots. The names of candidates to fill a vacancy in the office of school board member in a school district must be listed under the separate heading "Special election for school board member to fill vacancy in term expiring _____," with the date of expiration of the term and any other information necessary to distinguish the office.

Subd. 4. [GOLDENROD BALLOTS; QUESTIONS.] All questions relating to a proposition for the issuance of bonds, and all other questions relating to school district affairs submitted at an election to the voters of the school district, shall be printed on one separate goldenrod ballot and shall be prepared, printed, and distributed under the direction of the school district clerk at the same time and in the same manner as other school district ballots. The ballots, when voted, shall be deposited in a separate goldenrod ballot box provided by the local authorities for each voting precinct. The ballots shall be canvassed, counted, and returned in the same manner as other school district ballots. The returns shall provide appropriate blank spaces for the counting, canvassing, and return of the results of the questions submitted on the goldenrod ballot.

Sec. 56. [205A.09] [VOTING HOURS.]

Subdivision 1. [METROPOLITAN AREA SCHOOL DISTRICTS.] At a school district election in a school district located in whole or in part

within a metropolitan county as defined by section 473.121, the school board, by resolution adopted before giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all later school district elections. The polling places must open no later than 10:00 a.m. and close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the school board.

Subd. 2. [OTHER SCHOOL DISTRICTS.] At a school district election in a school district other than one described in subdivision 1, the school board, by resolution adopted before giving notice of the election, may designate the time, in no event less than three hours, during which the polling places will remain open for voting at the next succeeding and all later school district general elections. The resolution must remain in force until it is revoked by the school board or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last school district election, is presented to the school district clerk no later than 30 days before a school district election, then the polling places for that election must open at 10:00 a.m. and close at 8:00 p.m. The school district clerk must give ten days' published notice and posted notice of the changed voting hours and notify appropriate county auditors of the change. School districts covered by this subdivision must certify their election hours to the county auditor in January of each year.

Sec. 57. [205A.10] [PROCEDURE.]

Subdivision 1. [MATERIALS, BALLOTS.] The school district clerk shall prepare and have printed the necessary election materials, including ballots, for a school district election. The name of each candidate for office shall be rotated with the names of the other candidates for the same office so that the name of each candidate appears substantially an equal number of times at the top, at the bottom, and at each intermediate place in the group of candidates for that office.

Subd. 2. [ELECTION, CONDUCT.] A school district election must be by secret ballot and must be held and the returns made in the manner provided for the state general election, as far as practicable. The vote totals from an absentee ballot counting board established pursuant to section 203B.13 may be tabulated and reported by the school district as a whole rather than by precinct. For school district elections not held in conjunction with a statewide election, the school board shall appoint election judges as provided in section 204B.21, subdivision 2.

Subd. 3. [CANVASS OF RETURNS, CERTIFICATE OF ELECTION, BALLOTS, DISPOSITION.] Within two days after a school district election, the school board shall canvass the returns and declare the results of the election. After the time for contesting elections has passed, the school district clerk shall issue a certificate of election to each successful candidate. If there is a contest, the certificate of election to that office must not be issued until the outcome of the contest has been determined by the proper court. If there is a tie vote, the school board shall determine the result by lot. The clerk shall deliver the certificate of election to the successful candidate by personal service or certified mail. The successful candidate shall file an acceptance and oath of office in writing with the clerk within 30 days of the date of mailing or personal service. A person who fails to qualify prior to the time specified shall be deemed to have

refused to serve, but that filing may be made at any time before action to fill the vacancy has been taken. The school district clerk shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

Subd. 4. [RECOUNT.] *A losing candidate at a school district election may request a recount of the votes for that office subject to the requirements of section 204C.36.*

Sec. 58. [205A.11] [PRECINCTS; POLLING PLACES.]

The precincts and polling places for school district elections are those precincts or parts of precincts and polling places set in sections 204B.14 to 204B.16, except that at a school district election not held on the day of a statewide election, the school board may combine several precincts into a single precinct with one polling place and one set of election judges. The school board shall establish combined precincts by resolution at least 30 days before an election, post a map of the combined precincts, and file a copy of the map and resolution with the county auditor.

Sec. 59. [205A.12] [SCHOOL BOARD ELECTION DISTRICTS.]

Subdivision 1. [GENERAL PROVISIONS.] *Any independent school district may alter its organization into separate election districts for the purpose of election of board members by following the procedures in this section.*

Subd. 2. [ELECTION.] *Except in a school district located wholly or partly within a city of the first class, upon resolution of the board, made on its own motion or on presentation of a petition substantially in the form required in section 60, signed by at least 50 electors of the district or ten percent of the number of votes cast in the most recent regular school board election, whichever is larger, the board shall adopt a proposal to divide the district into as many separate election districts as there are members of the board, which proposal must be submitted to an election under this chapter. If the election is initiated by petition, the resolution calling the election must be adopted within six months after the date of receipt of the petition. Only one election within any two-year period may be held under this section.*

Subd. 3. [BALLOT QUESTION.] *The question presented at the special election shall be: "Shall the school district be reorganized into election districts with boundaries as established in Resolution No. _____ of the school board, dated _____?"*

Yes _____

No _____"

Subd. 4. [ELECTION DISTRICT BOUNDARIES.] *Each proposed election district must be as equal in population as practicable and must be composed of compact, contiguous territory. The district may utilize the most recent federal decennial census figures available or may conduct a special census for this purpose. The board shall designate each election district by number.*

Subd. 5. [BOARD ELECTIONS.] *If the proposal for the establishment of election districts is approved by the voters, the board shall specify the election districts from which vacancies shall be filled as they occur until such time as each board member represents an election district. A candidate*

for school board in a subsequent election must file an affidavit of candidacy to be elected as a school board member for the election district in which the candidate resides. One and only one member of the board shall be elected from each election district. Each board member must be a resident of the election district for which elected but the creation of an election district or a change in election district boundaries shall not disqualify a board member from serving for the remainder of a term.

Subd. 6. [REDEFINING ELECTION DISTRICT BOUNDARIES.] The school board may by resolution redefine district boundaries after a school district general election. The board shall hold a public hearing on the proposed resolution before its adoption. One week's published notice of the hearing must be given. Within six months after the official certification of each federal decennial or special census, the school board shall either confirm the existing election district boundaries as conforming to the standards of subdivision 4 or redefine election district boundaries to conform to those standards. If the school board fails to take either action within the time required, no further compensation may be paid to the school board members until the districts are either reconfirmed or redefined as required by this section. A resolution establishing original or new election district boundaries shall apply to the first election held at least six months after adoption of the resolution.

Sec. 60. [205A.13] [REQUIREMENTS FOR PETITIONS.]

Any petition to a school board authorized in this chapter or sections 124A.03 and 275.125, or any other law which requires the board to submit an issue to referendum or election, shall meet the following requirements to be valid.

(1) Each page of the petition shall contain a heading at its top which specifies the particular action the board is being petitioned to take. The signatures on any page which does not contain such a heading shall all be invalidated. All pages of the petition shall be assembled and filed with the board as a single instrument.

(2) Each page of the petition shall contain an authentication signed by the circulator of the petition specifying as follows:

"I personally have circulated this page of the petition. All signatures were made in my presence. I believe that the signers signed their own names and that each person who has signed is eligible to vote in a school district election according to Minnesota election law.

Signed: _____ Signature of Petition Circulator

Date: _____."

The signatures on any page which does not contain such an authentication shall all be invalidated.

(3) Signers of the petition shall personally sign their own names in ink or indelible pencil and shall indicate after the name the place of residence by street and number, or other description sufficient to identify the place. Except as provided in clause (4) of this subdivision, any signature which does not meet these requirements shall be invalidated.

(4) Individuals who are unable to write their names shall be required to make their marks on the petition. The circulator of the petition shall certify the mark by signing the individual's name and address and shall

thereafter print the phrase "mark certified by petition circulator."

(5) A petition, to be valid, must contain the minimum number of valid signatures of eligible voters specified in the law authorizing the petition and election.

Sec. 61. Minnesota Statutes 1986, section 206.56, is amended by adding a subdivision to read:

Subd. 17. [MUNICIPALITY.] "Municipality" means city, town, or school district.

Sec. 62. Minnesota Statutes 1986, section 206.58, subdivision 2, is amended to read:

Subd. 2. [MAY USE EXPERIMENTAL MACHINES.] The governing body of a municipality may provide for the experimental use of lever voting machines or an electronic voting system in one or more precincts without formal adoption of the machines or system. Use of the machines or system at an election shall be as valid for all purposes as if the machines or system had been permanently adopted.

When the governing body of a municipality decides to use lever voting machines or an electronic voting system, it shall, at a regular or special meeting held not less than 30 days before the election, prescribe suitable rules and instructions consistent with the provisions of sections 206.55 to 206.87 and ~~123.32, subdivision 7,~~ for using the machine or system and shall submit the rules and instructions to the secretary of state for approval. When approved, a printed copy of the rules and instructions shall be posted prominently in the polling place and shall remain open to inspection by the voters throughout election day.

Sec. 63. [206.685] [VOTING MACHINES OR ELECTRONIC VOTING DEVICES AT SCHOOL ELECTIONS.]

Where lever voting machines or electronic voting devices are used in precincts containing more than one school district or more than one school election district, separate voting machines or devices must be used and must be allocated between the school districts or school election districts in proportion to the number of voters eligible to vote in the precinct from each district.

Sec. 64. Minnesota Statutes 1986, section 209.02, is amended to read:
209.02 [CONTESTANT; GROUNDS.]

Subdivision 1. Any eligible voter, including a candidate, may contest in the manner provided in this chapter: (1) the nomination or election of any person for whom the voter had the right to vote if that person is declared nominated or elected to the senate or the house of representatives of the United States, or to a statewide, county, legislative, ~~or~~ municipal, school, or district court office; or (2) the declared result of a constitutional amendment or other question voted upon at an election. The contest may be brought over an irregularity in the conduct of an election or canvass of votes, over the question of who received the largest number of votes legally cast, or on the grounds of deliberate, serious, and material violations of the Minnesota election law.

Sec. 65. Minnesota Statutes 1986, section 209.021, subdivision 3, is amended to read:

Subd. 3. [NOTICE SERVED ON PARTIES.] In all contests relating to the nomination or election of a candidate, the notice of contest must be served on the candidate who is the contestee, a copy of the notice must be sent to the contestee's last known address by certified mail, and a copy must be furnished to the official authorized to issue the certificate of election. If personal or substituted service on the contestee cannot be made, an affidavit of the attempt by the person attempting to make service and the affidavit of the person who sent a copy of the notice to the contestee by certified mail is sufficient to confer jurisdiction upon the court to decide the contest.

If the contest relates to a constitutional amendment or other question voted on statewide or voted on in more than one county, notice of contest must be served on the secretary of state, who is the contestee. If a contest relates to a question voted on within only one county, *school district*, or ~~one~~ municipality, a copy of the notice of contest must be served on the county auditor, *clerk of the school district*, or municipal clerk, respectively, who is the contestee. If the contest relates to an irregularity in the conduct of an election or canvass of votes, a copy of the notice of contest must be served on the county auditor of the county where the irregularity is said to have occurred. *If the contest is upon the question of consolidation or reorganization of a school district, a copy of the notice of contest must be served on the county auditor authorized by law to issue the order.*

Sec. 66. Minnesota Statutes 1986, section 210A.01, subdivision 3, is amended to read:

Subd. 3. [CANDIDATE.] "Candidate" means any individual for whom it is contemplated or desired that votes may be cast at any primary or election, and who either tacitly or expressly consents to be so considered, except candidates for president and vice president of the United States. In sections 210A.22 to 210A.28; 210A.32 and 210A.33, "candidate" does not mean an individual for whom it is contemplated or desired that votes may be cast at any primary or election, and who either tacitly or expressly consents to be considered for constitutional office, member of the legislature, *school board member*, justice of the supreme court, court of appeals, or district court, county court, probate court, or county municipal court judge.

Sec. 67. [REPEALER.]

Minnesota Statutes 1986, section 201.095, is repealed.

Sec. 68. [EFFECTIVE DATE.]

Sections 1 to 67 are effective July 1, 1988.

ARTICLE 2 ORGANIC LAWS OF SCHOOL DISTRICTS

Section 1. Minnesota Statutes 1986, section 6.54, is amended to read:

6.54 [EXAMINATION OF MUNICIPAL RECORDS PURSUANT TO PETITION.]

The registered voters in a home rule charter or statutory city or the electors at an annual or special town meeting of a town may petition the state auditor to examine the books, records, accounts, and affairs of the home rule charter or statutory city, town, or of any organizational unit, activity, project, enterprise, or fund thereof; and the scope of the exami-

nation may be limited by the petition, but the examination shall cover, at least, all cash received and disbursed and the transactions relating thereto, provided that the state auditor shall not examine more than the six latest years preceding the circulation of the petition, unless it appears to the state auditor during the examination that the audit period should be extended to permit a full recovery under bonds furnished by public officers or employees, and may if it appears to the auditor in the public interest confine the period or the scope of audit or both period and scope of audit, to less than that requested by the petition. In the case of a home rule charter or statutory city, the petition shall be signed by a number of registered voters at least equal to 20 percent of those voting in the last presidential election. The eligible voters of any school district, ~~as defined in section 123.32, subdivision 1a,~~ may petition the state auditor, who shall be subject to the same restrictions regarding the scope and period of audit, provided that the petition shall be signed by at least ten eligible voters for each 50 resident pupils in average daily membership during the preceding school year as shown on the records in the office of the commissioner of education. In the case of school districts, the petition shall be signed by at least ten eligible voters. At the time it is circulated, every petition shall contain a statement that the cost of the audit will be borne by the city or school district as provided by law. Thirty days before the petition is delivered to the state auditor it shall be presented to the appropriate city or school district clerk and the county auditor. The county auditor shall determine and certify whether the petition is signed by the required number of registered voters or eligible voters as the case may be. The certificate shall be conclusive evidence thereof in any action or proceeding for the recovery of the costs, charges and expenses of any examination made pursuant to the petition.

Sec. 2. Minnesota Statutes 1986, section 122.22, subdivision 2, is amended to read:

Subd. 2. Proceedings under this section may be instituted by:

(a) Resolution of the county board of the county containing the greatest land area of the district proposed for dissolution when the district is dissolved pursuant to sections 122.32 to 122.52.

(b) Petition executed by a majority of the eligible voters, ~~as defined in section 123.32, subdivision 1a,~~ of the district proposed for dissolution and addressed to the county board of the county containing the greatest land area of the district.

(c) Certification by the clerk of the district proposed for dissolution to the county board of the county containing the greatest land area of the district to the effect that a majority of votes cast at an election were in favor of dissolving the district.

Sec. 3. Minnesota Statutes 1986, section 122.22, subdivision 4, is amended to read:

Subd. 4. A petition executed pursuant to subdivision 2(b) shall be filed with the auditor. It shall contain the following:

(a) A statement that petitioners desire proceedings instituted leading to dissolution of the district and other provisions made for the education of the inhabitants of the territory and that petitioners are eligible voters, ~~as defined in section 123.32, subdivision 1a,~~ of the district;

(b) An identification of the district; and

(c) The reasons supporting the petition which may include recommendations as to disposition of territory to be dissolved. The recommendations are advisory in nature only and are not binding on any petitioners or county board for any purpose.

The persons circulating the petition shall attach their affidavit swearing or affirming that the persons executing the petition are eligible voters, as defined in section 123.32, subdivision 1a, of the district and that they signed in the presence of one of the circulators.

The auditor shall present the petition to the county board at its next meeting. At that meeting, the county board shall determine a date for a hearing. The hearing shall be not less than 20 nor more than 60 days from the date of that meeting.

Sec. 4. Minnesota Statutes 1986, section 122.23, subdivision 2, is amended to read:

Subd. 2. Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation. The resolution or petition may propose either that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, as provided in subdivision 16a, or that the taxable property in the newly created district will be taxable for the payment of the bonded debt previously incurred by any component district as provided in subdivision 16b. The resolution or petition may also propose that referendum levies previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, be combined as provided in section 122.531, subdivision 2a or 2b, or that the referendum levies be discontinued. The resolution or petition may also propose that the board of the newly created district consist of seven members, and may also propose the establishment of separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts. If a county auditor receives more than one request for a plat and the requests involve parts of identical districts, the auditor shall forthwith prepare a plat which in the auditor's opinion best serves the educational interests of the inhabitants of the districts or areas affected. The plat shall show:

(a) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(b) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

(c) The boundaries of any proposed separate election districts, ~~in accordance with the provisions of section 123.32, and~~

(d) Other pertinent information as determined by the county auditor.

Sec. 5. Minnesota Statutes 1986, section 122.23, subdivision 9, is amended to read:

Subd. 9. If the approved plat contains land area in more than one independent district maintaining a secondary school, or common district maintaining a secondary school, and if each board entitled to act on the plat approves the plat, each board shall cause notice of its action to be published at least once in its official newspaper. If five percent of the eligible voters, as defined in section 123.32, subdivision 1a, of any such district petition the clerk of the district, within 30 days after the publication of the notice, for an election on the question, the consolidation shall not become effective until approved by a majority vote in the district at an election held in the manner provided in subdivisions 11, 12, and 13.

Sec. 6. Minnesota Statutes 1986, section 122.23, subdivision 10, is amended to read:

Subd. 10. If an approved plat contains land area in any district not entitled to act on approval or rejection of the plat by action of its board, the plat may be approved by the residents of the land area within 60 days of approval of plat by the state board in the following manner:

A petition calling upon the county auditor to call and conduct an election on the question of adoption or rejection of the plat may be circulated in the land area by any person residing in the area. Upon the filing of the petition with the county auditor, executed by at least 25 percent of the eligible voters, as defined in section 123.32, subdivision 1a, in each district or part of a district contained in the land area, the county auditor shall forthwith call and conduct a special election of the electors resident in the whole land area on the question of adoption of the plat. For the purposes of this section, the term "electors resident in the whole land area" means any person residing on any remaining portion of land, a part of which is included in the consolidation plat. Any eligible voter, as defined in section 123.32, subdivision 1a, owning land included in the plat who lives upon land adjacent or contiguous to that part of the voter's land included in the plat shall be included and counted in computing the 25 percent of the eligible voters, as defined in section 123.32, subdivision 1a, necessary to sign the petition and shall also be qualified to sign the petition. Failure to file the petition within 60 days of approval of the plat by the state board terminates the proceedings.

Sec. 7. Minnesota Statutes 1986, section 122.25, subdivision 1, is amended to read:

Subdivision 1. If six or more eligible voters, as defined in section 123.32, subdivision 1a, of a common district desire to change the organization of their district to an independent district, they may call for a vote upon the question at the next annual meeting by filing a petition therefor with the clerk. In the notice for the meeting, the clerk shall include a statement that the question will be voted upon at the meeting.

Sec. 8. Minnesota Statutes 1986, section 123.11, subdivision 7, is amended to read:

Subd. 7. Upon the filing of a petition therefor, executed by five eligible voters, as defined in section 123.32, subdivision 1a Minnesota election law, of the common district, specifying the business to be acted upon, or upon the adoption of a proper resolution so specifying, signed by a majority of the members of the board, the clerk shall forthwith call a special meeting of the district upon ten days' posted notice and one week's published notice if there be a newspaper printed in the district and specify in the notice the

business named in the request or resolution and the time and place of the meeting. If there be no clerk in the district or if the clerk fails for three days after receiving a request or resolution to give notice of a meeting, it may be called by like notice by five eligible voters, as defined in ~~section 123.32, subdivision 4~~ *Minnesota election law*, of the district. No business except that named in the notice shall be transacted at the meeting. If there are not five eligible voters, as defined in ~~section 123.32, subdivision 4~~ *Minnesota election law*, or if there is not a board therein, the county auditor may call a special meeting by giving notice thereof as provided in this section. The voters at a special meeting have power to repeal or modify their proceedings.

Sec. 9. Minnesota Statutes 1986, section 123.33, subdivision 4, is amended to read:

Subd. 4. Any other vacancy in a board shall be filled by ~~the board appointment at any a~~ regular or special meeting ~~thereof~~. ~~Such~~ The appointment shall be evidenced by a resolution entered in the minutes and shall continue until ~~July 4 next following such appointment~~ *an election is held under this subdivision*. All elections to fill vacancies shall be for the unexpired term. *If the vacancy occurs before the first day to file affidavits of candidacy for the next school district general election and more than two years remain in the unexpired term, a special election shall be held in conjunction with the school district general election. The appointed person shall serve until the qualification of the successor elected to fill the unexpired part of the term at that special election. If the vacancy occurs on or after the first day to file affidavits of candidacy for the school district general election, or when less than two years remain in the unexpired term, there shall be no special election to fill the vacancy and the appointed person shall serve the remainder of the unexpired term and until a successor is elected and qualifies at the school district election.*

Sec. 10. Minnesota Statutes 1986, section 123.351, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] Two or more independent school districts may enter into an agreement to establish a cooperative center to provide for vocational education and other educational services upon the vote of a majority of the full membership of each of the boards of the districts entering into the agreement. When a resolution approving this action has been adopted by the board of a district, the resolution shall be published once in a newspaper of general circulation in the district. If a petition for referendum on the question of the district entering into the agreement, containing signatures of qualified voters of the district equal to five percent of the number of voters at the last ~~annual~~ *school district general election*, is filed with the clerk of the board within 60 days after publication of the resolution, the board shall not enter into the agreement until the question has been submitted to the voters of the district at a special election. This election shall be conducted and canvassed in ~~accordance with section 123.32~~ *the same manner as school district general elections*. If a majority of the total number of votes cast on the question within the district is in favor of the proposition, the board may ~~thereupon~~ enter into an agreement to establish the center for purposes ~~herein~~ *described in this section*.

Sec. 11. Minnesota Statutes 1986, section 123.51, is amended to read:

123.51 [SPECIAL SCHOOL DISTRICTS, LAWS APPLICABLE.]

Special districts as now organized shall continue to operate under the special legislation and charter provisions governing them until conversion to independent districts. The provisions of law relating to independent districts shall apply to and govern each special district unless the special laws and charter provisions governing the special district provide for the matter, in which case the special laws and charter provisions relating to the special district shall apply and control. *Article 1, sections 48 to 58, control and supersede inconsistent provisions of special laws or charters in the administration of school district elections in special districts.*

Sec. 12. Minnesota Statutes 1986, section 127.09, is amended to read:

127.09 [REFUSING TO SERVE ON SCHOOL BOARD.]

Any person who accepts election or appointment to any school board and who refuses or neglects to qualify or to serve or to perform any of the duties of the office, shall be fined \$10 for each offense. The fine shall be collected in an action before a county or municipal court. It may be prosecuted in the name of the district by any school board member or eligible voter, ~~as defined in section 123.32, subdivision 1a,~~ of the district.

Sec. 13. Minnesota Statutes 1986, section 127.11, is amended to read:

127.11 [DRAWING ILLEGAL ORDER.]

Any school district clerk who illegally draws an order upon the treasurer, any chair or other officer who attests the order, and any school district treasurer who knowingly pays the order, shall each forfeit to the district twice the amount of the order, to be collected in an action brought in the name of the district by any eligible voter, ~~as defined in section 123.32, subdivision 1a,~~ of the district.

Sec. 14. [REPEALER.]

Minnesota Statutes 1986, sections 123.015 and 123.32, are repealed.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to elections; providing for school district elections to be conducted according to Minnesota election law; amending Minnesota Statutes 1986, sections 6.54; 122.22, subdivisions 2 and 4; 122.23, subdivisions 2, 9, and 10; 122.25, subdivision 1; 123.11, subdivision 7; 123.33, subdivision 4; 123.351, subdivision 1; 123.51; 127.09; 127.11; 200.01; 200.015; 200.02, by adding a subdivision; 201.016, subdivision 2; 201.018, subdivision 2; 201.061, subdivisions 3 and 6; 201.071, subdivision 3, and by adding a subdivision; 201.221, subdivision 3; 201.27, subdivision 2; 203B.01, subdivision 2; 203B.04, subdivision 1; 203B.05, subdivision 2; 203B.06, subdivision 2; 203B.08, subdivision 4; 203B.10; 203B.12, subdivision 6; 203B.13; 203B.15; 203B.19; 203B.23; 204B.02; 204B.09, subdivision 2; 204B.16, subdivision 1; 204B.18, subdivision 2; 204B.19, subdivision 1; 204B.25, subdivision 1; 204B.29; 204B.31; 204B.32; 204B.34, by adding a subdivision; 204B.35, subdivision 1; 204C.02; 204C.06, subdivision 2; 204C.07, subdivision 3; 204C.08, subdivision 4; 204C.19, subdivision 2; 204C.20, subdivision 4; 204C.24, subdivision 2; 204C.25; 204C.26, subdivisions 2 and 3; 204C.27; 204C.28, by adding a subdivision; 204C.29, subdivision 1; 204C.36; 206.56, by adding a subdivision; 206.58, subdivision 2; 209.02; 209.021, subdivision 3; 210A.01, subdivision 3;

proposing coding for new law in Minnesota Statutes, chapter 206; proposing coding for new law as Minnesota Statutes, chapter 205A; repealing Minnesota Statutes 1986, sections 123.015; 123.32; and 201.095."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

H.F. No. 3: A bill for an act relating to labor; changing the minimum wage; amending Minnesota Statutes 1986, section 177.24, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 177.24, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] (a) *For purposes of this subdivision, the terms defined in this paragraph have the meanings given them. "Federal covered employers" means those employers covered by the Federal Fair Labor Standards Act of 1938, as amended, (29 U.S.C. 201 seq.). "State covered employers" means those employers not covered by the Federal Fair Labor Standards Act of 1938, as amended, and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.*

(b) ~~Beginning January 1, 1982,~~ Except as otherwise provided in sections 177.21 to 177.35, every federal covered employer must pay each employee who is 18 years of age or older wages at a rate of at least ~~\$3.35~~ \$3.55 an hour ~~and beginning January 1, 1988, \$3.85 an hour beginning January 1, 1989, and \$3.95 an hour beginning January 1, 1990.~~ Every state covered employer must pay each employee \$3.50 an hour beginning January 1, 1988, \$3.65 an hour beginning January 1, 1989, and \$3.80 an hour beginning January 1, 1990. Every federal covered employer must pay each employee under 18 wages at a rate of at least ~~\$3.02~~ \$3.20 an hour beginning January 1, 1988, \$3.47 an hour beginning January 1, 1989, \$3.56 an hour beginning January 1, 1990. Every state covered employer must pay each employee under 18 wages at a rate of at least \$3.15 an hour beginning January 1, 1988, \$3.29 an hour beginning January 1, 1989, and \$3.42 an hour beginning January 1, 1990.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1988."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 421: A bill for an act relating to crimes; providing for attachment of financial assets of persons charged with committing a felony; enhancing penalties for using a false name to get a credit card; updating the wiretap law; prohibiting persons from defrauding insurers by concealing or removing property for the purpose of making a fraudulent insurance claim; amending Minnesota Statutes 1986, sections 609.611; 609.821, subdivisions 2 and 3; and 626A.05, subdivision 2; proposing coding for new law

in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [609.532] [ATTACHMENT OF DEPOSITED FUNDS.]

Subdivision 1. [ATTACHMENT.] Upon application by the prosecuting authority, a court may issue an attachment order directing a financial institution to freeze some or all of the funds or assets deposited with or held by the financial institution by or on behalf of an account holder charged with the commission of a felony.

Subd. 2. [APPLICATION.] The application of the prosecuting authority required by this section must contain:

- (1) a copy of a criminal complaint issued by a court of competent jurisdiction that alleges the commission of a felony by the account holder;*
- (2) a statement of the actual financial loss caused by the account holder in the commission of the alleged felony, if not already stated in the complaint; and*
- (3) identification of the account holder's name and financial institution account number.*

Subd. 3. [ISSUANCE OF A COURT ORDER.] If the court finds that (1) there is probable cause that the account holder was involved in the commission of a felony; (2) the accounts of the account holder are specifically identified; (3) there was a loss of \$10,000 or more as a result of the commission of the alleged felony; and (4) it is necessary to freeze the account holder's funds or assets to ensure eventual restitution to victims of the alleged offense, the court may order the financial institution to freeze all or part of the account holder's deposited funds or assets so that the funds or assets may not be withdrawn or disposed of until further order of the court.

Subd. 4. [DUTY OF FINANCIAL INSTITUTIONS.] Upon receipt of the order authorized by this section, a financial institution must not permit any funds or assets that were frozen by the order to be withdrawn or disposed of until further order of the court.

Subd. 5. [RELEASE OF FUNDS.] (a) The account holder may, upon notice and motion, have a hearing to contest the freezing of funds or assets and to seek the release of all or part of them.

(b) The account holder is entitled to an order releasing the freeze by showing:

- (1) that the account holder has posted a bond or other adequate surety, guaranteeing that, upon conviction, adequate funds or assets will be available to pay complete restitution to victims of the alleged offense;*
- (2) that there is no probable cause to believe that the account holder was involved in the alleged offense;*
- (3) that the amount of funds or assets frozen is more than is necessary to pay complete restitution to all victims of the alleged offense;*
- (4) that a joint account holder who is not involved in the alleged criminal activity has deposited all or part of the funds or assets; or*

(5) that the funds or assets should be returned in the interests of justice.

(c) It is not grounds for the release of funds or assets that the particular accounts frozen do not contain funds or assets that were proceeds from or used in the commission of the alleged offense.

Subd. 6. [DISPOSITION OF FUNDS.] (a) If the account holder is convicted of a felony or a lesser offense, the funds or assets may be used to pay complete restitution to victims of the offense. The court may order the financial institution to remit all or part of the frozen funds or assets to the court.

(b) If the account holder is acquitted or the charges are dismissed, the court must issue an order releasing the freeze on the funds or assets.

Subd. 7. [TIME LIMIT.] The freeze permitted by this section expires 24 months after the date of the court's initial attachment order unless the time limit is extended by the court in writing upon a showing of good cause by the prosecution.

Subd. 8. [NOTICE.] Within ten days after a court issues an attachment order under this section, the prosecutor shall send a copy of the order to the account holder's last known address or to the account holder's attorney, if known.

Sec. 2. Minnesota Statutes 1986, section 609.611, is amended to read:

609.611 [DEFRAUDING INSURER.]

Whoever with intent to injure or defraud an insurer, damages, removes, or conceals any property real or personal, whether the actor's own or that of another, which is at the time insured by any person, firm or corporation against loss or damage;

(a) May be sentenced to imprisonment for not more than three years or to payment of fine of not more than \$5,000, or both if the value insured for is less than \$20,000; or

(b) May be sentenced to imprisonment for not more than five years or to payment of fine of not more than \$10,000, or both if the value insured for is \$20,000 or greater;

(c) Proof that the actor recovered or attempted to recover on a policy of insurance by reason of the fire is relevant but not essential to establish the actor's intent to defraud the insurer.

Sec. 3. Minnesota Statutes 1986, section 626A.05, subdivision 2, is amended to read:

Subd. 2. [OFFENSES FOR WHICH INTERCEPTION OF WIRE OR ORAL COMMUNICATION MAY BE AUTHORIZED.] A warrant authorizing interception of wire or oral communications by investigative or law enforcement officers may only be issued when the interception may provide evidence of the commission of gambling or any criminal, or of an attempt or conspiracy to commit, any of the following offenses:

(1) a felony offense involving murder, manslaughter, aggravated assault in the first, second, and third degrees, aggravated robbery, kidnapping, aggravated rape criminal sexual conduct in the first, second, and third degrees, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary in the first, second, and third degrees, forgery, or aggravated forgery, and offenses relating to controlled

substances, or an attempt or conspiracy to commit any of these offenses, as punishable under sections 609.185, 609.19, 609.195, 609.20, ~~609.225~~ 609.221, 609.222, 609.223, 609.2231, 609.245, 609.25, ~~609.291~~, 609.321 to 609.324, 609.342, 609.343, 609.344, 609.42, 609.48, 609.485, subdivision 4, clause (1), 609.52, 609.53, 609.54, ~~609.58~~ 609.582, 609.625, 609.63, ~~609.76~~, and 609.825; and ; or

(2) an offense relating to gambling or controlled substances, as punishable under section 609.76 or chapter 152.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1987, and apply to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete everything before "updating"

Page 1, line 9, delete "609.821,"

Page 1, line 10, delete "subdivisions 2 and 3;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 590: A bill for an act relating to crimes; sentencing; allowing a two year stay of sentence in misdemeanor cases involving driving under the influence and fifth degree assault; amending Minnesota Statutes 1986, section 609.135, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 609.135, subdivision 2, is amended to read:

Subd. 2. (1) ~~In case~~ If the conviction is for a felony ~~such~~ the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(2) ~~In case the conviction is for a misdemeanor the stay shall not be for more than one year.~~

(3) ~~In case~~ If the conviction is for a gross misdemeanor the stay shall ~~not~~ be for ~~not~~ more than two years.

(3) If the conviction is for a misdemeanor under section 169.121, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(4) If the conviction is for a misdemeanor not specified in clause (3), the stay shall be for not more than one year.

(5) At the expiration of such stay, unless the stay has been revoked or the defendant discharged prior thereto, The defendant shall be discharged

when the stay expires, unless the stay has been revoked or the defendant has already been discharged.

Sec. 2. Minnesota Statutes 1986, section 609.135, is amended by adding a subdivision to read:

Subd. 2a. [EXTENSION OF STAY OF EXECUTION.] Notwithstanding subdivision 2, the court may extend a stay up to two years if the conviction is for a misdemeanor under section 169.121 or 609.224, or for another misdemeanor violation arising out of the circumstances surrounding the initial charge under section 169.121 or 609.224. The court must require unsupervised probation for any extension of the stay beyond one year unless the court finds after the first year that the defendant needs supervised probation for all or a part of the second year.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1987, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; sentencing; allowing the extension of a stay of execution in misdemeanor cases involving driving under the influence and fifth degree assault; amending Minnesota Statutes 1986, section 609.135, subdivision 2, and by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 816: A bill for an act relating to drivers' licenses; traffic regulations; requiring courts to furnish information relating to previous convictions without charge in gross misdemeanor prosecutions of the driving while under the influence law; imposing a penalty on person who violates conditions attached to limited driver's license; amending Minnesota Statutes 1986, sections 169.121, subdivision 3; 171.17; and 171.30, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 and 3, delete section 2

Page 3, delete lines 22 to 25 and insert:

"Subd. 4. [PENALTY.] A person who violates a condition or limitation of a limited license issued under subdivision 1 is guilty of a misdemeanor.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "171.17;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 690: A bill for an act relating to traffic regulations; requiring a blood or urine test when there is probable cause to believe there is impairment by a controlled substance; requiring alternative test to be offered under certain conditions; amending Minnesota Statutes 1986, section 169.123, subdivisions 2 and 2a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 3, line 6, delete the new language

Page 3, line 7, delete everything before "action"

Page 3, after line 10, insert:

"Sec. 2. Minnesota Statutes 1986, section 169.123, subdivision 2a, is amended to read:

Subd. 2a. [REQUIREMENT OF URINE OR BLOOD TEST.] Notwithstanding subdivision 2, if there ~~are reasonable and probable grounds is~~ *probable cause* to believe there is impairment by a controlled substance ~~which that~~ is not subject to testing by a ~~blood or~~ breath test, a urine ~~or~~ blood test may be required even after a ~~blood or~~ breath test has been administered. *Action may be taken against a person who refuses to take a blood test under this subdivision only if a urine test was offered and action may be taken against a person who refuses to take a urine test only if a blood test was offered.*"

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 470: A bill for an act relating to family law; eliminating the requirement that a husband's consent to donor insemination be filed with the commissioner of health; amending Minnesota Statutes 1986, section 257.56, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 20 and 21, delete "*Notwithstanding any law to the contrary,*"

Page 1, line 21, delete "*shall*" and insert "*must*"

Page 1, line 22, delete "*any*" and insert "*a*" and delete "*which*" and insert "*that*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 427: A bill for an act relating to public safety; providing that violation of local DWI ordinance is counted for purposes of driver's license revocation; providing that courts must report juvenile traffic violations to the department of public safety; amending Minnesota Statutes 1986, sec-

tions 169.121, subdivision 4; 171.16, subdivision 5; 171.17; and 260.161, by adding a subdivision; repealing Minnesota Statutes 1986, section 260.193, subdivision 9.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 1986, section 260.161, subdivision 2, is amended to read:

Subd. 2. Except as provided in this subdivision and in subdivision 1, none of the records of the juvenile court, including legal records, shall be open to public inspection or their contents disclosed except (a) by order of the court or (b) as required by sections 611A.03, 611A.04, and 611A.06. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. This subdivision does not apply to proceedings under sections 260.255 and 260.261. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95."

Amend the title as follows:

Page 1, line 8, delete "by adding"

Page 1, line 9, delete "a" and after "subdivision" insert "2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1156: A bill for an act relating to public nuisances; defining a nuisance; providing for the enjoinder of nuisances; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1986, sections 617.33; 617.34; 617.35; 617.36; 617.37; 617.38; 617.39; 617.40; and 617.41.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [617.80] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] The definitions in this section apply to sections 1 to 9.

Subd. 2. [BUILDING.] "Building" means a structure suitable for human

shelter, a commercial structure that is maintained for business activities that involve human occupation, or a portion of the structure.

Subd. 3. [MOVABLE PROPERTY.] "Movable property" means furniture and fixtures.

Subd. 4. [PROSTITUTION.] "Prostitution" or "prostitution related offenses" means the conduct prohibited in sections 609.321 to 609.324.

Subd. 5. [GAMBLING.] "Gambling" or "gambling related offenses" means the conduct prohibited in sections 609.75 to 609.762.

Subd. 6. [DISORDERLY HOUSE.] "Disorderly house" has the meaning assigned to it in section 609.33.

Subd. 7. [OWNER.] "Owner" means the person in whose name the building or affected portion is recorded with the county auditor for taxation purposes.

Subd. 8. [INTERESTED PARTY.] "Interested party" means a lessee, tenant, or occupant of a building or affected portion of a building and a known agent of an owner, lessee, tenant, or occupant.

Sec. 2. [617.81] [NUISANCE; ACTS CONSTITUTING; INJUNCTION; NOTICE.]

Subdivision 1. [ACTS CONSTITUTING A NUISANCE.] For purposes of sections 1 to 9, a public nuisance exists upon proof of any of the following:

(1) three or more misdemeanor convictions or two or more convictions, of which at least one is a gross misdemeanor or felony, within the previous two years for acts of prostitution or prostitution related offenses committed within the building;

(2) three or more misdemeanor convictions or two or more convictions, of which at least one is a gross misdemeanor or felony, within the previous two years for acts of gambling or gambling related offenses committed within the building; or

(3) two or more convictions within the previous two years for keeping or permitting a disorderly house within the building.

Subd. 2. [NOTICE.] Notice of a conviction described in subdivision 1 must be mailed by the court administrator to the owner of the building where the offense was committed and all other interested parties and must be filed with the county recorder's office. This notice is sufficient to inform all interested parties that the building or a portion of it is being used for purposes constituting a public nuisance.

Sec. 3. [617.82] [TEMPORARY ORDER.]

Whenever a city attorney, county attorney, or the attorney general has cause to believe that a nuisance described in section 2, subdivision 1, exists within the jurisdiction the attorney serves, that attorney may by verified petition seek a temporary injunction in district court in the county in which the alleged public nuisance exists. No temporary injunction may be issued without a prior show cause notice of hearing to the respondents named in the petition and an opportunity for the respondents to be heard. Upon proof of a nuisance described in section 2, subdivision 1, the court shall issue a temporary injunction describing the conduct to be enjoined.

Sec. 4. [617.83] [INJUNCTION; ORDER OF ABATEMENT.]

Upon proof of a nuisance described in section 2, subdivision 1, the court shall issue a permanent injunction describing the conduct to be permanently enjoined and enter an order of abatement. The order of abatement must direct the closing of the building or a portion of it for one year, except as otherwise provided in section 5 or 6, unless sooner released pursuant to section 9. Before an abatement order is enforced against a building or portion of it, the owner must be served with the abatement order and a notice of the right to file a motion under section 6 in the same manner that a summons is served under the rules of civil procedure. A copy of the abatement order must also be posted in a conspicuous place on the building or affected portion.

Sec. 5. [617.84] [MOVABLE PROPERTY.]

The order of abatement may direct the removal of movable property used in conducting or maintaining the nuisance and direct the sale of property belonging to a respondent who was notified or appeared. The sale must be conducted pursuant to the provisions of chapter 550 on the sale of property on execution. A person appointed by the court as receiver of the building may use a building or portion of it that is the subject of an abatement order in a manner approved by the court. Costs of the sale on execution, moving and storage fees, and a receivership must be paid out of the receipts from the sale of the movable property or rents collected during the receivership. The balance from the sale of movable property must be paid to the owner of the property. The balance from rents collected during any receivership must be paid to the treasury of the unit of government that brought the abatement action.

Sec. 6. [617.85] [NUISANCE; MOTION TO CANCEL LEASE.]

Subdivision 1. [MOTION.] Where an abatement of a nuisance is sought and the circumstances that are the basis for the requested abatement involved the acts of a commercial or residential tenant of part or all of a building, the owner of the building that is subject to the abatement proceeding may file before the court that has jurisdiction over the abatement proceeding a motion to cancel the lease or otherwise secure restitution of the premises from the tenant who has maintained or conducted the nuisance. In addition to the grounds provided in chapter 566, the maintaining or conducting of a nuisance as defined in section 2, subdivision 1, by a tenant, is an additional ground for seeking the cancellation of a lease or the restitution of the premises. It is no defense to a motion under this section by the owner that the lease or other agreement controlling the tenancy does not provide for eviction or cancellation of the lease upon the ground provided in this section.

Subd. 2. [CANCELLATION.] Upon a finding by the court that the tenant has maintained or conducted a nuisance in any portion of the building under the control of the tenant, the court shall order cancellation of the lease and grant restitution of the premises to the owner. The court may not order abatement of the premises if the court:

(a) cancels a lease and grants restitution of that portion of the premises to the owner under this section; and

(b) finds that the acts constituting the nuisance as defined in section 2, subdivision 1, were committed in a portion of the building under the control of the tenant whose lease has been cancelled pursuant to this section.

Sec. 7. [617.86] [NONCONFORMING USE.]

If a building is a nonconforming use for municipal zoning purposes, the closure of the building under an order of abatement constitutes a discontinuance of the use and, after that, the use of the building must conform to the use permitted in the zoning district in which the building is located. If the abatement of a portion of the building results in a reduction of the degree of the building's nonconformity, the degree of nonconformity may not be returned to its original status.

The provisions of this section apply if the owner of the building has sought and secured from the court an order canceling a lease and granting restitution of the portion of the building controlled by the tenant as provided in section 6.

Sec. 8. [617.87] [CONTEMPT.]

Whoever violates a temporary injunction, permanent injunction, or abatement order granted under sections 1 to 9 may be adjudged in contempt of court.

Sec. 9. [617.88] [RELEASE OF PROPERTY.]

If, after an order of abatement has been entered, the owner appears and pays the costs of the action and files a bond in an amount determined by the court, but not to exceed \$50,000, conditioned that the owner will immediately abate the nuisance for a period of one year, the court may, if satisfied of the owner's good faith, order the release of the building or portion of it that is subject to the order of abatement. If the premises are released, for each day during the term of the bond that the owner knowingly permits any part of the premises to be used for any activity that was the basis of the abatement order, the owner shall forfeit \$1,000 under the bond. Forfeiture under the bond does not relieve the owner from prosecution for contempt. Release of the property pursuant to this section does not release it from an injunction issued under section 4 or any other judgment, penalty, lien, or liability to which it may be subject by law.

Sec. 10. [REPEALER.]

Minnesota Statutes 1986, sections 617.33; 617.34; 617.35; 617.36; 617.37; 617.38; 617.39; 617.40; and 617.41, are repealed."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1321: A bill for an act relating to crimes; providing that persons convicted of a crime of violence may not ship, transport, possess, or receive a firearm for ten years following restoration of civil rights, the setting aside of a conviction, or a pardon; amending Minnesota Statutes 1986, sections 609.165, by adding a subdivision; 609.168; 624.712, subdivision 5; and 638.02, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete "unless" and insert "until"

Page 2, line 3, delete "unless" and insert "until"

Page 3, line 17, delete "*unless*" and insert "*until*"

Page 3, after line 19, insert:

"Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 953: A bill for an act relating to real property; taxation; requiring real property taxes payable for the year in which the property was conveyed to be paid before deed may be recorded; amending Minnesota Statutes 1986, section 272.12.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [507.43] [PAYMENT OF PROPERTY TAXES.]

An agreement for the purchase of real property must provide for the payment of real estate taxes and installments of special assessments payable for the year in which the real property is conveyed. Real estate taxes and installments of special assessments payable by the seller must be accounted for at the time the real property is conveyed. The closer, or the seller in the event there is no closer, is liable for all costs and attorney fees resulting from failure to comply with this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1988, and applies to purchase agreements entered into on or after that date or conveyances made on or after that date."

Delete the title and insert:

"A bill for an act relating to real property; providing for payment of property taxes for the year in which property is conveyed; proposing coding for new law in Minnesota Statutes, chapter 507."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 868: A bill for an act relating to public guardianship; modifying standards and procedures for the appointment of public guardians for mentally retarded persons; providing for powers and duties of public guardians; amending Minnesota Statutes 1986, sections 252.291, subdivision 3; 252A.01; 252A.02, subdivisions 2, 4, 6, 7, 8, 11, 12, and by adding subdivisions; 252A.03, subdivisions 2 and 3; 252A.04, subdivisions 1 and 3; 252A.05; 252A.06; 252A.07, subdivisions 1 and 3; 252A.14; 252A.16; 252A.17; 252A.19, subdivisions 1, 2, and 3, and by adding a subdivision; 252A.20, subdivision 1; 252A.21, subdivision 2; 253B.03, subdivisions 1 and 6; and 525.56, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 252A; repealing Minnesota Statutes 1986, sections 252A.08; 252A.10; 252A.11; 252A.13; 252A.15; and 252A.18.

Reports the same back with the recommendation that the bill be amended as follows:

Page 11, line 29, delete "*quarterly*" and insert "*semiannually*"

Page 11, line 36, delete "*involvement*" and insert "*input*"

Page 15, line 6, delete the first "*quarterly*" and insert "*semiannual*"

Page 16, line 33, delete "*and only if*" and insert a period and delete "*has been*" and insert "*must be*" and before "*person*" insert "*mentally retarded*"

Page 16, line 34, before the period, insert ", *except for emergency procedures authorized under rules of the commissioner*"

Page 17, line 10, delete "*as defined*" and insert ", *except for emergency procedures authorized under rules of the commissioner adopted*"

Page 21, line 15, delete "*person*" and insert "*guardian or conservator*" and after "*consents*" insert "*in good faith*"

Page 21, line 17, delete "*the performance or*"

Page 21, line 18, delete everything after the period

Page 21, delete lines 19 to 23

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 992: A bill for an act relating to motorboat safety; providing for enforcement of sanctions for operation of a motorboat while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, section 361.121, subdivision 2, and by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 21, delete "*administrative and*"

Page 3, lines 1 and 22, delete "*which*" and insert "*that*"

Page 3, line 5, delete "*No*" and insert "*A*" and delete "*must*" and insert "*may not*"

Page 3, line 6, delete "*no*" and delete "*must*" and insert "*may not*"

Page 3, line 9, delete "*in the name of*" and insert "*with*"

Page 3, line 11, after "*must*" insert "*specifically*" and delete "*with specificity*"

Page 3, line 12, delete "*upon*" and insert "*on*"

Page 3, line 15, after the period, insert "*However, the filing of a petition stays imposition of the civil penalty.*"

Page 3, line 28, delete the second "*which*" and insert "*that*"

Page 4, line 32, after "*penalty*" insert "*within 30 days of the time the penalty was*"

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 308: A bill for an act relating to crimes; including live performances in the statute regulating exposure of minors to sexually provocative material; amending Minnesota Statutes 1986, sections 617.291; and 617.294.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1986, section 617.291, is amended to read:

Subdivision 1. ~~In enacting sections 617.291 to 617.297 the legislature declares its purposes and intent to be as follows:~~

~~There exists an urgent need to prevent commercial exposure of minors to sexually provocative written, photographic, printed, sound or published. The legislature finds that sexually explicit materials and exhibitions presented before an audience as these are hereafter defined in sections 617.291 to 617.297 and which are hereby declared to be are harmful to minors.~~

Subd. 2. It is in the best interest of the health, welfare and safety of the citizens of this state, and especially of minors within the state, that commercial dissemination, *and dissemination without monetary consideration in a place of public accommodation*, of ~~such~~ sexually provocative explicit written, photographic, printed, sound or published materials, *and of plays, dances, or other exhibitions presented before an audience, that are deemed harmful to minors*, be restricted to persons over the age of 17 years; or, if available to minors under the age of 18 years, that the availability of ~~such~~ *the* materials be restricted to sources within established and recognized schools, churches, museums, medical clinics and physicians, hospitals, public libraries, or government sponsored organizations."

Page 2, after line 17, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1987, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; obscenity; prohibiting exhibition of obscene live performances to juveniles in a place of public accommodation; prohibiting the admission of a minor to an obscene exhibition even if minor does not pay for admission; amending Minnesota Statutes 1986, sections 617.291; and 617.294."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 147: A bill for an act relating to crimes; expanding the crime of witness tampering to include the act of intimidating a witness to make false statements; amending Minnesota Statutes 1986, section 609.498, sub-

divisions 1 and 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1205: A bill for an act relating to courts; authorizing additional judgeships in certain judicial districts; authorizing imposition of a judicial fee in civil actions; increasing the amount of penalty assessment levied for traffic offenses; amending Minnesota Statutes 1986, sections 2.722, subdivision 1; and 626.861, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 480.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 to 4, delete sections 2 to 4

Page 4, line 21, delete "(a)"

Page 5, delete lines 2 and 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "authorizing imposition"

Page 1, delete lines 4 and 5

Page 1, line 6, delete "offenses;" and delete "sections" and insert "section"

Page 1, line 7, delete everything after "subdivision 1" and insert a period

Page 1, delete lines 8 and 9

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1250: A bill for an act relating to courts; conforming fees for the filing of an unlawful detainer action in Hennepin county with other civil fees and unlawful detainer fees collected throughout the state; changing Hennepin county conciliation court filing and counterclaim fees; amending Minnesota Statutes 1986, sections 488A.03, subdivision 11; and 488A.14, subdivisions 1 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, reinstate the stricken ". Library and filing fees are not"

Page 1, line 21, reinstate the stricken language

Page 2, after line 28, insert:

"(5) Upon the effective date of a \$2 increase in the expired meter fine schedule that is enacted on or after August 1, 1987, the amount payable to the court administrator must be increased by \$1 for each expired meter violation disposed of in a violations bureau."

Page 2, line 34, delete "\$11" and insert "\$9"

Page 3, line 11, delete "\$11" and insert "\$9"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 151: A bill for an act relating to crime victims; permitting the crime victims reparation board to file a claim for reparations; altering the manner of determining reparations claims; requiring law enforcement agencies to aid the board; providing for the classification of various data; clarifying ambiguous language; providing penalties; amending Minnesota Statutes 1986, sections 609.101; 611A.04, by adding a subdivision; 611A.52, subdivision 8; 611A.53, subdivision 2; 611A.57; 611A.66; and 611A.74, subdivision 2; repealing Minnesota Statutes 1986, section 611A.59.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1024: A bill for an act relating to human rights; regulating access to public accommodation by certain persons and guide dogs; amending Minnesota Statutes 1986, sections 256C.02; and 363.03, subdivision 10.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 818: A bill for an act relating to environment; providing criminal penalties for violation of laws and rules relating to hazardous waste; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, sections 115.071, subdivision 2; 609.531, subdivision 1; and 628.26; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 5, delete "violations" and insert "acts"

Page 7, delete lines 15 to 21

Page 8, line 19, delete "4" and insert "5"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 375: A bill for an act relating to corrections; clarifying the commissioner of corrections authority in licensing and supervising institutions and facilities; providing for restitution by inmates for destruction of state property; clarifying terminology; authorizing the commissioner to adopt rules relating to payment of restitution by inmates; authorizing the forfeiture of contraband money or property; clarifying provisions relating to county probation reimbursement; providing a penalty for assaults on

correctional employees; amending Minnesota Statutes 1986, sections 241.021, subdivision 1; 241.08, subdivision 1; 241.26, subdivision 5; 241.69, subdivision 2; 243.23, subdivision 3; 243.24, subdivision 1, and by adding a subdivision; 260.311, subdivision 4; 609.2231, by adding a subdivision; and 641.264, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, line 5, delete "a"

Page 9, delete line 6 and insert "*an employee of a correctional facility as defined in section 241.021, subdivision 1, clause (5), while the employee is engaged in the performance*"

Page 9, line 7, delete "*his or her duties or any other*" and insert "a"

Page 9, line 9, delete "*felony*" and insert "*gross misdemeanor*"

Page 9, line 10, delete "*and a day,*"

Page 9, line 11, after "\$3,000" insert a comma

Page 9, after line 33, insert:

"Sec. 11. [EFFECTIVE DATE.]

Section 9 is effective August 1, 1987, and applies to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 2, after "the" insert "authority of the"

Page 1, line 3, delete "authority"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 392: A bill for an act relating to public safety; providing for the mandatory surrender of registration plates and certificates of motor vehicles operated by repeat DWI offenders; providing for administrative and judicial review; amending Minnesota Statutes 1986, sections 168.041; 169.123, subdivisions 5b, 5c, and 6; 169.1261; and 171.29, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, strike "certificates" and insert "*certificate*"

Page 2, lines 12 and 21, strike "vehicles" and insert "*vehicle*"

Page 2, line 28, delete "*certificates*" and insert "*certificate*"

Page 2, line 32, after the period, insert "*This requirement does not apply to rental motor vehicles, as defined in subdivision 10.*"

Page 2, line 33, delete "*any*" and insert "a"

Page 3, line 9, delete "*destroy*"

Page 3, line 10, delete everything before "*forward*"

Page 3, line 12, before the period, insert "*within seven days. The court*

may destroy the surrendered registration plates"

Page 3, line 13, delete "person," and after "violator" delete the comma

Page 3, line 15, delete "person," and delete ", or owner"

Page 3, line 32, delete "or be uniquely colored"

Page 4, line 6, delete "person's," and after "violator's" delete the comma

Page 4, line 7, delete "person," and after "violator" delete the comma

Page 4, line 9, delete "\$100" and insert "\$25"

Page 4, line 10, after the period, insert "*The commissioner shall not authorize the issuance of special plates unless the court that impounded the vehicle's plates gives written approval for the issuance of the special plates.*"

Page 4, line 11, strike "such" and delete "person," and insert "the"

Page 4, line 12, delete the first comma and delete "person,"

Page 4, line 13, delete the comma

Page 5, after line 19, insert:

"Subd. 10. "Rental motor vehicle" means a passenger vehicle, truck, motorcycle, or motorized bicycle:

(1) that is involved in a violation under subdivision 3a, leased in the name of the violator, or leased jointly in the name of the violator and the violator's spouse; and

(2) that is one of a fleet of two or more vehicles rented for periods of 30 days or less."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 882: A bill for an act relating to eminent domain; authorizing court having jurisdiction over an eminent domain proceeding to compel occupants of condemned real estate to deliver possession; proposing coding for new law in Minnesota Statutes, chapter 117.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [117.043] [COMPELLING DELIVERY OF POSSESSION.]

Subdivision 1. [CONDITIONS REQUIRED FOR COURT TO ISSUE RELIEF] A court having jurisdiction over an eminent domain proceeding may issue an order compelling delivery of possession of the property under any of the following conditions:

(1) the court has issued an order authorizing transfer of title and possession and the petitioner has paid or deposited its approved appraisal value under section 117.042; or

(2) the petitioner has acquired title of the real estate.

If one of these conditions is met, the court may issue an order compelling

delivery of possession of the property upon: (1) the affidavit of the petitioner; (2) notice to the occupants of the acquired real estate and others claiming a right to remain in possession of it; and (3) a hearing. Notice of the hearing must be given in the same way as notice of a motion under the rules of civil procedure. In case of hardship the court may delay enforcement of an order compelling delivery of possession for a period not to exceed seven days. Unless otherwise allowed by the court, the matter must be considered solely on the basis of arguments of counsel and affidavits.

Subd. 2. [AWARD OF FEES AND COSTS.] Following notice and hearing, if the occupant, in bad faith, has failed to deliver possession of the real estate in accordance with either an order issued under section 117.042 or an order issued under this section, the court, upon application by the petitioner, may award to the petitioner, and against the occupant, the attorney fees, costs, and disbursements that were actually incurred by the petitioner in getting possession of the real estate.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to condemnation proceedings commenced on or after the effective date."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 1280: A bill for an act relating to public safety; increasing taxable gross weight of vehicles at which proof of payment of use tax is required; providing for permits for new vehicles used in events for promotion purposes; changing trip permit conditions; increasing fine for unlawful use of registration plates or certificates; allowing police to give age of parties in traffic accident to media; providing for the disclosure of certain information from accident reports; providing for service of notice of driver's license revocation by court; prescribing contents of petition for judicial review of driver's license revocation; subjecting alcohol problem assessment rules to administrative procedure act; prescribing actions by drivers on one-way road when emergency vehicle approaching; requiring school buses on one-way, separated roads with shoulders to load and unload without flashing lights; removing obsolete deadlines; providing for \$10 fee for class A classified provisional driver's license; allowing inspection of school buses for approved wheelchair devices; amending Minnesota Statutes 1986, sections 168.013, subdivision 20; 168.187, subdivision 17; 168.27, subdivision 16; 168.36, subdivision 2; 169.09, subdivision 13; 169.121, subdivision 7; 169.123, subdivision 5c; 169.124, subdivision 2; 169.20, subdivision 5; 169.44, subdivisions 2, 16, and 17; 171.06, subdivision 2; and 299A.11.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 7, delete everything after "same" and insert "incident"

Page 6, line 8, delete the new language

Page 11, after line 6, insert:

"Sec. 14. Minnesota Statutes 1986, section 171.182, subdivision 3, is amended to read:

Subd. 3. [CONDITIONS.] The commissioner, upon receipt of a certified

copy of a judgment, shall forthwith suspend the license or the nonresident's operating privilege, of the person against whom judgment was rendered if:

(a) At the time of the accident the ~~person did not maintain motor vehicle involved in the accident was not covered by~~ the reparation security required by section 65B.48, and

(b) The judgment has not been satisfied."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 21, after the semicolon, insert "allowing post-judgment suspension of driver's license of nonowner driver of uninsured vehicle;"

Page 1, line 28, after the second semicolon, insert "171.182, subdivision 3;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 677: A bill for an act relating to public utilities; authorizing the public utilities commission to deregulate competitive telecommunications services; requiring interexchange companies to pay reasonable access fees; requiring certain companies to post a bond; prohibiting telephone companies from subsidizing competitive services from noncompetitive services; requiring telephone companies to provide full disclosure of their services and rates; authorizing the commission to require telephone companies to upgrade their services; providing that local telephone exchanges may not be sold without commission approval; requiring persons providing private shared tenant service to grant certain access; requiring the state planning agency to conduct a study on universal service assistance; amending Minnesota Statutes 1986, sections 237.01, subdivision 2, and by adding a subdivision; 237.081, subdivision 1a, and by adding a subdivision; 237.11; 237.12; 237.16, subdivision 1; 237.17; and 237.22; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1986, sections 237.13; 237.41; 237.42; and 237.43.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [237.50] [TELECOMMUNICATIONS POLICY.]

The legislature declares that it is the policy of the state to:

- (1) *preserve affordable universal telecommunications service;*
- (2) *maintain and advance the efficiency, quality, and availability of telecommunications service;*
- (3) *ensure that customers pay only reasonable charges for telecommunications services;*
- (4) *ensure that rates for noncompetitive telecommunications services do not subsidize the competitive ventures of regulated telecommunications companies;*

(5) *promote diversity in the supply of telecommunications services and products in telecommunications markets throughout the state;*

(6) *ensure that all telecommunications services bear a fair and reasonable share of the costs of facilities used in providing the services;*

(7) *ensure that customers throughout the state are not subject to unreasonable discrimination in the price or availability of telecommunications services;*

(8) *remove in an orderly manner unnecessary regulatory requirements on telecommunications providers or specific telecommunications services where effective and fair competition is found;*

(9) *make regulation of telephone companies administratively efficient;*

(10) *minimize disparities between urban and rural areas of the state; and*

(11) *foster development of the telecommunications infrastructure to encourage telecommunications-related economic development.*

Sec. 2. [237.51] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 1 to 13 have the meanings given them in this section.

Subd. 2. [COMPETITIVE SERVICE.] "Competitive service" means a service that has been determined to be nonessential or to be subject to effective competition or emerging competition.

Subd. 3. [EFFECTIVE COMPETITION.] "Effective competition" exists when the criteria of section 4, subdivision 5, have been satisfied for a service.

Subd. 4. [EMERGING COMPETITION.] "Emerging competition" exists when the criteria of section 4, subdivision 5, have not been satisfied, but there is a trend toward effective competition.

Subd. 5. [LOCAL ACCESS AND TRANSPORT AREA.] "Local access and transport area (LATA)" means a geographical area designated by the Modification of Final Judgment in U.S. v. Western Electric Co., Inc., 552 F.Supp. 131 (D.D.C. 1982).

Subd. 6. [NONCOMPETITIVE SERVICE.] "Noncompetitive service" means a service that has not been classified as competitive by the commission.

Sec. 3. [237.52] [APPLICABILITY; REGULATION OF NONCOMPETITIVE SERVICES.]

Subdivision 1. [APPLICABILITY.] Sections 3, 4, 5, and 7 do not apply to a telephone company unless the company notifies the commission in writing of its decision to be subject to all of those sections. The company may not revoke its decision to be subject to those sections.

Subd. 2. [NONCOMPETITIVE SERVICES; RATE CHANGE PROCEDURES.] Except as provided in section 8, a telephone company may change its rates and charges for the noncompetitive services by complying with section 237.075 and section 7. The commission may also investigate matters related to the provision of these services and make orders relating to the services as may be appropriate under section 237.081.

Subd. 3. [DISCONTINUANCE OF SERVICE.] A telephone company

may not discontinue any noncompetitive services without the express approval of the commission.

Sec. 4. [237.53] [CLASSIFICATION OF COMPETITIVE SERVICES; HEARING.]

Subdivision 1. [EMERGING COMPETITIVE SERVICES.] The following services provided by the telephone company are subject to emerging competition unless and until reclassified as noncompetitive or subject to effective competition under this section:

- (1) *apartment door answering services;*
- (2) *automatic call distribution;*
- (3) *billing and collection services;*
- (4) *call waiting, call forwarding, and three-way calling services for businesses with three or more lines;*
- (5) *central office-based pricing packages providing switched business access lines which substitute for private branch exchange systems which may or may not share intelligence with customer premises equipment;*
- (6) *command link-type services for network reconfiguring to rearrange cross-connections between channel services;*
- (7) *custom network services and special assemblies;*
- (8) *digicom switchnet services for full duplex, synchronous, information transport;*
- (9) *digital private line service;*
- (10) *direct customer access services for telephone number information services video display;*
- (11) *group access bridge services;*
- (12) *inter-LATA and intra-LATA message toll service;*
- (13) *inter-LATA and intra-LATA wide area telephone service;*
- (14) *mobile radio services;*
- (15) *operator-handled intercept services;*
- (16) *public pay telephone services, excluding charges for access to the central office;*
- (17) *seminars;*
- (18) *services not previously offered prior to August 1, 1987;*
- (19) *services which generate an annual revenue equal to or less than one-tenth of one percent of a telephone company's annual revenues in the year the company elects to be covered by this section;*
- (20) *special construction of facilities;*
- (21) *studies;*
- (22) *systems for automatic dialing; and*
- (23) *versanet-type service access line involving continuous monitoring and transmission of data from customer's premises to the central office.*

Subd. 2. [PETITION.] A person, or the commission on its own motion,

may petition to have a service of a telephone company classified as subject to effective competition or emerging competition. The petition must be served on the commission, the department of public service, the office of the attorney general, and any other person designated by the commission. The petition must contain at least:

(1) a list of the known alternative providers of the service available to the company's customers;

(2) an estimate of the company's current market share;

(3) identification of barriers to entry or exit from the market for the service; and

(4) a description of affiliate relationships with any other provider of the service in the company's market.

Subd. 3. [EXPEDITED PROCEEDING.] A person who files a petition under subdivision 2 may request that the commission determine the classification of the service through an expedited proceeding under section 6 or a contested case hearing. If an expedited proceeding is requested, the commission must provide interested persons an opportunity to comment on the appropriateness of the process and the merits of the petition.

When an expedited proceeding is requested, the commission must make a final determination within 60 days of the date on which all required information required pursuant to subdivision 2 is filed, unless during the 60 days the commission finds that a material issue of fact is in dispute in which case it must order a contested case hearing be conducted to evaluate the petition.

Subd. 4. [CONTESTED CASE HEARING.] If a contested case hearing is held under this section, the commission shall make a final determination on the petition within eight months from the date the petitioning party requests a contested case hearing or from the date the commission orders a contested case hearing under subdivision 3. When a contested case hearing is requested in the petition or when the commission acts on its own motion, this deadline may be extended for no more than 60 days by agreement of all parties or by order of the commission if the commission finds that the case cannot be completed within the required time and that without an extension there is substantial probability that the public interest will be harmed.

Subd. 5. [CRITERIA.] (a) In determining whether a service is subject to either effective competition or emerging competition from available alternative services, the commission shall consider and make findings on the following factors:

(1) the number and sizes of alternative providers of service and affiliation to other providers;

(2) the extent to which services are available from alternative providers in the relevant market;

(3) the ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions of service;

(4) the market share, the ability of the market to hold prices close to cost, and other economic measures of market power; and

(5) *the necessity of the service to the well-being of the customer.*

(b) *In order for the commission to find a service subject to effective competition alternative services must be available to over 50 percent of the company's customers for that service.*

(c) *In order for the commission to find a service subject to emerging competition alternative services must be available to over 20 percent of the company's customers for that service.*

Subd. 6. [BURDEN OF PROOF] The person that files the petition under subdivision 2 has the burden of proving that competition exists and that classifying the service as other than noncompetitive will serve the public interest.

Subd. 7. [INTER-LATA LONG-DISTANCE SERVICE.] A petition filed under subdivision 2 to have an inter-LATA long-distance service classified as subject to effective competition shall be accepted by the commission as a petition to classify the inter-LATA long-distance service provided by all telephone companies as subject to effective competition. The commission may not find that a telephone company's inter-LATA long-distance service is subject to effective competition without a finding that the service is subject to effective competition for each telephone company providing that service in the state.

Subd. 8. [INTERIM RELIEF] A telephone company that has a petition pending before the commission under this section to declare a service competitive may decrease its price for that service without notice while the commission considers the petition. A company must provide an incremental cost study if requested by the commission. The commission shall suspend a company's right under this subdivision to decrease rates if, after an expedited hearing conducted under section 6, the commission finds that the service is being priced below cost, or that the company has within the previous 12 months charged customers interim rates under this subdivision for the same service, and that service was determined by the commission to be noncompetitive.

Subd. 9. [REPORTING REQUIREMENTS; EXCEPTION.] A telephone company that offers only competitive services is not subject to the accounting and reporting requirements of this chapter unless otherwise ordered by the commission for good cause. A telephone company that offers both competitive and noncompetitive services is not subject to the reporting requirements with regard to its effective competition services unless otherwise ordered by the commission for good cause.

Subd. 10. [REGULATION REINSTATED.] The commission, on its own motion or upon complaint, shall reclassify a service as noncompetitive or as subject to emerging competition and reinstate, in whole or in part, rate regulation of the service, if, after notice and hearing, the commission finds either:

(1) that the competitive market for that service, on review of the criteria found in subdivision 5, has failed so that rate regulation of that service is necessary to protect the interest of consumers, that it has considered the alternatives to rate regulation, and that the benefits of rate regulation outweigh the burdens of rate regulation; or

(2) that unreasonable discrimination has occurred between different areas of the state.

In a proceeding begun under this section to reclassify a service, except in a proceeding begun by a provider of telephone services, the telephone company bears the burden of proving that the services are appropriately classified. In a proceeding begun under this section by a provider of telephone services, that party bears the burden of proving that the existing classification is inappropriate.

Sec. 5. [237.54] [RATES; COMPETITIVE SERVICES.]

Subdivision 1. [EFFECTIVE COMPETITION.] A company whose service has been determined by the commission to be subject to effective competition may decrease the rate for that service effective without notice to its customers or the commission, and may increase the rate for that service effective upon notice to its customers at least 30 days in advance of the increase. A company whose service is declared subject to effective competition is not subject to the requirements of section 237.07 for that service.

Subd. 2. [EMERGING COMPETITION.] (a) A telephone company whose service has been determined to be subject to emerging competition must file a price list with the commission and the department. The price list must contain the rates, tolls, and charges for the service together with the rules, regulations, and classifications used in providing that service. This chapter does not prohibit a telephone company from including limitations on liability as terms or conditions in the price lists.

(b) A company may decrease the rate for a service subject to emerging competition that is listed in the price list, effective ten days after filing a new price list with the commission. A company may increase the rate for a service subject to emerging competition effective 30 days after notice is given to affected customers, the commission, and the department. The notice to the commission and the department for a rate increase must include an incremental, or other acceptable cost study as determined by the commission, supporting the increase. The department shall investigate an increase or decrease in rates for services subject to emerging competition, and report its findings to the commission. The commission may, after a contested case hearing or an expedited hearing under section 6 if there are no material facts in dispute, order the company to adjust its rates or charges for a service subject to emerging competition if the commission finds that the price charged is excessive. The commission may, within ten months of the date a price change went into effect, order price adjustments retroactive to the date the change went into effect and order the company to make any necessary refunds to affected customers.

Subd. 3. [DISCRIMINATION.] No telephone company shall offer telecommunications service within the state upon terms or rates that are unreasonably discriminatory. No telephone company shall unreasonably limit its service offerings to particular geographic areas unless facilities necessary for the service are not available and cannot be made available at reasonable costs. The rates of a telephone company must be the same in all geographic locations of the state unless for good cause the commission approves different rates. A company that offers long-distance services shall charge uniform rates and charges on all long-distance routes and in all geographic areas in the state where it offers the services. However, a company may offer or provide volume discounts in connection with intrastate long-distance services and may pass through any state, municipal, or local taxes in the specific geographic areas from which the taxes originate. Nothing in this subdivision authorizes a telephone company to pro-

vide service outside of its authorized service area except as provided in section 237.16.

Subd. 4. [COST OF SERVICE.] Prices or rates charged for competitive services must cover the incremental costs of providing the service. If a telephone company provides both local service and long-distance services, that company shall, in determining the cost of the long-distance service, include at least the same level of contribution to common and joint costs as is contained in the access charges to other telephone companies. The company may do so on an aggregate basis, instead of on a time or mileage band basis.

Subd. 5. [COMPLAINTS.] Competitive services are subject to the complaint procedures of section 237.081. In a complaint proceeding, the company providing the service bears the burden of proving that the prices charged cover its incremental costs and a reasonable contribution to the common and joint costs of the company and are fair, just, and reasonable.

Sec. 6. [237.55] [EXPEDITED PROCEEDINGS.]

Notwithstanding chapter 14, the commission may conduct an expedited proceeding when authorized under this chapter. In an expedited proceeding, the commission shall give prior notice to interested persons and provide them with an opportunity to present statements of fact and argument and to reply, either orally or in writing or both. In an expedited proceeding, the pleadings must be verified, and oral statements of fact must be made under oath or affirmation. The commission shall make a decision in an expedited proceeding based on the record.

Sec. 7. [237.56] [GENERAL RATE PROCEEDINGS; JOINT COSTS; NONCOMPETITIVE SERVICES.]

Subdivision 1. [FINANCIAL REQUIREMENTS.] Paragraph (a) or (b) governs a proceeding initiated under section 237.075 or 237.081 to change the rates for noncompetitive services. The company shall elect that rate changes be made in accordance with either paragraph (a) or (b) and that election is binding on the commission in all respects.

(a) The company may demonstrate the revenue requirement for its noncompetitive services by providing:

(1) revenues, expenses, and embedded investments directly related to the provision of the noncompetitive services;

(2) a reasonable portion of the net income generated jointly or arising from jointly competitive and noncompetitive services, and net income received by a telephone company as a result of the sale of telephone number listings, charges and advertising for use in white pages, yellow pages, other directory and other related services, must be treated as arising jointly from competitive and noncompetitive services; and

(3) a reasonable portion of the company's total joint and common costs to be attributable to the provision of the noncompetitive services.

(b) Alternatively, the company may demonstrate the revenue requirement for its noncompetitive services by providing:

(1) revenues, expenses, and embedded investments related to all of its services; and

(2) to the extent that the company's embedded costs for competitive

services, and a reasonable portion of the joint and common costs attributable to the competitive services, exceed the revenues produced by those competitive services, the difference must be added to the company's total revenues.

Subd. 2. [CROSS-SUBSIDIZATION.] A telephone company shall not subsidize its competitive services from its noncompetitive services through allocations of costs, cost-sharing agreements, or by other means, direct or indirect. Any cross-subsidization prohibited by this subdivision constitutes an illegal restraint of trade. When an investment is for both noncompetitive and competitive services, the company shall demonstrate that the benefits received by the noncompetitive customers justify the allocation of costs proposed by the company. Allocations and cost assignments must be reviewed at least every five years and a report detailing the methods and results must be filed with the department and the commission. An independent telephone company or a municipality or cooperative telephone association is not required to file a report as required by this subdivision provided that its allocations and cost assignments are subject to review upon order of the commission. If the commission determines that the methods chosen by the company are not satisfactory, the commission may order changes in the methods used and make necessary prospective adjustments in noncompetitive rates being charged to reflect the changes in cost.

Subd. 3. [ADDITIONAL INFORMATION.] The commission may require a telephone company to provide information regarding the revenues, expenses, investments, and costs for all of its services.

Sec. 8. [237.57] [MISCELLANEOUS TARIFFS.]

Subdivision 1. [GENERAL.] Notwithstanding section 237.075, rates for noncompetitive services may be set or changed subject to this section.

Subd. 2. [LANGUAGE CHANGES.] If language describing a rate, term, or condition of service in a tariff is changed, without substantially altering the application of the tariff, the change may take effect upon one-day notice to the public utilities commission.

Subd. 3. [COST INCREASES.] If the actual costs of providing a particular service have increased since the last proceeding under section 237.075, the rate for that service may be increased to recover those costs. The company requesting this rate increase shall file with its request the cost data it relies upon for the increase. The department shall review the request and make a recommendation to the commission regarding the appropriateness of the request within 20 calendar days of filing the request by the telephone company. If the department notifies the company within 15 days of the filing that additional information is required, the department shall make its recommendation to the commission within 20 calendar days after receipt of that additional information. If the company fails to provide adequate information within 20 calendar days of the department request, the department shall recommend denial of the company request on the basis of failure to provide adequate information. The commission shall either approve or reject the request under this subdivision within 20 calendar days of the receipt of the department recommendation. In order to qualify as a change in costs, it must be a cost change related to a particular service rather than a general overall increase applicable to most of the company's services, and an actual change in costs must have occurred rather than the discovery of a change in costs as a result of conducting a new cost study.

Subd. 4. [REDUCING RATES.] A company may reduce its rates for one or more services effective 20 days after filing the rates with the commission.

Subd. 5. [BURDEN OF PROOF] The burden of proof that the requested rates are reasonable under this section is on the telephone company providing the service.

Subd. 6. [FILING OF DOCUMENTS.] A copy of filings made under this section must be served on the commission, the department, and the attorney general.

Subd. 7. [COMMISSION REVIEW.] Nothing in this section prevents the commission from ordering that a requested change not take effect, or from subsequently amending the rates either through a complaint proceeding, a commission investigation, or through a proceeding conducted under section 237.075.

Sec. 9. [237.58] [REGISTRATION; BOND.]

Subdivision 1. [REGISTRATION.] A person, firm, or corporation seeking to offer a telephone service to the public that is classified as competitive shall register with the department and the commission 30 days before beginning operation in the state. A telephone company that has been authorized by the commission to provide telephone services in this state prior to August 1, 1987, is not required to register under this subdivision. A person, firm, or corporation seeking to offer a noncompetitive service to the public must obtain authority from the commission under section 237.16.

Subd. 2. [BOND.] Telephone companies offering services that have been found to be competitive shall, unless waived by the commission, either post and maintain a bond or other security with the department to cover liabilities owed to customers for deposits or advance payments, or shall not require advance payments or deposits from customers.

Sec. 10. [237.59] [AFFILIATED TRANSACTIONS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "affiliated company" means a person, company, corporation, or other entity in which the telephone company has an affiliated interest as defined under section 216B.48, subdivision 1.

Subd. 2. [RECORDS.] Telephone companies, except companies that provide only services that have been found to be competitive, shall maintain records for a period of three years documenting transactions in excess of \$50,000 with an affiliated company. The documentation must contain:

(1) the name of the affiliate;

(2) a description of the transaction or contract;

(3) the dollar value of the transaction or contract;

(4) in the case of goods and services purchased from an affiliate, any evidence of efforts made by the telephone company to secure the same or functionally equivalent goods or services from a nonaffiliated supplier; and

(5) in the case of services provided to an affiliate, any evidence of the fair market value of those goods or services.

Subd. 3. [COMMISSION REVIEW.] In a proceeding for the approval of rates for noncompetitive services, the burden is on the company to prove

that goods or services acquired from or sold to affiliates were transferred at reasonable value. The determination of reasonable value shall include but not be limited to durability, quality, service, and price.

Sec. 11. [237.60] [DISCLOSURE.]

Subdivision 1. [NOTICE OF SERVICE OPTIONS.] A telephone company, when a residential customer initially requests service or requests a change of service, and annually in the form of a bill insert, shall advise each residential customer of the price of all service options available to that customer. The requirement of an annual notice through a bill insert does not apply to long-distance service.

Subd. 2. [FILING.] Copies of both the written notices and information provided to customer service representatives concerning the disclosure required under subdivision 1 must be filed once every 12 months with the commission and the department. Independent telephone companies, municipalities, and cooperative telephone associations are exempt from the requirements of this subdivision unless otherwise ordered by the commission.

Subd. 3. [ENFORCEMENT.] If, after an expedited procedure conducted under section 6, the commission finds that a telephone company is failing to provide disclosure as required under subdivision 1, it shall order the company to take corrective action as necessary.

Sec. 12. [237.61] [LEGISLATIVE REPORTS.]

Beginning January 1, 1988, the commission and the department shall annually report to the legislature on the implementation of this act and recommend changes necessary to assure high quality and affordable telephone services for the residents of the state.

Sec. 13. [237.62] [PRIVATE SHARED TELECOMMUNICATIONS SERVICE.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "private shared telecommunications services" means the provision of telephone services and equipment within a user group located in discrete private premises, in building complexes, campuses, or high-rise buildings, by a commercial shared services provider or by a user association, through privately owned customer premises equipment and associated data processing and information management services and includes the provision of connections to the facilities of a local exchange and to long-distance telephone companies.

Subd. 2. [REQUIREMENTS.] A person who owns or operates a building, property, complex, or other facility where a private shared telecommunications system is operated shall establish a single demarcation point for services and facilities provided by the telephone company providing local exchange service in the area that is mutually agreeable to the property owner or operator and the telephone company. The obligation of a telephone company to provide service to a customer at a location where a private shared telecommunications system is operated is limited to providing telephone company service and facilities up to the demarcation point established for the property where the private shared telecommunications system is located.

Subd. 3. [ACCESS TO ALTERNATIVE PROVIDERS.] A tenant of a building, property, complex, or other facility where a private shared telecommunications system is operated may establish a direct connection to

and receive telephone service from the telephone company providing local exchange service in the area where the private shared telecommunications system is located. At the request of a tenant where a private shared telecommunications system is operated, the owner or manager of the property shall make facilities or conduit space available to the tenant to allow the tenant to make separate connection to and to receive telephone service directly from the telephone company operating local exchange service in the area. The tenant has the choice of installing the tenant's own facilities or using the existing facilities. The facilities or conduit space must be provided by the owner or operator to the tenant at a reasonable rate and on reasonable terms and conditions. It is the obligation of the tenant to arrange for premises wire, cable, or other equipment necessary to connect the tenant's telephone equipment with the facilities of the telephone company operating local exchange service at the location of the demarcation point.

Subd. 4. [ENFORCEMENT.] If the commission finds that the owner or operator of a private shared telecommunications system has failed to comply with a request under this section, the commission may order the owner or operator to make facilities or conduit space available sufficient to allow the tenant to make separate connection with the telephone company, and provide the services at reasonable prices and on reasonable terms and conditions.

Subd. 5. [EXEMPTION.] A provider of private shared telecommunications services is exempt from section 237.16 if the telecommunications services are only provided to tenants or for the provider's own use.

Subd. 6. [SERVICE BY LOCAL TELEPHONE COMPANY.] The telephone company providing local exchange service shall provide service to anyone located within a shared services building at the demarcation point within a reasonable time upon request.

Sec. 14. Minnesota Statutes 1986, section 237.01, subdivision 3, is amended to read:

Subd. 3. [INDEPENDENT TELEPHONE COMPANY.] "Independent telephone company" means a telephone company organized and operating under chapter 301 or 302A or authorized to do business in Minnesota under chapter 303 as of January 1, 1983, and providing local exchange service to fewer than ~~15,000~~ 30,000 subscribers within the state.

Sec. 15. Minnesota Statutes 1986, section 237.081, subdivision 1a, is amended to read:

Subd. 1a. Upon a complaint made against any cooperative telephone association, ~~independent~~ telephone company, or a municipal telephone utility by *any other provider of telephone service*, the governing body of any political subdivision, or by no fewer than five percent or 100, *whichever is the lesser number*, of the subscribers or spouses of subscribers of the particular cooperative telephone association, ~~independent~~ telephone company, or municipal telephone utility, that any of the rates, tolls, tariffs, charges or schedules or any regulation, measurement, practice, act or omission affecting or relating to the production, transmission, delivery or furnishing of telephone service or any service in connection therewith is in any respect unreasonable, insufficient or unjustly discriminatory, or that any service is inadequate or cannot be obtained, the commission shall proceed to make an investigation ~~as it may deem necessary~~. *If the com-*

mission may dismiss any complaint without a hearing if in its opinion a hearing is not in the public interest finds that all significant issues raised have not been resolved to its satisfaction, it shall order a hearing.

Sec. 16. Minnesota Statutes 1986, section 237.11, is amended to read:

237.11 [INSPECTION OF BOOKS OF TELEPHONE COMPANIES IN CASE OF FAILURE TO MAKE REPORTS.]

Every telephone company subject to the provisions of this chapter, wherever organized, shall keep an office in this state, and make such reports to the department as it shall from time to time require. All books, records, and files, *whether they relate to competitive or noncompetitive services*, and all of its property shall be at all times subject to inspection by the *commission and the department*. It shall close its accounts and take therefrom a balance sheet on December 31 of each year, and on or before May 1 following, such balance sheet, together with such other information as the department shall require, verified by an officer of the telephone company, shall be filed with the *commission and the department*.

In the event that any telephone company shall fail to file its annual report, as provided by this section, the department is authorized to make such an examination of the books, records, and vouchers of the company as is necessary to procure the necessary data for the annual report and cause the same to be prepared. The expense of procuring this data and preparing this report shall be paid by the telephone company failing to report, and the amount paid shall be credited by the state treasurer to funds appropriated for the expense of the department.

The department is authorized to force collection of such sum by an action at law in the name of the department.

Sec. 17. Minnesota Statutes 1986, section 237.12, is amended to read:

237.12 [CONNECTIONS BETWEEN TELEPHONE COMPANIES DISCONTINUED ONLY ON ORDER.]

Subdivision 1. [INTERCONNECTION.] When public convenience requires the same, every telephone company shall, for a reasonable compensation, permit a physical connection or connections to be made, and telephone service to be furnished between any telephone exchange system operated by it, and the telephone toll line or lines operated by another company, or between its telephone toll line or lines and the telephone exchange system of another telephone company, or between its toll line and the toll line of another company, whenever such physical connection or connections are practicable and will not result in irreparable injury to the telephone system so compelled to be connected. The term "physical connection," as used in this section, means such number of trunk lines or complete wire circuits and connections as may be required to furnish reasonable and adequate service between such telephone lines and exchanges and shall not be deemed to provide for any connection whereby one line or circuit is to be bridged upon another line or circuit. In case of failure of the telephone companies concerned to allow or agree upon such physical connection or connections, or the terms and conditions upon which the same shall be made, application may be made to the ~~department~~ *commission* for an order requiring such connection and fixing the compensation, terms and conditions thereof, and if after investigation and hearing the ~~department~~ *commission* shall find that such physical connections will not result in irreparable injury to such telephone properties, ~~it~~ *the commission*

shall by order direct that such connections be made, and prescribe reasonable conditions and compensation therefor and for the joint use thereof, and by whom the expense of making and maintaining such connection or connections shall be paid. When application is made to the department requesting physical connection it shall be presumed that such connection is necessary, and that the public convenience will be promoted thereby, and the burden of overcoming such presumption shall be upon the party resisting such application. The telephone companies so connecting shall give service over the connecting line or lines without preference to or discrimination against any service or telephone company whatever.

Subd. 2. [DISCONTINUANCE.] Wherever a physical connection or connections exist between any telephone exchange system operated by a telephone company and the toll line or lines operated by another telephone company or between its toll line or lines and the telephone exchange system of another telephone company, or between its toll line and the toll line of another telephone company, neither of the companies shall cause such connection to be severed or the service between the companies to be discontinued without first obtaining an order from the department commission upon an application for permission to discontinue such physical connection. Upon the filing of an application for discontinuance of such a connection, the department shall investigate and ascertain whether public convenience requires the continuance of such physical connection, and if the department so finds, the commission shall fix the compensation, terms and conditions of the continuance of the physical connection and service between the telephone companies.

Subd. 3. [COMPENSATION.] Telephone companies providing long-distance telephone services shall pay compensation to telephone companies providing local telephone services that includes a fair and reasonable portion of:

(1) the costs of local exchange facilities used in connection with long-distance telephone services, including facilities connecting a customer to local switching facilities; and

(2) the common costs of companies providing local telephone services.

Sec. 18. Minnesota Statutes 1986, section 237.16, subdivision 1, is amended to read:

Subdivision 1. For the purpose of bringing about uniformity of practice, the commission shall have the exclusive right to grant authority to any telephone company to construct telephone lines or exchanges for furnishing local service to subscribers in any municipality of this state, and to prescribe the terms and conditions upon which construction may be carried on, and whenever the commission grants such authority, it shall be in the form of a permit of indeterminate duration — coupled with the right to the municipality to purchase the telephone plant within the city, as hereinafter provided. No lines or equipment shall be constructed or installed for the purpose of furnishing local ~~rural or toll~~ telephone service to the inhabitants or telephone users in any locality in this state, where there is then in operation in the locality or territory affected thereby another telephone company already furnishing such service, without first securing from the commission a declaration, after a public hearing, that public convenience requires such proposed telephone lines or equipment; but the governing body of any municipality shall have the same powers of regulation which it now possesses with reference to the location of poles and wires so as to

prevent any interference with the safe and convenient use of streets and alleys by the public.

Sec. 19. Minnesota Statutes 1986, section 237.17, is amended to read:
237.17 [EXTENSION OF LONG DISTANCE LINES.]

Any telephone company may extend its long distance lines into or through any city of this state for the furnishing of long distance service only, subject to the regulation of the governing body of such city relative to the location of the poles and wires and the preservation of the safe and convenient use of such streets and alleys to the public; ~~provided that if such lines are to furnish service between communities or localities then served by another company, a certificate of public convenience must first be obtained as required by section 237.16.~~

Sec. 20. Minnesota Statutes 1986, section 237.22, is amended to read:
237.22 [DEPRECIATION; AMORTIZATION.]

The commission shall fix proper and adequate rates and methods of depreciation and amortization with respect to telephone company property and every telephone company shall conform its depreciation accounts for *property used in whole or in part to provide noncompetitive services* to the rates and methods fixed by the commission.

Sec. 21. [UNIVERSAL SERVICE ASSISTANCE; STUDY AND REPORT.]

The state planning agency shall conduct a study to determine whether a universal service assistance program should be adopted in order to help low-income individuals obtain and retain telephone service. The state planning agency shall seek advice from the telephone industry, the human services department, the public utilities commission, the department of public service, the attorney general, and the various nongovernmental organizations representing consumers. The state planning agency shall report its findings to the legislature by January 1, 1988.

Sec. 22. [REPEALER.]

Minnesota Statutes 1986, sections 237.13, 237.41, 237.42, and 237.43, are repealed.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 13 are effective August 1, 1987, and are repealed effective August 1, 1992."

Delete the title and insert:

"A bill for an act relating to public utilities; providing for the reduced regulation of certain competitive telephone services, with limitations and procedures; requiring persons providing private shared tenant service to grant certain access; requiring a study and report on universal service assistance; amending Minnesota Statutes 1986, sections 237.01, subdivision 3; 237.081, subdivision 1a; 237.11; 237.12; 237.16, subdivision 1; 237.17; and 237.22; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1986, sections 237.13; 237.41; 237.42; and 237.43."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1351: A bill for an act relating to Hennepin county; providing for the management of county health facilities; permitting the county board to hold closed meetings on certain medical center business; permitting certain data to be treated as trade secret information; amending Minnesota Statutes 1986, section 383B.217, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1986, section 246A.16, subdivision 2, is amended to read:

Subd. 2. [BOARD ACTION.] Notwithstanding ~~any law to the contrary~~ *section 471.705*, the corporation and the hospital subsidiary corporation may meet in closed session to discuss and take action on specific matters involving contracts or marketing activity in cases where the corporation or its subsidiaries are in competition with health care providers that offer similar goods or services, and where the disclosure of information pertaining to such matters would cause harm to the competitive position of the corporation or its subsidiaries.

Sec. 2. Minnesota Statutes 1986, section 246A.17, subdivision 2, is amended to read:

Subd. 2. [TRADE SECRET INFORMATION.] ~~Notwithstanding any law to the contrary~~, Data concerning specific matters involving contracts or marketing activity in cases where the corporation or its subsidiaries are in competition with health care providers that offer similar goods or services are "trade secret information" for purposes of section 13.37, subdivision 2, to the extent disclosure of information pertaining to such matters would cause harm to the competitive position of the corporation or its subsidiaries."

Page 1, line 17, delete "*any contrary law*" and insert "*section 471.705*"

Page 1, line 19, before "*marketing*" insert "*specific*" and delete "*of*" and insert "*for*"

Page 1, line 20, delete "*which*" and insert "*that*"

Page 1, line 21, delete "*and*" in both places and insert "*or*" in both places

Page 1, line 23, delete "*financial*" and insert "*competitive*" and delete "*county board*"

Page 1, line 24, delete "*and the*"

Page 1, line 27, delete "*clause*" and insert "*paragraph*"

Page 2, line 2, delete "*clause*" and insert "*paragraph*"

Page 2, line 3, after "*may*" insert a comma

Page 2, line 4, delete "*pursuant to*" and insert "*under*"

Page 2, line 5, after "*The*" insert "*purpose,*" and delete "*of commencement*"

Page 2, lines 6, 7, and 9, delete "*shall*" and insert "*must*"

Page 2, lines 11 and 12, delete "pursuant to Minnesota Statutes," and insert "under"

Page 2, line 14, delete "Notwithstanding any contrary law,"

Page 2, line 15, delete "specific matters involving contracts or" and delete "of" and insert "for"

Page 2, line 16, delete "which" and insert "that"

Page 2, lines 17 and 18, delete "and" and insert "or"

Page 2, line 18, delete "may be" and insert "are"

Page 2, line 21, delete everything after the period

Page 2, delete lines 22 to 32

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "Hennepin county" and insert "health facilities"

Page 1, line 3, after the semicolon, insert "clarifying provisions relating to the St. Paul Ramsey medical center;"

Page 1, line 4, before "county" insert "Hennepin"

Page 1, line 7, delete "section" and insert "sections 246A.16, subdivision 2; 246A.17, subdivision 2; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 270: A bill for an act relating to adoption; providing for notice of an adopted child or genetic parent's death; proposing coding for new law in Minnesota Statutes, chapter 259.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [259.253] [NOTIFICATION OF DEATH OR TERMINAL ILLNESS.]

Subdivision 1. [DEATH NOTIFICATION.] (a) An agency authorized to place a child for adoption shall inform parents who adopt a child on or after August 1, 1987, that they must notify the agency if the child dies. The agency also shall inform the adoptive parents that the adoptive parents of an adopted child under age 19 or an adopted person age 19 or older may maintain a current address on file with the agency and indicate a desire to be notified if the agency receives information of the death of a genetic parent. The agency shall inform genetic parents who are entitled to notice under section 259.26 that the agency will notify them of the child's death and the cause of death, if known, provided that the genetic parents desire notice and maintain current addresses on file with the agency. The agency shall inform genetic parents entitled to notice under section 259.26 that they may designate individuals to notify the agency if a genetic parent dies and that the agency receiving information of the genetic parent's death will share it with adoptive parents, if the adopted person is under age 19.

or an adopted person age 19 or older who has indicated a desire to be notified of the death of a genetic parent and who maintains a current address on file with the agency.

(b) Notice to a genetic parent that a child has died or to the adoptive parents or an adopted person age 19 or older that a genetic parent has died shall be provided by an employee of the agency through personal, confidential contact, not by mail.

(c) Adoptive parents residing in this state whose child was adopted through an agency in another state shall, if the child dies, notify the agency of the child's death.

Subd. 2. [TERMINAL ILLNESS NOTIFICATION.] An agency authorized to place a child for adoption shall inform the adoptive parents and genetic parents of a child who is adopted on or after August 1, 1987, that the genetic parents, the adoptive parents of an adopted person under age 19, or an adopted person age 19 or older may request to be notified if a genetic parent or the child is terminally ill. The agency shall notify the other parties if a request is received under this subdivision and inform them that upon their request the agency will share information regarding a terminal illness with the adoptive or genetic parents or an adopted person age 19 or older."

Amend the title as follows:

Page 1, line 3, after "death" insert "or terminal illness"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1199: A bill for an act relating to peace officers; requiring licensure as a prerequisite to exercising the authority of a peace officer; prohibiting persons from misrepresenting themselves as peace officers or part-time peace officers; prescribing penalties; amending Minnesota Statutes 1986, section 626.84; proposing coding for new law in Minnesota Statutes, chapter 626.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.98, is amended by adding a subdivision to read:

Subd. 1a. [VEHICLE STOPS.] Except as otherwise permitted under sections 221.221 and 299D.06, only a person who is licensed as a peace officer, constable, or part-time peace officer under sections 626.84 to section 6 may use a motor vehicle marked under subdivision 1 to stop a vehicle as defined in section 169.01, subdivision 2.

Sec. 2. Minnesota Statutes 1986, section 169.98, is amended by adding a subdivision to read:

Subd. 1b. [OPERATION OF MARKED VEHICLES.] Except as otherwise permitted under sections 221.221 and 299D.06, a motor vehicle marked under subdivision 1 may only be operated by a person licensed as a peace officer, constable, or part-time peace officer under sections 626.84 to

section 6. This prohibition does not apply to the following:

- (1) a marked vehicle that is operated for maintenance purposes only;
- (2) a marked vehicle that is operated during a skills course approved by the peace officers standards and training board;
- (3) a marked vehicle that is operated to transport prisoners or equipment; or
- (4) a marked vehicle that is operated by a reserve officer providing supplementary assistance at the direction of the chief law enforcement officer or the officer's designee, when a licensed peace officer as defined in section 626.84, subdivision 1, paragraph (c), who is employed by that political subdivision, is on duty within the political subdivision.

Sec. 3. Minnesota Statutes 1986, section 367.41, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any general or local law or charter to the contrary, ~~any~~ a constable employed on or after March 23, 1982, by ~~any~~ a political subdivision of the state of Minnesota ~~shall~~ is not be eligible for permanent appointment without being licensed by the Minnesota board of peace officer standards and training pursuant to ~~under~~ section 626.8463, ~~clauses (a) to (e).~~

Sec. 4. Minnesota Statutes 1986, section 626.84, is amended to read:

626.84 [DEFINITIONS AND SCOPE.]

Subdivision 1. [DEFINITIONS.] For the purposes of sections 626.84 to ~~626.855~~ section 6, the following terms ~~shall~~ have the meanings given them:

(a) "Board" means the ~~Minnesota~~ board of peace officer standards and training;

(b) "Director" means the executive director of the board;

(c) "Peace officer" means an employee ~~or an elected or appointed official~~ of a political subdivision or ~~state~~ law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol and state conservation officers.

(d) "Constable" ~~shall have~~ has the meaning assigned to it in section 367.40.

(e) "Deputy constable" ~~shall have~~ has the meaning assigned to it in section 367.40.

(f) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency. The limitation on the average number of hours in which the services of a part-time peace officer may be utilized shall not apply to a part-time peace officer who has formally notified the board pursuant to rules adopted by

the board of the part-time peace officer's intention to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to sections 626.843, subdivision 1, clause (g) and 626.845, subdivision 1, clause (g).

(g) "Reserve peace officer" means an individual whose services are utilized by a law enforcement agency for purposes including, but not limited to, providing to provide supplementary assistance at special events, traffic or crowd control, or administrative or clerical assistance; provided that the individual's. A reserve officer's duties do not include enforcement of the general criminal laws of the state unless accompanied by a licensed peace officer; further provided that the individual, and the officer does not have full powers of arrest or authorization to carry a firearm on duty. The term shall apply even though the individual receives no compensation and irrespective of the number of hours worked by, or the title conferred upon, the individual by any law enforcement agency.

(h) "Law enforcement agency" means a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state.

Subd. 2. [SCOPE.] Notwithstanding sections 12.03, subdivision 4, 12.25, or any other law to the contrary, no individual employed or acting as an agent of any political subdivision shall be authorized to carry a firearm when on duty unless the individual has been licensed pursuant to under sections 626.84 to 626.855 section 6. Nothing herein shall be construed as requiring licensure of a security guard as that term is defined in section 626.88, subdivision 1, clause (c).

Sec. 5. [626.862] [POWERS OF LAW ENFORCEMENT OFFICERS.]

Except as specifically provided by statute, only a peace officer, constable, and part-time peace officer may:

- (1) issue a citation in lieu of arrest or continued detention unless specifically authorized by ordinance;
- (2) ask a person receiving a citation to give a written promise to appear in court; or
- (3) take a person into custody as permitted by section 629.34.

Sec. 6. [626.863] [UNAUTHORIZED PRACTICE.]

(a) A person who is not a peace officer, constable, or part-time peace officer is guilty of a misdemeanor if the person: (1) makes a representation of being a peace officer, constable, or part-time peace officer, or (2) performs or attempts to perform an act, duty, or responsibility reserved by law for licensed peace officers, constables, and part-time peace officers.

(b) The board shall designate the appropriate law enforcement agency to investigate violations of this section. The attorney general shall prosecute violations of this section."

Delete the title and insert:

"A bill for an act relating to peace officers; requiring licensure as a prerequisite to exercising the authority of a peace officer; prohibiting persons from misrepresenting themselves as peace officers or part-time peace officers; prescribing penalties; amending Minnesota Statutes 1986, sections

169.98, by adding subdivisions; 367.41, subdivision 1; and 626.84; proposing coding for new law in Minnesota Statutes, chapter 626."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was re-referred

H.F. No. 542: A bill for an act relating to transportation; providing an alternative procedure to record town roads; proposing coding for new law in Minnesota Statutes, chapter 164.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 713: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1986, sections 1.135, subdivision 3; 8.31, subdivision 1; 13.43, subdivision 6; 14.02, subdivision 4; 15.61; 17.59, subdivision 5; 17A.04, subdivision 1; 28A.15, subdivision 4; 38.27, subdivision 3; 41A.05, subdivision 2; 48.13, subdivision 2; 48.26; 49.01, subdivision 3; 49.44; 60A.17, subdivision 12; 64B.18; 72A.41, subdivision 1; 79.38, subdivision 1; 84A.08; 97A.021, subdivision 2; 97A.065, subdivision 4; 97A.205; 97A.441, subdivision 5; 97A.445, subdivision 3; 97A.465, subdivision 4; 97A.501, subdivision 2; 97A.545, subdivision 4; 97B.315; 97B.921; 97B.925; 115A.07, subdivision 1; 115A.12, subdivision 1; 115A.14, subdivision 5; 115A.162; 116C.57, subdivision 3; 116E.03, subdivision 9; 116J.72; 120.17, subdivision 5a; 121.904, subdivisions 11a and 11b; 122.541, subdivision 2; 124.01, subdivision 1; 124.195, subdivisions 8 and 9; 124.2138, subdivisions 3 and 4; 124.32, subdivision 1c; 124.472; 126.39, subdivision 11; 136.44; 136A.04, subdivision 2; 136A.06; 136D.28, subdivision 2; 136D.89, subdivision 2; 147.09; 152.02, subdivision 12; 160.283, subdivision 1; 171.05, subdivision 3; 174.255, subdivisions 1 and 2; 174.29, subdivision 1; 176.83, subdivision 7; 177.24, subdivision 2; 179A.12, subdivision 1; 182.651, subdivision 18; 193.141, subdivision 2; 193.145, subdivision 2; 214.01, subdivision 3; 219.691; 219.692; 219.743; 219.755; 222.61; 241.31, subdivision 2; 243.24, subdivision 2; 246.51, subdivision 1; 246A.02; 246A.11, subdivision 1; 246A.12, subdivisions 1 and 7; 246A.13, subdivision 1; 250.05, subdivision 2; 256.12, subdivision 14; 256.462, subdivision 2; 256B.03, subdivision 2; 257.34, subdivision 1; 260.015, subdivision 3; 260.151, subdivision 1; 268.072, subdivision 6; 271.15; 273.13, subdivision 22; 275.125, subdivisions 6a, 8, and 11c; 278.06; 290.01, subdivision 20b; 295.34, subdivision 1; 296.14, subdivision 4; 297.03, subdivision 3; 297A.06; 297A.25, subdivision 10; 308.341; 317.03; 317.65, subdivision 6; 319A.03; 319A.05; 319A.12, subdivisions 1a and 2; 322A.70; 326.03, subdivision 2; 326.06; 327.18, subdivision 3; 327C.07, subdivision 3a; 349.2121, subdivision 3; 354.05, subdivision 2; 355.311, subdivision 1; 361.26, subdivision 2; 366.095, subdivision 1; 378.43, subdivision 1; 383A.404, subdivision 7; 383B.035, subdivision 1; 383B.237; 383C.76; 386.71; 393.13, subdivision 1; 412.381; 412.501; 447.42, subdivision 2; 453.53, subdivision 3; 458A.03, subdivision 8; 458C.17; 462.601; 462.605;

462A.04, subdivision 8; 462A.05, subdivision 18; 462A.20, subdivision 3; 462C.04, subdivision 2; 462C.12, subdivision 2; 471.467, subdivision 1; 471.74, subdivision 2; 471.993, subdivision 1; 471A.03, subdivision 2; 473.149, subdivision 4; 473.181, subdivision 3; 473.811, subdivisions 6, 7, 8, and 9; 473F06; 473F07, subdivision 1; 473F09; 474A.09; 604.06; 609.53, subdivisions 1 and 1a; 609.687, subdivision 4; 611.14; 626A.05, subdivision 2; 645.02; amending Laws 1982, chapter 523, article 30, section 4, subdivision 1; and Laws 1986, chapter 399, article 1, section 17; repealing Minnesota Statutes 1986, sections 193.145, subdivision 3; and 325D.69, subdivision 1; repealing Laws 1986, chapter 463, section 3; and Laws 1986, First Special Session chapter 3, article 1, section 84.

Reports the same back with the recommendation that the bill be amended as follows:

Page 39, after line 24, insert:

"Sec. 54. Minnesota Statutes 1986, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire including the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, police officer, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of ~~any~~ a person charged with or suspected of crime ~~and any~~;

a person requested or commanded to aid an officer in arresting ~~any person~~, or in retaking ~~any~~ a person who has escaped from lawful custody, or in executing ~~any~~ legal process, in which ~~ease cases~~, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;

(4) a county assessor;

(5) an elected or appointed official of the state, or of ~~any~~ a county, city, town, school district or governmental subdivision in ~~the state~~. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(6) an executive officer of a corporation, except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), or an executive officer of a closely held corporation who is referred to in section 176.012;

(7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the ~~commissioner~~ ~~commissioners~~ of human services and state institutions under the ~~commissioner~~ of corrections similar to those of officers and employees of ~~these the~~ institutions, and whose services have been accepted or contracted for by the commissioner of human services or the ~~commissioner~~ of corrections as authorized by law; ~~shall be employees~~. In the event of injury or death of the ~~voluntary~~

uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision of it, shall be an employee. The daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services where the services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program established by a county welfare board shall be an employee. In the event of injury or death of the voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of the injury or death for similar services where the services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(11) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(13) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota School state academy for the deaf or the Minnesota Braille and Sight-Saving School state academy for the blind, and whose services have been accepted or contracted for by the state board of education, as authorized by law, shall be an employee. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services performed in institutions where the services are performed by paid employees;

(14) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law, is an employee. In the event of injury or death of the voluntary uncompensated worker, the daily wage of

the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services performed in institutions where the services are performed by paid employees;

(15) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of human services for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose;

(16) those students enrolled in and regularly attending the medical school of the University of Minnesota; whether in the graduate school program or the post-graduate program; notwithstanding that. The students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation payable under this chapter, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits payable under this chapter;

(17) a faculty member of the University of Minnesota employed for the current an academic year is also an employee for the period between that academic year and the succeeding academic year if:

(a) the faculty member has a contract or reasonable assurance of a contract from the University of Minnesota for the succeeding academic year; and

(b) the personal injury for which compensation is sought arises out of and in the course of activities related to the faculty member's employment by the University of Minnesota; and

(18) a worker who performs volunteer ambulance driver or attendant services is an employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other entity for which the worker performs the services. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is shall be the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(19) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the department of administration. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services performed in institutions where the services were performed by paid employees.

In the event If it is difficult to determine the daily wage as provided in this subdivision, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 55. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor shall substitute "Minnesota state academy for the blind" and Minnesota state academy for the deaf" for the former names of those institutions whenever they appear.

Sec. 56. Minnesota Statutes 1986, section 282.08, is amended to read:
282.08 [APPORTIONMENT OF PROCEEDS.]

The net proceeds from the sale or rental of any parcel of forfeited land, or from the sale of any products therefrom, shall be apportioned by the county auditor to the taxing districts interested therein, as follows:

(1) Such portion as may be required to pay any amounts included in the appraised value under section 282.01, subdivision 3, as representing increased value due to any public improvement made after forfeiture of such parcel to the state, but not exceeding the amount certified by the clerk of the municipality, shall be apportioned to the municipal subdivision entitled thereto;

(2) Such portion of the remainder as may be required to discharge any special assessment chargeable against such parcel for drainage or other purpose whether due or deferred at the time of forfeiture, shall be apportioned to the municipal subdivision entitled thereto; and

(3) Any balance shall be apportioned as follows:

(a) Any county board may annually by resolution set aside no more than 30 percent of the receipts remaining to be used for timber development on tax-forfeited land and dedicated memorial forests, to be expended under the supervision of the county board. It shall be expended only on projects approved by the commissioner of natural resources.

(b) Any county board may annually by resolution set aside no more than 20 percent of the receipts remaining to be used for the acquisition and maintenance of county parks or recreational areas as defined in sections 398.31 to 398.36, to be expended under the supervision of the county board.

(c) If the board does not avail itself of the authority under paragraph (a) or (b) any balance remaining shall be apportioned as follows: county, 40 percent; town or city, 20 percent; and school district, 40 percent, and if the board avails itself of the authority under paragraph (a) or (b) the balance remaining shall be apportioned among the county, town or city, and school district in the proportions in this paragraph above stated, provided, however, that in unorganized territory that portion which should have accrued to the township shall be administered by the county board of commissioners."

Amend the memorandum of explanation as follows:

Page 8, after line 36, insert:

"Secs. 54 and 55. *Explanation.* The names of the Minnesota state academy for the deaf and Minnesota state academy for the blind are corrected in clause (13) of section 54. Section 55 instructs the revisor to make similar changes throughout Minnesota Statutes. Other changes in section 54 are style changes suggested by a member.

Sec. 56. *Explanation.* The added phrase was inserted by Laws 1949, chapter 27, and overlooked by Laws 1949, chapter 401, and later amendments. It is necessary for consistency and sense."

Amend the title as follows:

Page 1, line 29, after the second semicolon, insert "176.011, subdivision 9;"

Page 1, line 42, after "278.06;" insert "282.08;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 466 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
466	1372				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 466 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 466 and insert the language after the enacting clause of S.F. No. 1372, the first engrossment; further, delete the title of H.F. No. 466 and insert the title of S.F. No. 1372, the first engrossment.

And when so amended H.F. No. 466 will be identical to S.F. No. 1372, and further recommends that H.F. No. 466 be given its second reading and substituted for S.F. No. 1372, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 487 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
487	710				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 487 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 487 and insert the language after the enacting clause of S.F. No. 710, the first engrossment; further, delete the title of H.F. No. 487 and insert the title of S.F. No. 710, the first engrossment.

And when so amended H.F. No. 487 will be identical to S.F. No. 710, and further recommends that H.F. No. 487 be given its second reading and substituted for S.F. No. 710, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 490 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
490	1101				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 490 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 490 and insert the language after the enacting clause of S.F. No. 1101, the first engrossment; further, delete the title of H.F. No. 490 and insert the title of S.F. No. 1101, the first engrossment.

And when so amended H.F. No. 490 will be identical to S.F. No. 1101, and further recommends that H.F. No. 490 be given its second reading and substituted for S.F. No. 1101, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 90, 421, 1156, 1321, 953, 868, 992, 1250, 818, 882, 677, 1351 and 1199 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 3, 590, 816, 690, 470, 427, 308, 147, 151, 1024, 375, 270, 542, 713, 466, 487 and 490 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Berglin moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 787. The motion prevailed.

Mr. Brandl moved that his name be stricken as a co-author to S.F. No. 797. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1156. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Pehler be added as a co-author to S.F. No. 1161. The motion prevailed.

Ms. Berglin moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1237. The motion prevailed.

Ms. Berglin moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1296. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1370. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Merriam be added as a co-

author to S.F. No. 1468. The motion prevailed.

Mr. Lessard moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1507. The motion prevailed.

Messrs. Merriam and Dahl introduced—

Senate Resolution No. 63: A Senate resolution commending the Coon Rapids Angelettes Dance Group for its participation in the International Youth Culture Exchange Program.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 510: A bill for an act relating to Dakota county; providing for the creation, organization, powers, and duties of a personnel system; proposing coding for new law as Minnesota Statutes, chapter 383D.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Jude	Moe, R.D.	Renneke
Beckman	Dicklich	Knaak	Morse	Schmitz
Belanger	Diessner	Kroening	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Larson	Pehler	Stumpf
Berglin	Frederickson, D.J.	Lessard	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Vickerman
Brandl	Freeman	Marty	Piper	Waldorf
Brataas	Gustafson	McQuaid	Pogemiller	Wegscheid
Chmielewski	Hughes	Mehrkens	Purfeerst	Willet
Cohen	Johnson, D.E.	Merriam	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

S.F. No. 473: A bill for an act relating to health; requiring the commissioner of health to transmit the major reports on human health effects of low-level ionizing radiation.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Reichgott
Anderson	Dicklich	Knaak	Moe, R.D.	Renneke
Beckman	Diessner	Kroening	Morse	Schmitz
Belanger	Frank	Langseth	Novak	Spear
Berg	Frederick	Lantry	Olson	Storm
Berglin	Frederickson, D.J.	Larson	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brandl	Freeman	Luther	Peterson, R.W.	Waldorf
Brataas	Gustafson	Marty	Piper	Wegscheid
Chmielewski	Hughes	McQuaid	Pogemiller	Willet
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

S.F. Nos. 225, 183, 1183, 897, 1072, 1152, 1114, 751, 1078, 461, 1053, 764, 948, 605, 79, 607, 833 and H.F. Nos. 29 and 1009, which the committee recommends to pass.

H.F. No. 823, which the committee recommends to pass with the following amendment offered by Mr. Wegscheid:

Amend H.F. No. 823, as amended pursuant to Rule 49, adopted by the Senate April 20, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 701.)

Page 2, line 34, before "*reason*" insert "*truthful*"

Page 3, line 17, after "*penalty*" insert "*of \$25 per day per injured employee*"

The motion prevailed. So the amendment was adopted.

H.F. No. 755, which the committee reports progress, subject to the following motion:

Mr. Metzen moved to amend H.F. No. 755, as amended pursuant to Rule 49, adopted by the Senate April 15, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 904.)

Page 1, line 11, before "*Metropolitan*" insert "*For purposes of this section,*"

Page 1, line 14, delete "*means a statutory*"

Page 1, delete line 15 and insert "*has the meaning provided by section 462.352, subdivision 2.*"

Page 1, line 16, delete "*Any*" and insert "*A*"

Page 1, line 17, delete "*which*" and insert "*that*"

Page 1, line 22, delete "*Any*" and insert "*An*"

Page 1, line 25, delete "pursuant to" and insert "under"

The motion prevailed. So the amendment was adopted.

H.F. No. 755 was then progressed.

S.F. No. 1031, which the committee recommends to pass with the following amendment offered by Mr. Wegscheid:

Page 1, line 10, before the period, insert "to be effective until January 15, 1988"

The motion prevailed. So the amendment was adopted.

S.F. No. 353, which the committee recommends to pass with the following amendment offered by Mr. Jude:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 112.53, subdivision 2, is amended to read:

Subd. 2. [MAILING.] (a) The managers shall give notice by mail, within one week after the beginning of publication, to the director and to each person, corporation, and public body that owns property benefited or damaged by the proposed improvement as shown by the engineers and appraisers report. The notice shall contain a brief description of the proposed improvement and state: that the engineer's and appraisers' report are on file with the managers and available for public inspection; the time and place of hearing; and that the addressee's name appears as an affected party.

(b) For property located within a metropolitan county as defined in section 473.121, subdivision 4, the notice must also include:

- (1) the amount to be specially assessed against the property;
- (2) the right of the property owner to prepay the entire assessment and to whom prepayment must be made;
- (3) whether partial prepayment of the assessment is authorized;
- (4) the time within which prepayment may be made without interest being charged; and
- (5) the rate of interest to be charged if the assessment is not prepaid within the required time period."

Re-number the sections in sequence

Correct the internal references

Amend the title as follows:

Page 1, line 3, after "plans;" insert "relating to notice procedures in certain counties;"

Page 1, line 4, after "sections" insert "112.53, subdivision 2;"

The motion prevailed. So the amendment was adopted.

S.F. No. 604, which the committee recommends to pass with the following amendment offered by Mr. Berg:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 10A.01, subdivision 15, is amended to read:

Subd. 15. "Political committee" means any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question.

Except for section 2, "political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any principal campaign committee formed pursuant to section 10A.19.

Sec. 2. [10A.065] [CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE SESSION.]

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; REGULATION.] A registered lobbyist, political committee, or political fund may not make a contribution to a candidate for: (1) the state legislature; or (2) a state constitutional office, or to the candidate's principal campaign committee during a regular session of the legislature.

Subd. 2. [SOLICITATION PROHIBITED.] A candidate for: (1) the state legislature; or (2) a state constitutional office, or the candidate's principal campaign committee may not knowingly solicit a registered lobbyist, political committee, or political fund for a contribution during a regular session of the legislature.

Subd. 3. [PENALTY.] A candidate, registered lobbyist, political committee, or political fund that violates this section is subject to a civil fine of up to \$500. If the state ethical practices board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county, to impose a civil fine as prescribed by the board. Fines paid under this section must be deposited in the general fund in the state treasury."

Delete the title and insert:

"A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; amending Minnesota Statutes 1986, section 10A.01, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 10A."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Knaak	Moe, D.M.	Reichgott
Belanger	Davis	Laidig	Olson	Renneke
Benson	DeCramer	Lantry	Pehler	Storm
Berg	Frederick	Larson	Peterson, D.C.	Taylor
Berglin	Frederickson, D.R.	McQuaid	Peterson, R.W.	
Brataas	Gustafson	Mehrkens	Pogemiller	
Cohen	Johnson, D.E.	Merriam	Ramstad	

Those who voted in the negative were:

Adkins	Frank	Langseth	Novak	Spear
Beckman	Frederickson, D.J.	Lessard	Piper	Shumpf
Bertram	Freeman	Luther	Purfeerst	Vickerman
Chmielewski	Johnson, D.J.	Marty	Samuelson	Waldorf
Dicklich	Jude	Metzen	Schmitz	Wegscheid
Diessner	Kroening	Morse	Solon	Willit

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend the Berg amendment to S.F. No. 604, adopted by the Senate April 29, 1987, as follows:

Page 1, after line 12, insert:

"Sec. 2. Minnesota Statutes 1986, section 10A.04, subdivision 2, is amended to read:

Subd. 2. Each report shall cover the time from the last day of the period covered by the last report to 15 days prior to the current filing date. The reports shall be filed with the board by the following dates:

- (a) January ~~15~~ 30;
- (b) ~~April~~ March 15;
- (c) May 15;
- ~~(e)~~ (d) July 15; and
- ~~(d)~~ (e) October 15.

Sec. 3. Minnesota Statutes 1986, section 10A.04, subdivision 4, is amended to read:

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

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

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

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

(d) The lobbyist's expenses, by client, of \$500 or more for the client."

Renumber the sections in sequence

Correct the internal references

Amend the title amendment accordingly

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

Mr. Benson moved to amend the Berg amendment to S.F. No. 604, adopted by the Senate April 29, 1987, as follows:

\Page 2, after line 12, insert:

"Sec. 5. Minnesota Statutes 1986, section 10A.15, is amended by adding a subdivision to read:

Subd. 3b. Contributions to a candidate or principal campaign committee by individual members of a political fund or political committee which are solicited by the political fund shall be reported as attributable to the political fund and count toward the contribution limits on that fund specified in section 10A.27, if the political fund was organized to direct the contributions and expenditures of its members, as well as to influence the nomination or election of a candidate."

Amend the title amendment accordingly

The question was taken on the adoption of the Benson amendment to the Berg amendment.

The roll was called, and there were yeas 58 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Laidig	Novak	Schmitz
Anderson	Davis	Langseth	Olson	Solon
Beckman	DeCramer	Lantry	Pehler	Spear
Belanger	Diessner	Larson	Peterson, D.C.	Storm
Benson	Frank	Lessard	Peterson, R.W.	Stumpf
Berg	Frederick	Luther	Piper	Taylor
Berglin	Frederickson, D.J.	Marty	Pogemiller	Vickerman
Bertram	Freeman	McQuaid	Purfeerst	Waldorf
Brandl	Johnson, D.E.	Mehrkens	Ramstad	Wegscheid
Brataas	Jude	Metzen	Reichgott	Willet
Chmielewski	Knaak	Moe, D.M.	Renneke	
Cohen	Kroening	Morse	Samuelson	

Mr. Gustafson voted in the negative.

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

Mr. Waldorf moved to amend the Berg amendment to S.F. No. 604, adopted by the Senate April 29, 1987, as follows:

Page 1, after line 20, insert:

"Subd. 1a. [REGISTERED LOBBYIST ACTIONS; PROHIBITION.] A registered lobbyist may not give, provide, or pay the expenses of giving or providing food, liquor, entertainment, or other thing of monetary value to a candidate for: (1) the state legislature; or (2) a state constitutional office during a regular session of the legislature."

Mr. Frederick moved to amend the Waldorf amendment to S.F. No. 604 as follows:

Page 1, line 7, after "to" insert ": (1)" and after "a" insert "member of or" and delete ": (1)"

The question was taken on the adoption of the Frederick amendment to the Waldorf amendment.

The roll was called, and there were yeas 52 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Morse	Schmitz
Anderson	DeCramer	Laidig	Olson	Solon
Beckman	Diessner	Langseth	Pehler	Spear
Belanger	Frank	Larson	Peterson, D.C.	Storm
Benson	Frederick	Lessard	Peterson, R.W.	Taylor
Berglin	Frederickson, D.J.	Luther	Piper	Vickerman
Bertram	Freeman	Marty	Purfeerst	Waldorf
Brataas	Gustafson	McQuaid	Ramstad	Willet
Chmielewski	Johnson, D.E.	Mehrrens	Reichgott	
Cohen	Jude	Metzen	Renneke	
Dahl	Knaak	Moe, D.M.	Samuelson	

Messrs. Berg, Brandl, Mrs. Lantry and Mr. Merriam voted in the negative.

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

The question recurred on the Waldorf amendment, as amended.

The motion prevailed. So the Waldorf amendment, as amended, was adopted.

Mr. Willet moved to amend the Berg amendment to S.F. No. 604, adopted by the Senate April 29, 1987, as follows:

Page 2, after line 2, insert:

"Subd. 2a. [ASSOCIATION ACTIVITIES.] An association may not knowingly invite a candidate for: the state legislature or a state constitutional office to an activity or function sponsored by the association during a regular session of the legislature. A candidate for: the state legislature or a state constitutional office may not attend an activity or function sponsored by an association during a regular session of the legislature."

Amend the title amendment accordingly

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 18 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson, D.J.	Piper	Solon	Wegscheid
Beckman	Johnson, D.J.	Purfeerst	Stumpf	Willet
Dicklich	Kroening	Samuelson	Vickerman	
Frank	Metzen	Schmitz	Waldorf	

Those who voted in the negative were:

Berg	Cohen	Knaak	Merriam	Peterson, R.W.
Berglin	Dahl	Langseth	Moe, D.M.	Pogemiller
Bertram	Davis	Lantry	Morse	Ramstad
Brandl	DeCramer	Lessard	Olson	Reichgott
Brataas	Freeman	Luther	Pehler	Spear
Chmielewski	Jude	Marty	Peterson, D.C.	Taylor

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Freeman moved to amend the Berg amendment to S.F. No. 604, adopted by the Senate April 29, 1987, as follows:

Page 1, after line 12, insert:

"Sec. 4. [10A.045] [LIMIT ON CONTRIBUTIONS.]

The total contributions by a person or a principal campaign committee to candidates for the legislature or legislators and a candidate for a con-

stitutional office or constitutional officers must not be more than \$2,500 each calendar year."

Renumber the sections in sequence

Correct the internal references

Amend the title amendment accordingly

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

The question was taken on the recommendation to pass S.F. No. 604.

The roll was called, and there were yeas 55 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.J.	McQuaid	Pogemiller
Beckman	Davis	Jude	Mehrkens	Ramstad
Belanger	DeCramer	Knaak	Merriam	Reichgott
Benson	Diessner	Kroening	Metzen	Renneke
Berg	Frank	Laidig	Moe, D.M.	Samuelson
Berglin	Frederick	Langseth	Morse	Storm
Bertram	Frederickson, D.J.	Lantry	Olson	Stumpf
Brandl	Frederickson, D.R.	Larson	Pehler	Taylor
Brataas	Freeman	Lessard	Peterson, D.C.	Vickerman
Chmielewski	Gustafson	Luther	Peterson, R.W.	Waldorf
Cohen	Johnson, D.E.	Marty	Piper	Wegscheid

Those who voted in the negative were:

Adkins	Novak	Schmitz	Spear	Willet
Dicklich	Purfeerst	Solon		

The motion prevailed. So S.F. No. 604 was recommended to pass.

S.F. No. 598, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Laws 1984, chapter 654, article 5, section 57, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTED CONSTRUCTION OR MODIFICATION.] ~~Until Through June 30, 1987~~ 1990, the following construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and

(2) the establishment of a new hospital.

This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held an approved certificate of need on May 1, 1984, regardless

of the date of expiration of the certificate;

(3) a project for which a certificate of need was denied prior to the date of enactment of this act if a timely appeal results in an order reversing the denial; or

(4) a project exempted from certificate of need requirements by Laws 1981, chapter 200, section 2-;

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to an existing licensed hospital that will allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a net increase in the number of hospital beds. Upon completion of the reconstruction, the licenses of both hospitals must be reinstated at the capacity that existed on each site prior to the relocation;

Nothing in this section prohibits (7) the relocation or redistribution of hospital beds within a hospital building or identifiable complex of buildings provided the relocation or redistribution does not result in: ~~(1)~~ (i) an increase in the overall bed capacity at that site; ~~(2)~~ (ii) relocation of hospital beds from one physical site or complex to another; or ~~(3)~~ (iii) redistribution of hospital beds within the state or a region of the state; or

(8) relocation or redistribution of hospital beds within a hospital corporate system that involves the transfer of beds from a closed facility site or complex to an existing site or complex provided that: (i) no more than 50 percent of the capacity of the closed facility is transferred; (ii) the capacity of the site or complex to which the beds are transferred does not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or redistribution does not involve the construction of a new hospital building."

Amend the title as follows:

Page 1, line 2, after "extending" insert "and creating exceptions to"

The motion prevailed. So the amendment was adopted.

S.F. No. 1237, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 1, line 15, delete everything after "must"

Page 1, delete line 16 and insert "not allow the coverage to lapse without notifying the covered employee of the lapse."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, after "a" insert "lapse or"

The motion prevailed. So the amendment was adopted.

S.F. No. 823, which the committee recommends to pass with the following

amendment offered by Mr. Solon:

Page 1, line 8, delete "CITY OF DULUTH;"

Page 1, delete section 2

Amend the title as follows:

Page 1, line 2, delete "the city of Duluth" and insert "banking"

The motion prevailed. So the amendment was adopted.

S.F. No. 1092, which the committee recommends to pass with the following amendment offered by Mr. Willet:

Page 1, line 14, delete everything after "means"

Page 1, line 15, delete everything before "of" and insert "the drainage basin"

Page 2, line 1, delete "in excess of" and insert "of more than"

Page 2, line 11, delete "No" and insert "(a) Except as provided in paragraph (b), a"

Page 2, lines 12 and 23, delete "nor any" and insert "or a"

Page 2, line 14, delete "in excess of" and insert "of more than"

Page 2, line 15, delete "any" and insert "a" and delete "shall" and insert "may not" and after "after" insert a colon

Page 2, after line 19, insert:

"(b) Legislative approval under paragraph (a), clause (2), is not required for a consumptive use in excess of 2,000,000 gallons per day average in a 30-day period for:

(1) a domestic water supply, excluding industrial and commercial uses of a municipal water supply; and

(2) agricultural irrigation and processing of agricultural products."

Page 2, line 22, delete "No" and insert "A"

Page 2, line 27, delete "in excess of" and insert "more than"

Page 2, line 28, delete "any" and insert "a" and delete "shall" and insert "may not"

Page 2, line 29, after "until" insert "after"

Page 3, line 11, delete "any" and insert "a"

Page 3, line 30, delete "in excess of" and insert "of more than" and delete "any" and insert "a"

Page 3, line 32, delete "in excess of" and insert "of more than"

Page 3, line 33, delete "any" and insert "a"

Page 3, after line 33, insert:

"Sec. 7. [APPLICABILITY.]

Sections 3, 4, and 5 apply to permits for consumptive uses and diversions that were not allowed by permit before the effective date of this act."

The motion prevailed. So the amendment was adopted.

S.F. No. 385, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Page 2, delete section 2

Page 3, line 29, reinstate the stricken "cougar,"

Page 15, line 27, after "containing" insert "*steel shot or*"

Page 15, line 28, delete "*or steel shot*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 830, which the committee recommends to pass, subject to the following motion:

Mr. Willet moved that the amendment made to H.F. No. 830 by the Committee on Rules and Administration in the report adopted April 27, 1987, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 947, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 2, line 1, delete "*completes*" and insert "*complete*"

The motion prevailed. So the amendment was adopted.

S.F. No. 578, which the committee recommends to pass with the following amendment offered by Ms. Reichgott:

Page 29, line 10, delete "*13*" and insert "*18*"

The motion prevailed. So the amendment was adopted.

S.F. No. 170, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Page 300, line 24, after "issuer" insert "*or state issuer*"

Page 305, line 28, after "*has*" insert "*either*"

Page 305, line 30, after "*years*" insert "*or returned for reallocation all of its unused entitlement allocation*"

Page 307, line 21, after "*returned*" insert "*on or after the first Monday in December and*"

Page 307, line 24, after "*returned*" insert "*on or after the third Monday in December and*"

Page 309, line 27, after "*has*" insert "*either*"

Page 309, line 29, after "*years*" insert "*or returned for reallocation all of its unused entitlement allocation*"

Page 311, line 18, after "*returned*" insert "*on or after the first Monday in December and*"

Page 311, line 21, after "*returned*" insert "*on or after the third Monday in December and*"

Page 312, line 32, delete "*41*" and insert "*40*"

Page 314, lines 8, 12, 24, and 29, delete "41" and insert "40"

Page 315, line 9, delete "41" and insert "40"

Page 318, after line 5, insert:

"Subd. 4. [APPLICATION OF OTHER LAW.] The provisions of sections 32, 35, 36, 37, and 38 apply to the allocations made under this section."

The motion prevailed. So the amendment was adopted.

On motion of Mr. Luther, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

REPORTS OF COMMITTEES

SUSPENSION OF RULES

Mr. Luther moved that Joint Rule 2.03 be suspended as to S.F. Nos. 1503 and 1203. The motion prevailed.

Mr. Luther moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 187, 777 and reports pertaining to appointments. The motion prevailed.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1191: A bill for an act relating to utilities; providing for expedited hearings by public utilities commission to review adjustments to rates of public utilities and telephone companies due to tax reform act; providing for repeal.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ADJUSTMENT TO UTILITY REVENUE REQUIREMENT DUE TO TAX REFORM ACT.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given.

(b) "Public utility" has the meaning given it in section 216B.02, subdivision 4.

(c) "Tax Reform Act" means the Tax Reform Act of 1986, Public Law Number 99-514.

(d) "Telephone company" has the meaning given it in section 237.01, subdivision 2.

Subd. 2. [REFUND.] The public utilities commission may, pursuant to Minnesota Statutes, section 216B.17 or 237.081, order a public utility or

telephone company to adjust its rates retroactive to July 1, 1987, and make necessary refunds to reflect any revenue requirement impact of the Tax Reform Act."

Delete the title and insert:

"A bill for an act relating to utilities; authorizing the public utilities commission to order refunds to reflect the impact of the Tax Reform Act."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1294: A bill for an act relating to agriculture; providing for reduction of payment adjustment obligations; authorizing principal buy-down for certain loans; establishing a special fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 41.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 33, insert:

"Sec. 3. [41.66] [PARTICIPANT-LENDER WITHDRAWAL.]

Subdivision 1. [APPLICATION.] A participant and the participant's lenders may submit a request to the commissioner for complete withdrawal from the program. If approved, the lenders would release the commissioner from any further obligations under the loan guarantee and the commissioner would release the participant from any obligations the participant may have under either section 41.57, subdivision 2, or section 41.56, subdivision 3.

Subd. 2. [APPROVAL DECISION.] The commissioner shall submit all applications to the executive council with a recommendation. A written notification of the executive council's decision must be sent to the participant."

Page 3, line 34, delete "41.66" and insert "41.67"

Page 4, lines 8 and 9, delete "3" and insert "4"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1503: A bill for an act relating to transportation; providing increases in taxes on motor vehicles and on gasoline and special fuel; increasing driver license fees; providing for the deposit of receipts from the motor vehicle excise tax; amending Minnesota Statutes 1986, sections 168.013, by adding a subdivision; 171.02, subdivision 3; 171.06, subdivision 2; 296.02, subdivision 1b; 296.025, subdivision 1; and 297B.09, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.013, is amended by

adding a subdivision to read:

Subd. 14a. [INCREASE OF TAX RATE.] All motor vehicle taxes imposed by subdivisions 1a to 1h, including any minimum taxes provided for in those subdivisions, are increased by ten percent.

Sec. 2. Minnesota Statutes 1986, section 171.02, subdivision 3, is amended to read:

Subd. 3. [MOTORIZED BICYCLES.] No motorized bicycle shall be operated on any public roadway by any person who does not possess a valid drivers license, unless the person has obtained a motorized bicycle operator's permit or motorized bicycle instruction permit from the commissioner of public safety. The operator's permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The instruction permit may be issued to any person who has attained the age of 15 years and who has passed the written portion of the examination prescribed by the commissioner. The commissioner may promulgate rules prescribing the content of the examination and the information to be contained on the permits.

The fees for motorized bicycle operator's permits are as follows:

(a) Examination and operator's permit, valid for one year	\$4 \$8
(b) Duplicate	\$2 \$4
(c) Renewal permit before age 19 and valid until age 19	\$6 \$12
(d) Renewal permit after age 19 and valid for four years	\$10 \$20
(e) Duplicate of any renewal permit	\$3 \$6
(f) Written examination and instruction permit, valid for 30 days	\$4 \$8

Sec. 3. Minnesota Statutes 1986, section 171.06, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver License ~~C-\$10 B-\$15 C-\$20 B-\$30~~
A-\$20 A-\$40

Classified Provisional D.L. ~~C-\$6 B-\$10 C-\$12 B-\$20~~

Instruction Permit \$4 \$8

Duplicate Driver or Provisional License \$3 \$6

Minnesota identification card, except
as otherwise provided in section 171.07,
subdivisions 3 and 3a \$6 \$12

Sec. 4. [296.015] [GASOLINE AND DIESEL FUEL EXCISE TAX.]

Subdivision 1. [TAX IMPOSED; RATE.] An excise tax is imposed at the rate of six percent on the sale price of gasoline and diesel fuel received for use in motor vehicles when it is received as defined in section 296.01,

subdivision 13, by a distributor as defined in section 296.01, subdivision 7.

Subd. 2. [MONTHLY TAX PAYMENTS; PENALTY.] The fuel excise tax is due and payable not later than the 25th day of the month following the calendar month in which it was incurred, and after that time bears interest at the rate specified in section 296.15, subdivision 1. The commissioner may extend the time for paying the tax without penalty for good cause. The commissioner may recover the fuel excise tax due and unpaid, the interest, and any penalty under the procedures of section 296.15.

Subd. 3. [DISPOSITION OF PROCEEDS.] Proceeds from the tax imposed by this section, plus penalties, and interest must be deposited by the commissioner in the highway user tax distribution fund.

Sec. 5. Minnesota Statutes 1986, section 296.14, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; PAYMENT OF TAX; SHRINKAGE ALLOWANCE.] On or before the 23rd day of each month, every person who is required to pay gasoline tax, *excise tax on gasoline and diesel fuel*, or inspection fee on petroleum products and every distributor shall file in the office of the commissioner at St. Paul, Minnesota, a report in a manner approved by the commissioner showing the number of gallons of petroleum products received by the reporter during the preceding calendar month, and such other information as the commissioner may require. The number of gallons of gasoline shall be reported in United States standard liquid gallons (231 cubic inches), except that the commissioner may upon written application therefor and for cause shown permit the distributor to report the number of gallons of such gasoline as corrected to a 60 degree Fahrenheit temperature. If such application is granted, all gasoline covered in such application and as allowed by the commissioner must continue to be reported by the distributor on the adjusted basis for a period of one year from the date of the granting of the application. The number of gallons of petroleum products other than gasoline shall be reported as originally invoiced.

Each report shall show separately the number of gallons of aviation gasoline received by the reporter during such calendar month.

Each report shall be accompanied by remittance covering inspection fees on petroleum products, *excise tax on gasoline and diesel fuel*, and gasoline tax on gasoline received by the reporter during the preceding month; provided that in computing such tax a deduction of three percent of the quantity of gasoline received by a distributor shall be made for evaporation and loss; provided further that at the time of remittance the distributor shall submit satisfactory evidence that one-third of such three percent deduction shall have been credited or paid to dealers on quantities sold to them. The report and remittance shall be deemed to have been filed as herein required if postmarked on or before the 23rd day of the month in which payable.

Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

Sec. 6. Minnesota Statutes 1986, section 296.14, subdivision 2, is amended to read:

Subd. 2. [CREDIT OR REFUND OF TAX PAID.] The commissioner shall allow the distributor credit or refund of the tax paid on gasoline, *gasoline and diesel fuel*, and special fuel:

(1) Exported or sold for export from the state, other than in the supply tank of a motor vehicle or of an aircraft;

(2) Sold to the United States government or to any "cost plus a fixed fee" contractor employed by the United States government on any national defense project;

(3) Sold to another licensed distributor;

(4) Destroyed by accident while in the possession of the distributor;

(5) In error;

(6) Sold for storage in an on-farm bulk storage tank, if the tax was not collected on the sale;

(7) In such other cases as the commissioner may permit, not inconsistent with the provisions of this chapter and other laws relating to the gasoline and special fuel excise taxes.

Sec. 7. Minnesota Statutes 1986, section 296.14, subdivision 3, is amended to read:

Subd. 3. [REFUND TO DEALER; DESTRUCTION BY ACCIDENT.] Notwithstanding the provisions of subdivision 2, the commissioner shall allow a dealer a refund of the tax paid on gasoline, *gasoline and diesel fuel*, or special fuel destroyed by accident while in the possession of the dealer.

Sec. 8. Minnesota Statutes 1986, section 297B.09, subdivision 2, is amended to read:

Subd. 2. [HIGHWAY USER TAX DISTRIBUTION FUND AND TRANSIT ASSISTANCE FUND SHARE.] The proceeds collected under this chapter must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment in the following manner:

(a) None of the proceeds collected before July 1, 1984, or between July 1, 1985, and June 30, 1987, may be credited to either fund.

(b) 18.75 percent of the proceeds collected after June 30, 1984, and before July 1, 1985, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 6.25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(c) Except as provided in paragraph (f), ~~37.5~~ 7.5 percent of the proceeds collected after June 30, 1987, and before July 1, 1989, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. ~~The remaining 12.5~~ Two and one-half percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(d) Except as provided in paragraph (f), 56.25 percent of the proceeds collected after June 30, 1989, and before July 1, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 18.75 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(e) Except as provided in paragraph (f), 75 percent of the proceeds collected after June 30, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(f) The distributions under paragraphs (c), (d), and (e) to the highway user tax distribution fund shall be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1.

Sec. 9. [PROCEEDS FROM LICENSE FEES.]

Notwithstanding Minnesota Statutes 1986, section 171.26, ten percent of the proceeds from the fees imposed under sections 171.02, subdivision 3, and 171.06, subdivision 2, must be deposited in the state treasury and credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

Sec. 10. [REPEALER.]

Minnesota Statutes 1986, section 163.051, subdivision 5, is repealed.

Sec. 11. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1987, and applies to all applications for renewal of motor vehicle registrations mailed by the commissioner of public safety on and after that date and all applications received by the commissioner of public safety on and after that date for registration of a motor vehicle not previously registered in Minnesota. Sections 2, 3, 8, 9, and 10 are effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to transportation; providing increases in taxes on motor vehicles; imposing a tax on the receipt of gasoline and diesel fuel; increasing driver license fees; providing for the deposit of receipts from the motor vehicle excise tax; repealing provision requiring reduction in property tax levy by amount of wheelage taxes received by a county; appropriating money; amending Minnesota Statutes 1986, sections 168.013, by adding a subdivision; 171.02, subdivision 3; 171.06, subdivision 2; 296.14, subdivisions 1, 2, and 3; and 297B.09, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 296; repealing Minnesota Statutes 1986, section 163.051, subdivision 5."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

H.F. No. 404: A bill for an act relating to railroads; providing for designation of exempt railroad grade crossings; requiring stop signs at railroad grade crossings; amending Minnesota Statutes 1986, sections 169.28; and 219.20.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.28, is amended to

read:

169.28 [CERTAIN VEHICLES TO STOP AT RAILROADS.]

Subdivision 1. [STOP REQUIRED.] The driver of any motor vehicle carrying passengers for hire, or of any school bus whether carrying passengers or not, or of any vehicle carrying explosive substances or flammable liquids, or liquid gas under pressure as a cargo or part of a cargo, before crossing at grade any track or tracks of a railroad, shall stop the vehicle not less than ten feet from the nearest rail of the railroad and while so stopped shall listen and look in both directions along the track for any approaching train, and for signals indicating the approach of a train, except as hereinafter provided, and shall not proceed until safe to do so.

~~No stop need be made at any crossing where a police officer or a traffic-control signal directs traffic to proceed.~~

~~No stop need be made at a crossing on a rail line on which service has been abandoned and where a sign erected in conformance with section 169.06 and bearing the word "Exempt" has been installed, unless directed otherwise by a flagger. The installation or presence of an exempt sign shall not relieve any driver of the duty to use due care.~~

~~This section shall not apply at street railway grade crossings within a business or residence district.~~

A school bus shall not be flagged across railroad grade crossings except at those railroad grade crossings that the local school administrative officer may designate.

Subd. 2. [EXEMPT CROSSINGS.] The commissioner may designate a crossing as an exempt crossing if the crossing is:

(1) on a rail line on which service has been abandoned; or

(2) on a rail line that carries fewer than five trains each year, traveling at speeds of ten miles per hour or less.

The commissioner shall direct the railroad to erect at the crossing signs bearing the word "Exempt" that conform to section 169.06. The installation or presence of an exempt sign does not relieve a driver of the duty to use due care. A train must not proceed across an exempt crossing unless a police officer is present to direct traffic or a railroad employee is on the ground to warn traffic until the train enters the crossing.

A vehicle that must stop at grade crossings under subdivision 1 is not required to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad employee.

Sec. 2. Minnesota Statutes 1986, section 219.20, is amended to read:

219.20 [STOP SIGNS.]

Subdivision 1. [WHEN INSTALLATION REQUIRED; PROCEDURE.] At each grade crossing where, because of the dangers attendant upon its use, the reasonable protection of life and property makes it necessary for persons approaching the crossing to stop before crossing the railroad tracks, stop signs must be installed. ~~The commissioner may designate a crossing requiring this additional protection~~ *When the government entity responsible for a road that crosses a railroad track deems it necessary to install stop signs at that crossing, it shall petition the commissioner to order the installation of the stop signs. The commissioner shall respond to the petition*

by investigating the conditions at the crossing to determine whether stop signs should be installed at the crossing. On determining, after an investigation following a petition from a governmental agency or subdivision or on the commissioner's own motion, that stop signs should be installed at a crossing, the commissioner shall designate the crossing as a stop crossing and shall notify the railway company operating the railroad at the crossing of this designation. Within 30 days after notification, the railway company shall erect the uniform stop crossing signs in conspicuous places on each side of the crossing in accordance with the commissioner's order.

Subd. 2. [STOPPING DISTANCES.] When a stop sign has been erected at a railroad crossing, the driver of a vehicle *approaching a railroad crossing* shall stop within 50 feet, but not less than ten feet, from the nearest track of the crossing and shall proceed only upon exercising due care.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

H.F. No. 813: A bill for an act relating to bicycles; requiring bicycles using a shoulder of a roadway to ride in the same direction as adjacent vehicular traffic; redefining the term roadway; defining the term shoulder; allowing designation of bikeways by resolution or ordinance; adopting additional definitions of bicycle terms; amending Minnesota Statutes 1986, sections 85.016; 160.02, by adding a subdivision; 160.263, subdivisions 2 and 3; 160.264; 160.265; 169.01, subdivisions 31 and 62, and by adding subdivisions; and 169.222, subdivision 4; repealing Minnesota Statutes 1986, section 160.263, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, strike "trails" and insert "trail"

Page 1, line 28, strike "bicycle trail" and insert "bikeway"

Page 2, line 1, strike "bicycle trails" and insert "bikeways"

Page 2, line 14, strike "bicyclists" and insert "bicyclist"

Page 2, line 20, delete " "bikeways" are defined" and insert " "bikeway" have the meanings given"

Page 2, line 31, delete "as" and delete "facilities" and insert a period

Page 2, delete lines 32 to 34

Page 2, line 36, delete "or" and insert "and"

Page 3, line 7, strike "(a)" and insert "(1)"

Page 3, line 12, strike the period and insert a semicolon

Page 3, line 13, strike "(b)" and insert "(2)"

Page 3, line 15, strike the period and insert "; and"

Page 3, line 16, strike "(c)" and insert "(3)"

Page 4, line 24, delete the new language and reinstate the stricken language

Page 6, line 9, delete "the"

Page 6, line 15, delete "which has been" and delete "the"

Page 6, line 23, delete "under the program established" and insert "developed"

Page 6, line 24, delete "in accordance with" and insert "under"

Page 6, line 28, delete "BIKEWAYS" and insert "BIKEWAY" and delete everything after the headnote and insert "'Bikeway' means a bicycle lane,"

Page 6, delete line 29, and insert "bicycle path, or bicycle route, regardless of whether it is"

Page 6, line 30, delete "facilities are" and delete the second "are" and insert "is"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was re-referred

S.F. No. 1142: A bill for an act relating to local government; permitting the establishment of special service districts; providing taxing and other authority; proposing coding for new law as Minnesota Statutes, chapter 429A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 16 and 24, after "classified" insert "under section 273.13"

Page 2, line 17, delete "under section 273.13" and insert "zoned or designated on a land use plan for commercial or industrial use"

Page 2, line 24, after "land" insert "zoned or designated on a land use plan for commercial or industrial use"

Page 2, line 25, delete "under section 273.13"

Page 3, line 1, after "in" insert "at least"

Page 3, line 2, delete "a week" and insert "two weeks"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

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

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [INTERNATIONAL MUSIC AND COMMUNICATIONS ARTS CENTER TASK FORCE.]

Subdivision 1. [CREATION.] The international music and communications arts center task force is created. The task force is composed of 15 members appointed by the governor, including representatives of:

- (1) the Minnesota recording industry;*
- (2) nonprofit music associations and art associations;*
- (3) the department of energy and economic development, including the office of tourism; and*
- (4) the private sector knowledgeable in real estate development and investment.*

The governor shall designate a chair from among the members of the task force. Members shall not be paid per diem but must be paid their expenses as provided in section 15.059, subdivision 6.

Subd. 2. [DUTIES.] The task force shall study:

- (1) the economic impact of the recording industry in Minnesota and methods of encouraging the further development of the industry in the state;*
- (2) the feasibility and economic impact of establishing an international music and communications arts center for the location of various elements of the recording industry; and*
- (3) the feasibility of providing vocational training in recording industry skills.*

Subd. 3. [POWERS.] The task force may:

- (1) contract for all or part of the study required by this section; and*
- (2) accept gifts, grants and donations for the purposes of this section.*

Subd. 4. [REPORT.] The task force shall report its findings concerning subdivision 2 to the legislature by January 5, 1988.

Subd. 5. [ADMINISTRATIVE SUPPORT.] The commissioner of energy and economic development shall provide meeting space, staff assistance, and other administrative support to the task force.

Sec. 2. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the commissioner for fiscal year 1988 for the purposes of section 1. \$_____ from this appropriation is available for allotment only upon demonstration by the commissioner of energy and economic development that an equal amount of money is available to the task force from nonpublic sources. \$_____ from this appropriation is available to the commissioner for administrative services to and initial start-up expenses of the task force.

Sec. 3. [REPEALER.]

Section 1 is repealed January 5, 1988."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was re-referred

S.F. No. 187: A bill for an act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete the second "the" and insert "their individual"

Page 1, line 22, after "removing" insert "their"

Page 2, line 25, delete "of" and insert "after"

Page 2, line 26, delete "becoming" and insert "become"

Page 2, after line 26, insert:

"Subd. 8. [STORAGE SPACE.] *"Storage space" means an enclosure, cubicle, or room that is fully enclosed and equipped with a door designed to be locked for security by the occupant.*"

Page 3, line 19, after "occupant's" insert "personal" and after "property" insert "in the self-service storage facility"

Page 3, line 28, delete "and" and insert a comma

Page 3, line 29, after "\$50" insert a comma

Page 6, line 1, delete "The"

Page 6, delete lines 2 and 3

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 734: A bill for an act relating to commerce; creating a legislative commission to study government and business competition; prescribing its duties.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE STUDY COMMISSION ON GOVERNMENT AND BUSINESS COMPETITION.]

Subdivision 1. [ESTABLISHMENT.] A legislative study commission on government and business competition is established to review and report on the effect state and local laws and regulation have on the competitive environment of small businesses in the state. The commission shall also assess the cost to small business of nonprofit tax exempt organization competition with small business, and the benefits derived from nonprofit tax exempt organization services that might not be provided otherwise. The commission shall review and report on the competitive effect state-regulated industries and institutions have on small business. The commis-

sion may also recommend legislation it considers necessary to reduce unfair competition that results in societal costs between small business, state regulated industries and institutions, and nonprofit tax exempt organizations.

For purposes of this section, "small business" is as defined in Minnesota Statutes, section 645.445.

Subd. 2. [MEMBERSHIP.] The commission shall consist of 11 members. Three members from the house of representatives shall be appointed by the speaker and three members from the senate shall be appointed by the subcommittee on committees of the committee on rules and administration. The governor shall appoint the remaining five members, two of whom must be representative of small business, two of whom must be representative of nonprofit exempt organizations, and one from a state regulated industry or institution.

Subd. 3. [STAFFING.] State agencies and legislative staff shall, upon request, assist the commission in discharging its duties.

Subd. 4. [COMPENSATION.] Compensation for nonlegislator members shall be as provided in section 15.059.

Subd. 5. [REPORT.] The commission shall report its findings and recommendations to the legislature by March 1, 1988. The report shall be distributed as required by Minnesota Statutes, section 3.195.

Sec. 2. [REPEALER.]

Section 1 is repealed March 1, 1988."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1145: A resolution memorializing the President and Congress of the United States to award posthumous Medals of Freedom to Andrew Goodman, Michael Schwerner, and James Chaney.

Reports the same back with the recommendation that the resolution be amended as follows:

Page 1, line 10, delete "conivance" and insert "connivance"

Page 1, line 14, delete "Metal" and insert "Medal"

And when so amended the resolution do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 561: A bill for an act relating to government data; providing for access to data by protection and advocacy systems; amending Minnesota Statutes 1986, section 13.89.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1031: A bill for an act relating to liens; labor and material; regulating the attachment of these liens; providing that visible staking of the premises does not constitute the actual and visible beginning of the improvement; amending Minnesota Statutes 1986, section 514.05.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1197: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986, chapters 84A; 105; 112; 274; 276; 352; 352B; 365; 430; and 447.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 777: A bill for an act relating to natural resources; providing that money recovered by the state for forest fire fighting expenses be restored to the fund of origination; increasing the amount that may be paid for tips related to forest fire crimes; amending Minnesota Statutes 1986, section 88.75, subdivision 1; and 88.76.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2 and insert:

"Sec. 2. [REPEALER.]

Minnesota Statutes 1986, section 88.76, is repealed."

Amend the title as follows:

Page 1, line 7, delete "and" and insert "repealing Minnesota Statutes 1986, section"

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 1376: A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CONVEYANCE OF STATE LANDS TO THE CITY OF

OWATONNA.]

Notwithstanding Minnesota Laws 1965, chapter 216, as amended by Laws 1967, chapter 423, Laws 1975, chapter 251, and Laws 1978, chapter 459, and Minnesota Statutes, sections 94.09 to 94.16, the commissioner of administration shall quitclaim and convey to the city of Owatonna the land described in this section. The land reverts to the state if the land is not used for park purposes and the state pays the city of Owatonna for the appraised value of improvements. The land shall be conveyed in a form approved by the attorney general for consideration of not more than \$1.

The land to be conveyed is located in the county of Steele containing approximately 52.4 acres and described as:

All that part of the Northeast Quarter, Section 17, Township 107 North, Range 20 West, lying East of the Easterly right-of-way line of U.S. Trunk Highway 35.

The land to be conveyed is no longer needed for highway purposes.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1497: A bill for an act relating to water pollution; providing for grants and loans for the construction and rehabilitation of wastewater treatment facilities and systems; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1986, sections 116.16, subdivision 5; 116.167; 116.18, subdivisions 2a, 3a, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 116.18, is amended by adding a subdivision to read:

Subd. 3b. [CAPITAL COST COMPONENT GRANT.] (a) The definitions of "capital cost component," "capital cost component grant," "service fee," "service contract," and "private vendor" in section 471A.02 apply to this subdivision.

(b) Beginning in fiscal year 1989, up to \$1,500,000 of the money to be awarded as grants under subdivision 3a in any single fiscal year may be set aside for the award of capital cost component grants to municipalities on the municipal needs list for part of the capital cost component of the service fee under a service contract for a term of at least 20 years with a private vendor for the purpose of constructing and operating wastewater treatment facilities.

(c) The amount granted to a municipality shall be 50 percent of the average total eligible costs of municipalities of similar size recently awarded state and federal grants under the provisions of subdivisions 2a and 3a

and the Federal Water Pollution Control Act, United States Code, title 33, sections 1281 to 1289. Federal and state eligibility requirements for determining the amount of grant dollars to be awarded to a municipality are not applicable to municipalities awarded capital cost component grants. Federal and state eligibility requirements for determining which cities qualify for state and federal grants are applicable, except as provided in this subdivision.

(d) Except as provided in this subdivision, municipalities receiving capital cost component grants shall not be required to comply with federal and state regulations regarding facilities planning and procurement contained in sections 116.16 to 116.18, except those necessary to issue a National Pollutant Discharge Elimination System permit or state disposal system permit and those necessary to assure that the proposed facilities are reasonably capable of meeting the conditions of the permit over 20 years. The municipality and the private vendor shall be parties to the permit. Municipalities receiving capital cost component grants may also be exempted by rules of the agency from other state and federal regulations relating to the award of state and federal grants for wastewater treatment facilities, except those necessary to protect the state from fraud or misuse of state funds.

(e) Funds shall be distributed from the set-aside to municipalities that apply for the funds in accordance with these provisions in the order of their ranking on the municipal needs list.

(f) The authority shall award capital cost component grants to municipalities selected by the state pollution control director upon certification by the state pollution control director that the municipalities' projects and applications have been reviewed and approved in accordance with this subdivision and agency rules adopted under paragraph (g).

(g) The agency shall adopt permanent rules to provide for the administration of grants awarded under this subdivision.

(h) The commissioner of energy and economic development may adopt rules containing procedures for administration of the authority's duties as set forth in paragraph (f).

Sec. 2. Minnesota Statutes 1986, section 116.18 is amended by adding a subdivision to read:

Subd. 3c. [INDIVIDUAL ON-SITE TREATMENT SYSTEMS PROGRAM.] (a) Beginning in fiscal year 1989, up to ten percent of the money to be awarded as grants under subdivision 3a in any single fiscal year, up to a maximum of \$1,000,000, may be set aside for the award of grants by the authority to municipalities to reimburse owners of individual on-site wastewater treatment systems for a part of the costs of upgrading or replacing the systems.

(b) An individual on-site treatment system is a wastewater treatment system, or part thereof, serving one or two dwellings or other establishments, which utilizes subsurface soil treatment and disposal.

(c) Municipalities may apply yearly for grants of up to 50 percent of the cost of replacing or upgrading individual on-site treatment systems within their jurisdiction. Upon application for a grant, a municipality must certify that:

(1) it has adopted and is enforcing the requirements of Minnesota Rules

governing individual sewage treatment systems;

(2) the existing systems for which application is made do not conform to those rules, were constructed prior to January 1, 1977, do not serve seasonal residences, and were not constructed with state or federal funds; and

(3) that the costs requested do not include planning and engineering costs, administrative costs, and costs for improvements or replacements made before the application is submitted to the authority.

(d) The federal and state regulations regarding the award of state and federal wastewater treatment grants do not apply to municipalities or systems funded under this subdivision, except as provided in this subdivision.

(e) The authority shall award individual on-site wastewater treatment grants to municipalities selected by the state pollution control director upon certification by the state pollution control director that the municipalities' applications have been reviewed and approved in accordance with this subdivision and agency rules adopted under paragraph (f).

(f) The agency shall adopt permanent rules regarding priorities, distribution of funds, payments, inspections, and other matters that the agency finds necessary for proper administration of grants awarded under this subdivision.

(g) The commissioner of energy and economic development may adopt rules containing procedures for administration of the authority's duties as set forth in paragraph (e).

Sec. 3. [116.181] [CORRECTIVE ACTION GRANTS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in section 116.16, subdivision 2, apply to this section.

(b) "Corrective action" means action taken to upgrade or correct wastewater treatment facilities, funded under the Federal Water Pollution Control Act or the independent state grants program, that have failed to meet performance standards, and includes engineering, design, construction, legal assistance, and other action as the agency may allow.

Subd. 2. [SET ASIDE.] In any fiscal year, up to ten percent of the money available for independent state grants, up to a maximum of \$100,000,000, may be set aside for the award of grants to municipalities for corrective action.

Subd. 3. [GRANT LIMITATIONS.] The amount of a corrective action grant awarded to a municipality shall not exceed \$500,000. In no event shall the grant amount exceed the cost of the corrective action. Construction costs that were not eligible under the original grant are not eligible under a corrective action grant.

Subd. 4. [REPAYMENT.] Any municipality that is awarded a corrective action grant shall seek recovery from any person who is responsible for the failure of the facility to perform. The municipality shall reimburse the state in the event the municipality recovers any funds from responsible persons. Any repayments must be deposited in the Minnesota state water pollution control fund.

Subd. 5. [AWARD OF GRANTS.] Until June 30, 1988, the agency shall award corrective action grants. On July 1, 1988, the authority shall award

corrective action grants to municipalities selected by the state pollution control director upon certification by the state pollution control director that the municipalities' projects and applications have been reviewed and approved in accordance with this section and agency rules adopted under subdivision 6.

Subd. 6. [RULES OF THE AGENCY.] The agency shall promulgate permanent rules and may promulgate emergency rules for the administration of the corrective action grant program. The rules must contain at a minimum:

- (1) the method for determining the amount of the corrective action grant;*
- (2) application requirements;*
- (3) criteria for determining which municipalities will be awarded grants when there are more applicants than money;*
- (4) conditions for use of the grant funds;*
- (5) identification of eligible costs;*
- (6) the amount that must be reimbursed to the authority in the event funds are recovered by the municipality from the responsible person; and*
- (7) other matters that the agency finds necessary for proper administration of the program.*

Subd. 7. [RULES OF THE AUTHORITY.] The commissioner of energy and economic development may adopt rules containing procedures for administration of the authority's duties as set forth in subdivision 5."

Delete the title and insert:

"A bill for an act relating to water pollution; providing for grants and loans for the construction and rehabilitation of wastewater treatment facilities and systems; authorizing rulemaking; amending Minnesota Statutes 1986, section 116.18, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was re-referred

S.F. No. 1203: A bill for an act relating to state government; reorganizing the department of agriculture, the department of energy and economic development, and the department of public service, and providing for the powers and duties of the three departments; changing the name of the department of energy and economic development to the department of trade and economic development; designating the department of jobs and training as the administrative agency for certain juvenile justice and delinquency prevention purposes; providing grants for youth intervention programs; changing the membership of the world trade center board; establishing the world trade center institute; authorizing the board to contract for certain services and programs; amending Minnesota Statutes 1986, sections 17.03, subdivision 1; 17.101, subdivision 1; 18.023, subdivision 11; 18.024, subdivision 1; 43A.08, subdivision 1; 44A.01; 44A.031; 104.35, subdivisions 2 and 3; 115A.12, subdivision 2; 116C.03, subdivision 2; 116J.01; 116J.03; 116J.58, subdivision 2; 116J.60; and 116J.63, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 44A; 116J; and 268;

proposing coding for new law as Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1986, sections 4.09; 17.03, subdivision 5; 17.101, subdivisions 2, 3, and 4; 44A.03; 44A.04; 44A.05; 44A.07; 116J.404; and 116J.405.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 7 and 8, delete section 11 and insert:

"Sec. 11. Minnesota Statutes 1986, section 17.03, is amended by adding a subdivision to read:

Subd. 6. [COOPERATION WITH MINNESOTA TRADE OFFICE.] The commissioner of agriculture, the commissioner of trade and economic development, and the director of the Minnesota trade office shall cooperate with each other to promote the beneficial agricultural interests of the state. The commissioner of trade and economic development and the director of the Minnesota trade office have primary responsibility for promoting state agricultural interests to international markets. The commissioner of agriculture has primary responsibility for promoting the agricultural interests of producers, promoting state agricultural markets, and promoting agricultural interests of the state in cooperative production and marketing efforts with other states and the United States Department of Agriculture."

Page 13, lines 3 and 4, delete "POWERS AND DUTIES; TRADE OFFICE" and insert "TRADE PROMOTION DUTIES"

Page 13, line 5, delete "TRADE PROMOTION DUTIES" and before "The" insert "(a)"

Page 13, delete lines 12, 13, 19, 20, 23, 24 and 25

Renumber the clauses in sequence

Page 14, after line 17, insert:

"(b) The programs and activities of the commissioner of energy and economic development and the Minnesota trade office may not duplicate programs and activities of the commissioner of agriculture."

Page 14, delete lines 18 to 36

Page 15, delete lines 1 to 22 and insert:

"Subd. 2. [AGRICULTURAL PROMOTION.] The commissioner of trade and economic development and the director of the Minnesota trade office shall cooperate and consult with the commissioner of agriculture in promoting the beneficial agricultural interests of the state. The commissioner of trade and economic development and the director of the Minnesota trade office shall have the primary responsibility for promoting state agricultural interests to international markets. The commissioner of agriculture has primary responsibility for promoting the agricultural interests of producers, promoting state agricultural markets, and promoting the agricultural interests of the state in cooperative production and marketing efforts with other states and the United States Department of Agriculture."

Sec. 21. [236A.02] [ADMINISTRATIVE SUPPORT.]

The commissioner of agriculture in consultation with the director of the Minnesota trade office shall provide administrative staff and support to the Interstate Agricultural Grain Marketing Commission members from

this state."

Page 16, line 25, after "*divisions*" insert "*and offices*"

Page 16, line 27, delete the first comma and insert "*and*" and delete "*, or functions*"

Page 16, line 35, delete "*the functions of*"

Page 16, line 36, delete "*international trade division of*" and insert "*Minnesota trade office in*"

Page 17, line 1, delete everything after "*agriculture*"

Page 17, line 2, delete everything before the semicolon and insert "*relating to international trade, but does not include the functions and positions of the office relating to domestic agricultural trade*"

Page 17, delete lines 17 to 20 and insert:

"17.103	116J.970
17.104	116J.971
17.105	116J.972"

Page 17, after line 26, insert:

"Sec. 27. [APPROPRIATIONS.]

\$500,000 is appropriated from the general fund to the commissioner of agriculture for promoting the agricultural interests of producers, promoting state agricultural markets, and promoting the agricultural interests of the state in cooperative production and marketing with other states.

The complement of the department of agriculture is increased by ten positions.

The budget of the commissioner of energy and economic development shall be decreased by the amount of this appropriation and the complement of the department of energy and economic development is decreased by ten positions to reflect the programs and complement remaining in the department of agriculture."

Renumber the sections of article 1 in sequence

Page 20, line 36, delete everything after "*sections*"

Page 21, line 1, delete "*3, and 4;*"

Page 21, line 3, delete "*Sections 1 to 8 are*" and insert "*This article is*"

Amend the title as follows:

Page 1, line 16, delete "*subdivision*"

Page 1, line 17, delete the first "*1;*" and insert "*by adding a subdivision;*"

Page 1, line 23, after "*116J;*" insert "*236A;*"

Page 1, line 26, delete "*17.101,*"

Page 1, line 27, delete "*subdivisions 2, 3, and 4;*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 708: A bill for an act relating to waste management; regulating disposal of wastes; providing for a solid waste management policy; providing for recycling policy and marketing; managing household hazardous wastes; regulating the sale and disposal of motor oil and lead acid batteries; providing for waste pesticide collection; appropriating money; amending Minnesota Statutes 1986, sections 115A.03, subdivisions 9 and 21; 115A.06, subdivision 14; 115A.11, subdivision 2; 115A.42; 115A.45; 115A.49; 115A.51; 115A.52; 115A.53; 115A.54, subdivision 2a; 115A.81, subdivision 2; 115A.921; 115A.95; 116.07, subdivision 4b; 116.41, subdivision 2; 116M.07, by adding a subdivision; 176.011, subdivision 9; 325E.11; 473.149, subdivisions 2d and 6; 473.803, by adding a subdivision; 473.834, subdivision 2; 473.842, subdivision 2; 473.844, subdivisions 1 and 4; and 473.846; proposing coding for new law in Minnesota Statutes, chapters 115A; 239; 325E; and 473; repealing Minnesota Statutes 1986, sections 115A.13; 115A.43; 115A.44; 473.834, subdivision 3; and 473.844, subdivisions 2 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 115A.03, subdivision 9, is amended to read:

Subd. 9. “Disposal” or “dispose” means the discharge, deposit, injection, dumping, spilling, leaking, or placing of any waste into or on any land or water so that the waste or any constituent thereof may enter the environment or be emitted into the air, or discharged into any waters, including ground waters.

Sec. 2. Minnesota Statutes 1986, section 115A.03, subdivision 21, is amended to read:

Subd. 21. “Mixed municipal solid waste” means garbage, refuse, and other solid waste from residential, commercial, industrial, and community activities which is generated and collected in aggregate, but does not include auto hulks, street sweepings, ash, construction debris, mining waste, sludges, tree and agricultural wastes, tires, *lead acid batteries*, *used oil*, and other materials collected, processed, and disposed of as separate waste streams.

Sec. 3. Minnesota Statutes 1986, section 115A.06, subdivision 14, is amended to read:

Subd. 14. [WASTE RENDERED NONHAZARDOUS AND INDUSTRIAL WASTE; EVALUATION OF WASTE MANAGEMENT.] The board ~~may evaluate and make recommendations for the~~ shall encourage improved management of waste rendered nonhazardous and industrial waste that should be managed separately from mixed municipal solid waste, and may provide technical and planning assistance to political subdivisions, waste generators, and others for the purpose of identifying, developing, and implementing alternative management methods for those wastes.

Sec. 4. [115A.072] [PUBLIC EDUCATION ON WASTE MANAGEMENT.]

The board shall provide for the development and implementation of a program of general public education on waste management in cooperation

and coordination with the pollution control agency, metropolitan council, department of education, department of agriculture, state planning agency, environmental quality board, environmental education board, educational institutions, and other public agencies with responsibility for waste management or public education. The objectives of the program are to: develop increased public awareness of and interest in environmentally sound waste management methods; encourage better informed decisions on waste management issues by business, industry, local governments, and the public; and disseminate practical information about ways in which households and other institutions and organizations can improve the management of waste.

Sec. 5. Minnesota Statutes 1986, section 115A.11, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] The plan and the procedures for hearings on the plan are not subject to the rulemaking or contested case provisions of chapter 14. Before revising the draft plan prepared under subdivision 3 or amending its adopted plan, the board shall provide notice and hold a public hearing in a manner consistent with the procedure followed by the board in the hearings on the draft plan, as provided in subdivision 3 and approved by the legislative commission meeting.

Sec. 6. Minnesota Statutes 1986, section 115A.15, subdivision 6, is amended to read:

Subd. 6. [RESOURCE RECOVERY REVOLVING ACCOUNT.] Upon the certification of the commissioner of administration, the commissioner of finance shall establish an account in the general services revolving fund, effective June 30, 1980, for the operation of the state government resource recovery program. The revolving account shall consist of all funds appropriated by the state for the program, all revenues resulting from the sale of recyclable and reusable commodities made available for sale as a result of the resource recovery program and all reimbursements to the commissioner of expenses incurred by the commissioner in developing and administering resource recovery systems for state agencies, local governments, and regional agencies. The account may be used for all activities associated with the program including payment of administrative and operating costs, except statewide and agency indirect costs. *The commissioner shall determine the waste disposal cost savings associated with recycling and reuse activities, collect those savings from the account responsible for disposing of wastes produced in state buildings, and credit the savings to the resource recovery revolving account.*

Sec. 7. Minnesota Statutes 1986, section 115A.152, is amended to read:

115A.152 [TECHNICAL AND RESEARCH ASSISTANCE TO GENERATORS.]

Subdivision 1. [PURPOSES.] The board shall provide for the establishment of a technical and research assistance program for generators of hazardous *and industrial* waste in the state. The program must be designed to assist generators in the state to obtain information about management of hazardous *and industrial* wastes, to identify and apply methods of reducing the generation of hazardous *and industrial* wastes, to facilitate improved management of hazardous *and industrial* waste and compliance with hazardous *and industrial* waste rules, and for other similar purposes. The program must emphasize assistance to smaller businesses that have

inadequate technical and financial resources for obtaining information, assessing waste management methods, and developing and applying waste reduction techniques. Information and techniques developed under this program must be made available through the program to all generators in the state.

Subd. 2. [ASSISTANCE.] The assistance program must include at least the following elements:

(a) (1) outreach programs including on-site consultation at locations where hazardous *and industrial* waste is generated, seminars, workshops, training programs, and other similar activities designed to assist generators to evaluate their hazardous *and industrial* waste generation and management practices, identify opportunities for waste reduction and improved management, and identify subjects that require additional information and research;

(b) (2) a program to assemble, catalog, and disseminate information about hazardous *and industrial* waste reduction and management methods, available commercial waste management facilities and consultant services, and regulatory programs (provided that specific questions by generators about interpretation or application of waste management rules should be referred to appropriate regulatory agencies);

(c) (3) evaluation and interpretation of information needed by generators to improve their management of hazardous *and industrial* waste; and

(d) (4) informational and technical research to identify alternative technical solutions that can be applied by specific generators to reduce the generation of hazardous *and industrial* waste.

Subd. 3. [ADMINISTRATION; EVALUATION.] The assistance program must be coordinated with other public and private programs that provide management and technical assistance to smaller businesses and generators of small quantities of hazardous *and industrial* waste, including programs operated by public and private educational institutions. The board may make grants to a public or private person or association that will establish and operate the elements of the program, but the grants must require that the assistance be provided at no cost to the generators and that the grantees provide periodic reports on the improvements in waste management, waste reduction, and regulatory compliance achieved by generators through the assistance provided.

Sec. 8. Minnesota Statutes 1986, section 115A.154, is amended to read:

115A.154 [WASTE REDUCTION GRANTS.]

Subdivision 1. [PROPOSALS AND GRANTS.] The board may make grants to generators of hazardous *and industrial* waste in the state for studies to determine the feasibility of applying specific methods and technologies to reduce the generation of hazardous *and industrial* waste. Grants may be awarded only on the basis of proposals submitted to the board by generators. The board shall select proposals that offer the greatest opportunity to significantly reduce the generation of hazardous *or industrial* waste by the generators making the proposal and, if applied generally, to significantly reduce the generation of hazardous *or industrial* waste in the state. The significance of waste reduction may be measured by the volume of hazardous *or industrial* waste that is eliminated or by the reduction in risk to public health and safety and the environment that is achieved by the re-

duction. In awarding grants, the board may consider the extent of any financial and technical support that will be available from other sources for the study. The board may adopt additional criteria for awarding grants consistent with the purposes of this section.

Subd. 2. [LIMITATIONS.] The waste reduction information and techniques developed using grants awarded under this section must be made available to all *hazardous and industrial waste* generators in the state through the technical assistance and research program established under section 115A.152. Grant money awarded under this section may not be spent for capital improvements or equipment.

Sec. 9. Minnesota Statutes 1986, section 115A.156, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The board may make grants to eligible recipients to determine the feasibility and method of developing and operating specific types of commercial facilities and services for collecting and processing hazardous waste *and for improving management of waste rendered nonhazardous and industrial waste*. Grants may be made for:

- (1) market assessment, including generator surveys;
- (2) conceptual design and preliminary engineering;
- (3) financial and business planning necessary to address sources of funding, financial security, liability, pricing structure, and similar matters necessary to the development and proper operation of a facility or service;
- (4) environmental impact and site analysis, preparation of permit applications, and environmental and permit reviews;
- (5) analysis of methods of overcoming identified technical, institutional, legal, regulatory, market, or other constraints; and
- (6) analysis of other factors affecting development, operation, and use of a facility or service.

Sec. 10. Minnesota Statutes 1986, section 115A.156, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] A person proposing to develop and operate specific collection and processing facilities or services to serve generators in the state *is and persons seeking to develop or operate specific types of facilities or services to manage industrial waste generated in the state, are* eligible for a grant. The board may give preference to applications by associations of two or more generators in the state proposing to develop and operate commercial facilities or services capable of collecting or processing their hazardous wastes.

Sec. 11. Minnesota Statutes 1986, section 115A.156, subdivision 5, is amended to read:

Subd. 5. [MATCHING FUNDS REQUIRED.] (a) *For hazardous waste*, a recipient other than an association of generators in the state must agree to pay at least 50 percent of the cost of the study. An association of two or more generators in the state must agree to pay at least 20 percent of the cost of the study.

(b) *For industrial waste, a grant must be matched by money or in-kind services provided by the grantee covering at least 50 percent of the project cost.*

Sec. 12. Minnesota Statutes 1986, section 115A.158, subdivision 1, is amended to read:

Subdivision 1. [REQUEST BY BOARD; CONTENTS OF PROPOSAL.] The board through its chair shall request proposals for the development and operation of specific types of commercial hazardous waste processing and collection facilities and services, *and improved management of waste rendered nonhazardous and industrial waste*, that offer the greatest possibility of achieving the policies and objectives of the waste management plan including the goal of reducing to the greatest extent feasible and prudent the need for and practice of disposal. The proposals must contain at least the following information:

(1) the technical, managerial, and financial qualifications and experience of the proposer in developing and operating facilities and services of the type proposed;

(2) the technical specifications of the proposed facility or service including the process that will be used, the amount and types of hazardous *or industrial* waste that can be handled, the types, volume, and proposed disposition of any residuals, and a description of anticipated adverse environmental effects;

(3) the requirements of the site or sites needed to develop and operate the facility or service and the likelihood that a suitable site or sites will be available for the facility or service;

(4) projections of the costs and revenues of the facility or service, the types and numbers of generators who will use it, and the fee structure and estimated user charges necessary to make the facility or services economically viable;

(5) the schedule for developing and commencing operation of the facility or service; and

(6) the financial, technical, institutional, legal, regulatory, and other constraints that may hinder or prevent the development or operation of the facility or service and the actions that could be taken by state and local governments or by the private sector to overcome those constraints.

The information provided in the proposal must be based on current and projected market conditions, hazardous *or industrial* waste streams, legal and institutional arrangements, and other circumstances specific to the state.

Sec. 13. Minnesota Statutes 1986, section 115A.158, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE; EVALUATION; REPORT.] In requesting proposals, the board shall inform potential developers of the assistance available to them in siting and establishing hazardous waste processing and collection facilities and services in the state *and improved industrial waste management in the state*, including the availability of sites listed on the board's inventory of preferred areas for hazardous waste processing facilities, the authority of the board to acquire sites and order the establishment of facilities in those areas, the policies and objectives of the hazardous waste management plan, and the availability of information developed by the board on hazardous *or industrial* waste generation and management in the state.

The board shall evaluate the proposals received in response to its request and determine the extent to which the proposals demonstrate the qualifications of the developers, the technical and economic feasibility of the proposed facility or service, and the extent to which the proposed facility or service will contribute in a significant way to the achievement of the policies and objectives of the hazardous waste management plan.

The board shall report to the legislative commission on the proposals that it has received and evaluated, and on the legislative, regulatory, and other actions needed to develop and operate the proposed facilities or services.

Sec. 14. [115A.41] [SOLID WASTE MANAGEMENT POLICY; CONSOLIDATED REPORT.]

Subdivision 1. [AUTHORITY; PURPOSE.] The board and the agency shall jointly prepare and adopt a report on solid waste management policy excluding the metropolitan area. The report must be adopted by November 15 of each even-numbered year beginning in 1988. The report must be submitted by the board and the agency jointly to the legislative commission on waste management.

Subd. 2. [CONTENTS.] The report must include:

(1) a summary of the current status of solid waste management, including the amount of solid waste generated, the manner in which it is collected, processed, and disposed, the extent of separation, recycling, reuse, and recovery of solid waste, and the facilities available or under development to manage the waste;

(2) a summary of current state solid waste management policies, goals, and objectives, including their statutory, administrative, and regulatory basis and the state agencies and political subdivisions responsible for implementation;

(3) an evaluation of the extent and effectiveness of implementation and an assessment of progress in accomplishing state policies, goals, and objectives;

(4) estimates of the generation of solid waste anticipated for the future, the manner in which the waste is likely to be managed, and the programs and facilities that will be available and needed for proper waste management;

(5) identification of issues requiring further research, study, and action, the appropriate scope of the research, study, or action, the state agency or political subdivision that should implement the research, study, or action, and a schedule for completion of the activity; and

(6) recommendations for establishing or modifying state solid waste management policies, authorities, and programs.

Sec. 15. Minnesota Statutes 1986, section 115A.42, is amended to read:

115A.42 [ESTABLISHMENT AND ADMINISTRATION.]

There is established a ~~planning assistance~~ program to ~~provide technical and financial assistance to political subdivisions of the state for the purposes of encouraging and improving~~ *encourage and improve* regional and local solid waste management planning activities and efforts and ~~of furthering to further~~ the state policies and purposes expressed in section 115A.02. The program ~~shall be under sections 115A.42 to 115A.46~~ is administered

by the agency pursuant to rules promulgated under chapter 14, except in the metropolitan area where the program ~~shall be~~ is administered by the metropolitan council pursuant to chapter 473. The agency and the metropolitan council shall ensure conformance with federal requirements and programs established pursuant to the Resource Conservation and Recovery Act of 1976 and amendments thereto.

Sec. 16. Minnesota Statutes 1986, section 115A.45, is amended to read:
115A.45 [TECHNICAL ASSISTANCE.]

The agency and metropolitan council shall provide for technical assistance ~~for eligible recipients to encourage and improve solid waste management and to assist political subdivisions in preparing the plans described in section 115A.46.~~ The agency and metropolitan council shall provide model plans for regional and local solid waste management. The agency and metropolitan council may contract for the delivery of technical assistance by a regional development commission, any state or federal agency, ~~or private consultants, or other persons.~~ The agency shall prepare and publish an inventory of sources of technical assistance for solid waste planning, including studies, publications, agencies, and persons available.

Sec. 17. [115A.48] [MARKET DEVELOPMENT FOR RECYCLABLE MATERIALS.]

Subdivision 1. [AUTHORITY.] The board shall assist and encourage the development of specific facilities and services needed to provide adequate, stable, and reliable markets for recyclable materials generated in the state. In carrying out this duty the board shall coordinate and cooperate with the solid waste management efforts of other public agencies and political subdivisions.

Subd. 2. [FACILITY DEVELOPMENT PROPOSALS.] In order to determine the feasibility and method of developing and operating specific types of facilities and services to use recyclable materials generated in the state, the board shall request proposals from and may make grants to persons seeking to develop or operate the facilities or services. Grants may be made for the purposes in section 115A.156, subdivision 1, clauses (1) to (6). A grant must be matched by money or in-kind services provided by the grantee covering at least 50 percent of the project cost. In requesting proposals under this section the board shall follow the procedures provided in section 115A.158, subdivisions 1 and 2, as far as practicable.

Subd. 3. [PUBLIC PROCUREMENT.] The board shall provide technical assistance and advice to political subdivisions and other public agencies to encourage solid waste reduction and development of markets for recyclable materials through procurement policies and practices.

Sec. 18. Minnesota Statutes 1986, section 115A.49, is amended to read:
115A.49 [ESTABLISHMENT; PURPOSES AND PRIORITIES.]

There is established a program to encourage and assist cities, counties, and solid waste management districts in the development and implementation of solid waste management projects and to transfer the knowledge and experience gained from such projects to other communities in the state. The program must be administered to encourage local communities to develop feasible and prudent alternatives to disposal, including waste re-

duction; waste separation by generators, collectors, and other persons; and waste processing. The program must be administered by the agency and the board in accordance with the requirements of sections 115A.49 to 115A.54 and rules promulgated by the agency and the board pursuant to chapter 14. In administering the program, the agency and the board shall give priority to areas where natural geologic and soil conditions are especially unsuitable for land disposal of solid waste; areas where the capacity of existing solid waste disposal facilities is determined by the agency or the board to be less than five years; and projects serving more than one local government unit.

Sec. 19. Minnesota Statutes 1986, section 115A.51, is amended to read:

115A.51 [APPLICATION REQUIREMENTS.]

Applications for assistance under the program shall demonstrate: (a) that the project is conceptually and technically feasible; (b) that affected political subdivisions are committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project; (c) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project; (d) that the applicant has evaluated the feasible and prudent alternatives to disposal and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators. The agency or the board may require completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, before accepting an application.

Sec. 20. Minnesota Statutes 1986, section 115A.52, is amended to read:

115A.52 [TECHNICAL ASSISTANCE FOR PROJECTS.]

The agency and the board shall ensure the delivery of the technical assistance necessary for proper implementation of each project funded projects eligible under the program. The agency and the board may contract for the delivery of technical assistance by any state or federal agency, a regional development commission, the metropolitan council, or private consultants and may use program funds to reimburse the agency, commission, council, or consultants. The agency and the board shall prepare and publish an inventory of sources of technical assistance, including studies, publications, agencies, and persons available. The agency and the board shall ensure statewide benefit from projects assisted under the program by developing exchange and training programs for local officials and employees and by using the experience gained in projects to provide technical assistance and education for other solid waste management projects in the state.

Sec. 21. Minnesota Statutes 1986, section 115A.53, is amended to read:

115A.53 [WASTE REDUCTION AND SEPARATION PROJECTS.]

The agency board shall provide technical assistance and grants to develop and implement projects which demonstrate for waste reduction; waste separation by generators, collectors, and other persons; and collection systems for separated waste. Activities eligible for assistance under this section include legal, financial, economic, educational, marketing, social, governmental, and administrative activities related to the development and im-

plementation of the project. Preliminary planning and development, feasibility study, and conceptual design costs ~~shall also be~~ are eligible activities, but no more than 20 percent of program funds shall be used to fund those activities. *Projects may include the management of household hazardous waste, as defined in section 29.* The rules of the ~~agency board~~ shall prescribe the level or levels of local funding required for grants under this section.

Sec. 22. Minnesota Statutes 1986, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS.] (a) The board shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. ~~The purpose of this program is to demonstrate whether an ongoing state capital assistance program to assist local development of feasible and prudent alternatives to disposal is an appropriate and desirable method to further state waste management policies.~~ Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) ~~Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or \$2,000,000, whichever is less. Projects that are awarded assistance by the board pursuant to applications submitted under sections 115A.49 to 115A.54 before July 1, 1985, are eligible for additional assistance under this subdivision, but a project may not receive a total amount of grant assistance in excess of the limits specified in this subdivision~~

(c) ~~A recycling project or a project to compost or co-compost waste may receive grant assistance up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.~~

(d) Projects without resource recovery are not eligible for assistance.

(e) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that:

(1) ~~if the project is a resource recovery facility that is burning waste, or converting waste to energy or to materials for combustion, and is owned or operated by a public agency or supported by public money or by obligations issued by a public agency, it will not accept recyclable materials except for transfer to a recycler; and~~

(2) ~~the project is not financially feasible prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.~~

(f) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The board shall adopt rules for the program by July 1, 1985.

Sec. 23. Minnesota Statutes 1986, section 115A.81, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] "Designation" means a requirement by a waste management district or county that all or any portion of the mixed municipal solid waste that is generated within its boundaries or any service area thereof ~~and is deposited within the state~~ be delivered to a resource recovery facility identified by the district or county.

Sec. 24. [115A.915] [LEAD ACID BATTERIES; LAND DISPOSAL PROHIBITED.]

A person may not place a lead acid battery in mixed municipal solid waste or dispose of a lead acid battery after January 1, 1988. This section may be enforced by the agency pursuant to section 115.071.

Sec. 25. [115A.916] [USED OIL; LAND DISPOSAL PROHIBITED.]

A person may not place used oil in mixed municipal solid waste or dispose of used oil in a solid waste disposal facility after January 1, 1988, unless approved by the agency. This section may be enforced by the agency pursuant to section 115.071.

Sec. 26. Minnesota Statutes 1986, section 115A.921, is amended to read:

115A.921 [CITY OR TOWN FEE AUTHORITY.]

A city or town may ~~charge~~ impose a fee, not to exceed 15 cents per cubic yard of waste, or its equivalent, ~~of solid waste accepted and disposed of on land, to~~ operators of facilities for the disposal of mixed municipal solid waste located within the city or town. The revenue from the fees ~~shall go~~ must be credited to the city or town general fund and used only for purposes of landfill abatement or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities. Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from one-half the amount of the fee imposed by a city or town under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate city or town.

Sec. 27. [115A.94] [ORGANIZED COLLECTION.]

Subdivision 1. [DEFINITION.] "Organized collection" means a system for collecting solid waste in which a specified collector, or a member of an organization of collectors, is authorized to collect some or all of the solid waste that is generated within a defined geographic service area or areas.

Subd. 2. [LOCAL AUTHORITY.] A city or town may organize collection. A county may organize collection as provided in subdivision 3. The local government unit may organize collection as a municipal service or by ordinance, franchise, license, negotiated or bidded contract, or other means, using one or more collectors or an organization of collectors. Organized collection accomplished by contract or as a municipal service may include a requirement that all or any portion of the solid waste, except recyclable materials and materials that are processed at a resource recovery facility at the capacity in operation at the time that the requirement is imposed, be delivered to a waste facility identified by the local government unit. In

a district or county where a resource recovery facility has been designated by ordinance under section 115A.86, organized collection must conform to the requirements of the designation ordinance.

Subd. 3. [COUNTY ORGANIZED COLLECTION.] (a) A county may by ordinance require cities and towns within the county to organize collection. Organized collection ordinances of counties may:

(1) require cities and towns to require the separation and separate collection of recyclable materials;

(2) specify the material to be separated; and

(3) require cities and towns to meet any performance standards for source separation that are contained in the county solid waste plan.

(b) A county may itself organize collection in any city or town that does not comply with a county organized collection ordinance adopted under this subdivision, and the county may implement, as part of its organized collection, the source separation program and performance standards required by its organized collection ordinance.

Sec. 28. Minnesota Statutes 1986, section 115A.95, is amended to read:

115A.95 [RECYCLABLE MATERIALS.]

A resource recovery facility that is *composting waste*, burning waste, or converting waste to energy or to materials for combustion, and is owned or operated by a public agency or supported by public funds or by obligations issued by a public agency, may not accept recyclable materials except for transfer to a recycler. ~~This section does not apply if, unless no other person is willing to accept the recyclable materials.~~

Sec. 29. [115A.96] [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT.]

Subdivision 1. [DEFINITIONS.] The following definitions apply to this section:

(a) "Household" means a single detached dwelling unit or a single unit of a multiple dwelling unit and appurtenant structures.

(b) "Household hazardous waste" means waste generated from household activity that exhibits the characteristics of or that is listed as hazardous waste under agency rules, but does not include waste from commercial activities that is generated, stored, or present in a household.

(c) "Collection site" means a permanent or temporary designated location with scheduled hours for collection where individuals may bring household hazardous wastes.

Subd. 2. [MANAGEMENT PROGRAM.] The agency shall establish a program to manage household hazardous wastes. The program must include:

(1) the establishment and operation of collection sites; and

(2) the provision of information, education, and technical assistance regarding proper management of household hazardous wastes.

Subd. 3. [OTHER PARTICIPANTS.] The agency may establish or operate all or part of the management program or may provide for services by contract or other agreement with public or private entities.

Subd. 4. [MANAGEMENT.] Any person who establishes or operates all

or part of a household hazardous waste management program shall manage collected waste in compliance with standards applicable to a hazardous waste generator. If collected waste must be stored for a time exceeding those standards, the agency or other entity shall obtain the approval of the director of the agency and shall manage the waste in compliance with applicable standards for the use and management of containers, but no facility permit is required.

Subd. 5. [OTHER PROGRAMS.] A person must notify the director of the agency before establishing and operating any part of a household hazardous waste management program.

Sec. 30. Minnesota Statutes 1986, section 116.07, subdivision 4b, is amended to read:

Subd. 4b. [PERMITS; HAZARDOUS WASTE FACILITIES.] (a) The agency shall provide to the waste management board established in section 115A.04, copies of each ~~preliminary and final~~ permit application for a hazardous waste facility immediately upon its submittal to the agency. The agency shall request recommendations on each permit application from the board and shall consult with the board on the agency's intended disposition of the recommendations. Except as otherwise provided in sections 115A.18 to 115A.30, the agency shall commence any environmental review required under chapter 116D within 120 days of its acceptance of a completed ~~preliminary~~ permit application. The agency shall respond to a ~~preliminary~~ permit application for a hazardous waste facility within 120 days following a decision not to prepare environmental documents or following the acceptance of a negative declaration notice or an environmental impact statement. Except as otherwise provided in sections 115A.18 to 115A.30, within 60 days following the submission of a final permit application for a hazardous waste facility, unless a time extension is agreed to by the applicant, the agency shall issue or deny all permits needed for the construction of the proposed facility.

(b) The agency shall promulgate rules pursuant to chapter 14 for all hazardous waste facilities, ~~except those addressed in subdivision 4e~~. After the report of the waste management board required by section 115A.08, subdivision 5a has been submitted to the legislature, the agency shall review its rules for hazardous waste facilities and shall consider whether any of the rules should be modified or if new rules should be adopted based on the recommendations in the report. The rules shall require:

(1) contingency plans for all hazardous waste facilities which provide for effective containment and control in any emergency condition;

(2) the establishment of a mechanism to assure that money to cover the costs of closure and postclosure monitoring and maintenance of hazardous waste facilities will be available;

(3) the maintenance of liability insurance by the owner or operator of hazardous waste facilities during the operating life of the facility.

Sec. 31. Minnesota Statutes 1986, section 116.41, subdivision 2, is amended to read:

Subd. 2. [TRAINING AND CERTIFICATION PROGRAMS.] The agency shall develop standards of competence for persons operating and inspecting various classes of disposal facilities. The agency shall conduct training programs for persons operating facilities for the disposal of waste and for

inspectors of such facilities, and may charge such fees as are necessary to cover the actual costs of the training programs. All fees received shall be paid into the state treasury and credited to ~~the account created in section 115.03, subdivision 1, clause (j), for training water pollution control personnel, a waste disposal training account and are appropriated to the agency to pay expenses relating to the training of disposal facility personnel.~~

The agency shall require operators and inspectors of such facilities to obtain from the agency a certificate of competence. The agency shall conduct examinations to test the competence of applicants for certification, and shall require that certificates be renewed at reasonable intervals. The agency may charge such fees as are necessary to cover the actual costs of receiving and processing applications, conducting examinations, and issuing and renewing certificates. Certificates shall not be required for a private individual for landspreading and associated interim and temporary storage of sewage sludge on property owned or farmed by that individual.

Sec. 32. Minnesota Statutes 1986, section 116M.07, is amended by adding a subdivision to read:

Subd. 14. [USED OIL PROCESSING EQUIPMENT LOANS; STORAGE TANK GRANTS.] The authority may make loans to businesses for the purchase of used oil processing equipment based on the criteria adopted under subdivision 3.

The authority may make grants to counties for installation of storage tanks to collect used oil. To be eligible for a grant, a county must obtain approval from the director of the pollution control agency for the type of tank to be used, the location and installation of the tank, and the proposed ongoing maintenance and monitoring of the collection site. A tank may be located on public or private property and must be made available to the public for used oil disposal. A grant for a single tank may not exceed \$1,000 and a county may not receive more than \$5,000 in grants for storage tanks.

Sec. 33. Minnesota Statutes 1986, section 169.872, subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Except for records relating to the loading and unloading of the first haul of unprocessed or raw farm products and the transportation of raw and unfinished forest products, a record kept and maintained as provided in ~~subdivision 1~~ *this section* that shows that a vehicle has exceeded a gross weight limit imposed by this chapter is relevant evidence of a violation of this chapter. The foregoing provisions do not limit the introduction of other competent evidence bearing upon the question of whether or not there is a violation of the prescribed maximum weight limitation permitted by this chapter.

Sec. 34. Minnesota Statutes 1986, section 169.872, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] A person who fails to keep, maintain, or open for inspection and copying, those documents as required in subdivision 1 is guilty of a misdemeanor. A person who does not accurately record the information required to be contained in those documents required in ~~subdivision 1~~ *this section* is guilty of a misdemeanor.

Sec. 35. Minnesota Statutes 1986, section 169.872, is amended by adding a subdivision to read:

Subd. 1a. [SCALES REQUIRED.] (a) Facilities that receive more than 75,000 cubic yards of solid waste per year must be equipped with scales for weighing loaded vehicles if the facility is a:

- (1) waste facility that is used for the disposal of solid waste;*
- (2) resource recovery facility, as defined in section 115A.03, subdivision 28; or*
- (3) transfer station, as defined in section 115A.03, subdivision 33.*

(b) A person loading or unloading a vehicle at one of these facilities shall weigh the loaded vehicle and record the weight as provided in subdivision 1.

(c) This subdivision applies to facilities located in Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, Sherburne, Washington, and Wright counties.

Sec. 36. Minnesota Statutes 1986, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire including the following:

- (1) an alien;
- (2) a minor;
- (3) a sheriff, deputy sheriff, constable, marshal, police officer, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of any person charged with or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;
- (4) a county assessor;
- (5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision in it. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;
- (6) an executive officer of a corporation, except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), or an executive officer of a closely held corporation who is referred to in section 176.012;
- (7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of human services and state institutions under the commissioner of corrections similar to those of officers and employees of these institutions, and whose services have been accepted or contracted for by the commissioner of human services or the commissioner of corrections as authorized by law, shall be employees. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation

payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision of it, shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services where the services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program established by a county welfare board shall be an employee. In the event of injury or death of the voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of the injury or death for similar services where the services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(11) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(13) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota School for the Deaf or the Minnesota Braille and Sight-Saving School, and whose services have been accepted or contracted for by the state board of education, as authorized by law, shall be an employee. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(14) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law, is an employee. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or

death for similar services in institutions where the services are performed by paid employees;

(15) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of human services for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose;

(16) those students enrolled in and regularly attending the medical school of the University of Minnesota, whether in the graduate school program or the post-graduate program, notwithstanding that the students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation payable under this chapter, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits payable under this chapter;

(17) a faculty member of the University of Minnesota employed for the current academic year is also an employee for the period between that academic year and the succeeding academic year if:

(a) the faculty member has a contract or reasonable assurance of a contract from the University of Minnesota for the succeeding academic year; and

(b) the personal injury for which compensation is sought arises out of and in the course of activities related to the faculty member's employment by the University of Minnesota; and

(18) a worker who performs volunteer ambulance driver or attendant services is an employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other entity for which the worker performs the services. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(19) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the department of administration. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services were performed by paid employees; and

(20) a voluntary uncompensated worker rendering service directly to the pollution control agency. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees.

In the event it is difficult to determine the daily wage as provided in this subdivision, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 37. Minnesota Statutes 1986, section 239.09, is amended to read:
239.09 [SPECIAL POLICE OFFICERS.]

The division and all authorized employees under the provisions of sections 239.01 to 239.10 and section 39 are hereby made special police officers and are authorized and empowered to arrest, without formal warrant, any violator of section 325E.11 and section 41 or of the statute in relation to weights and measures, and to seize for use as evidence and without formal warrant, any false weight, measure, or weighing or measuring device or package or kind of commodity found to be used, retained, or offered or exposed for sale or sold in violation of law.

Sec. 38. Minnesota Statutes 1986, section 239.52, is amended to read:
239.52 [WEIGHTS AND MEASURES FEES.]

The department of public service shall adjust the schedule of fees for regular and special weights and measures inspections to recover the amount of money appropriated for the weights and measures program, other than the cost of (1) checkweighing or the weighing of prepackaged goods to determine whether the content weight listed on the package is accurate, (2) testing for the quality of petroleum products, (3) inspections or investigations made as a result of a complaint received by the department, if the scale weight, measure, or weighing or measuring device is found to be correct, and (4) court appearances by department personnel on behalf of other governmental agencies, and (5) enforcement of section 325E.11 and section 41. The department of public service shall review and adjust its schedule of fees for regular and special inspections at the end of each six months and have all fees charged approved by the commissioner of finance before they are adopted, so as to insure that the fees charged shall be sufficient to pay all the recoverable costs connected with regular and special inspections during the fiscal year.

Sec. 39. [239.54] [INSPECTION OF MOTOR OIL AND AUTOMOTIVE BATTERY RETAILERS.]

The division shall produce, print, and distribute the notices required by section 325E.11 and section 41 and shall inspect all places where motor oil is offered for sale by persons subject to section 325E.11 and where lead acid batteries are offered for sale at retail subject to section 41 at least once every two years to determine compliance with those sections. In performing its duties under this section the division may inspect any place, building, or premises governed by section 325E.11 and section 41. Authorized employees of the division may issue warnings and citations to persons who fail to comply with the requirements of those sections.

Sec. 40. Minnesota Statutes 1986, section 325E.11, is amended to read:
325E.11 [COLLECTION FACILITIES; NOTICE.]

(a) Any person selling at retail or offering motor oil for retail sale in this state shall:

(a) (1) Post a notice indicating the nearest location, or a location within ten miles of the point of sale, where used motor oil may be returned for recycling or reuse; or

(b) (2) Provide a collection tank at the point of sale for the deposit and collection of used motor oil and post a notice of the availability of the tank.

The (b) A notice of recycling location under paragraph (a) shall be posted on or adjacent to the motor oil display itself and shall, be at least

8-1/2 inches by 11 inches in size. If a collection tank is available on the premises a sign of similar size shall be placed on or adjacent to the motor oil display informing the public that a collection tank is available, unless prohibited by local ordinance., contain the universal recycling symbol with the following language:

(1) "It is illegal to put used oil in the garbage.";

(2) "Recycle your used oil."; and

(3) (i) "There is a collection tank here for your used oil."; or

(ii) "The nearest collection tank for used oil is located at (name of business and address)."

(c) The division of weights and measures under the department of public service shall enforce compliance of this section as provided in section 39.

Sec. 41. [325E.115] [LEAD ACID BATTERIES; COLLECTION FOR RECYCLING.]

Subdivision 1. [COLLECTION; NOTICE.] (a) A person selling lead acid batteries at retail or offering lead acid batteries for retail sale in this state shall:

(1) accept, at the point of transfer, lead acid batteries from customers; and

(2) post written notice, which must be at least 8-1/2 inches by 11 inches in size and must contain the universal recycling symbol and the following language:

(i) "It is illegal to put a motor vehicle battery in the garbage.";

(ii) "Recycle your used batteries."; and

(iii) "State law requires us to accept motor vehicle batteries for recycling."

(b) Any person selling lead acid batteries at wholesale or offering lead acid batteries for sale at wholesale must accept, at the point of transfer, lead acid batteries from customers.

Subd. 2. [COMPLIANCE; MANAGEMENT.] The division of weights and measures under the department of public service shall enforce compliance of subdivision 1 as provided in section 39. The director of the pollution control agency shall inform persons governed by subdivision 1 of requirements for managing lead acid batteries.

Sec. 42. Minnesota Statutes 1986, section 473.149, subdivision 2d, is amended to read:

Subd. 2d. [LAND DISPOSAL ABATEMENT PLAN.] By January 1, 1985, after considering any county land disposal abatement proposals and waste stream analysis that have been submitted by that date, pursuant to section 473.803, subdivision 1b, the council shall amend its policy plan to include specific and quantifiable metropolitan objectives for abating to the greatest feasible and prudent extent the need for and practice of land disposal of mixed municipal solid waste and of specific components of the solid waste stream, either by type of waste or class of generator. The objectives must be stated in annual increments through the year 1990 and thereafter in five-year increments through the year 2000. The plan must include a reduced estimate, based on the council's abatement objectives, of the added solid waste disposal capacity needed in appropriate sectors of the metro-

politan area, stated in annual increments through the year 1990 and thereafter in five year increments through the year 2000. The plan must include measurable objectives for local abatement of solid waste through resource recovery and waste reduction and separation programs and activities for each metropolitan county and for cities of the first class, the second class, and the third class, respectively, stated in annual increments through the year 1990 and in five-year increments through the year 2000. The standards must be based upon and implement the council's metropolitan abatement objectives. The council's plan must include standards and procedures to be used by the council in determining whether a metropolitan county or class of cities within a metropolitan county has implemented the council's metropolitan land disposal abatement plan and has achieved the objectives for local abatement. The council shall report on abatement to the legislative commission before January 1 of each year. The report must include an assessment of whether the objectives of the metropolitan abatement plan have been met and whether each county and each class of city within each county has achieved the objectives set for it in the council's plan. The report must recommend any legislation that may be required to implement the plan. If in any year the council reports that the objectives of the council's abatement plan have not been met, the council shall attach legislation to the report that reassigns appropriate governmental responsibilities among cities, counties, and metropolitan agencies so as to assure implementation and achievement of the metropolitan and local abatement plans and objectives.

Sec. 43. Minnesota Statutes 1986, section 473.149, subdivision 6, is amended to read:

Subd. 6. [COST AND FINANCING ANALYSIS REPORT TO LEGISLATURE.] ~~By January 1, 1987, and~~ *The council shall report on abatement to the legislative commission on waste management by November 1 of each year. The report must include an assessment of whether the objectives of the metropolitan abatement plan have been met and whether each county and each class of city within each county have achieved the objectives set for it in the council's plan. The report must recommend any legislation that may be required to implement the plan. If in any year the council reports that the objectives of the council's abatement plan have not been met, the council shall evaluate and report on the need to reassign governmental responsibilities among cities, counties, and metropolitan agencies to assure implementation and achievement of the metropolitan and local abatement plans and objectives.*

~~The report in each odd-numbered even-numbered year thereafter, the council shall report to the legislature must include a report on the operating, capital, and debt service costs of solid waste facilities in the metropolitan area; changes in the costs; the methods used to pay the costs; and the resultant allocation of costs among users of the facilities and the general public. The facility costs report must present the cost and financing analysis in the aggregate and broken down by county and by major facility.~~

Sec. 44. Minnesota Statutes 1986, section 473.803, is amended by adding a subdivision to read:

Subd. 1b. [RECYCLING IMPLEMENTATION STRATEGY.] (a) By December 1, 1988, each county shall submit for council approval a local recycling implementation strategy. The local recycling implementation strategy must:

(1) be consistent with the approved county master plan;

(2) identify the materials that will be recycled in the county, including at least yard waste and three other materials, and the parties responsible and method for recycling the material;

(3) define the need for funds to ensure continuation of local recycling, methods of raising and allocating such funds, and permanent sources and levels of local funding for recycling; and

(4) provide that a generator has the right to convey recyclable materials to any recycler.

(b) For the purposes of this subdivision, "recycling" includes yard waste composting and recycling that occurs at a waste facility before the combustion of waste or the conversion of waste to materials for combustion.

Sec. 45. Minnesota Statutes 1986, section 473.834, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION OF DEBT SERVICE.] The annual debt service on the council's solid waste bonds, issued under section 473.831, shall be annually apportioned and certified by the council to each county in the metropolitan area, in the proportion that the assessed value of all taxable property within each county bears to the assessed value of the taxable property in all the counties, except that the apportionment to each county shall first be adjusted to reflect exemptions from payment required by subdivision 1 and reductions in payment required by subdivision 3.

Sec. 46. Minnesota Statutes 1986, section 473.842, subdivision 2, is amended to read:

Subd. 2. [MARKET DEVELOPMENT.] "Market development" means the location and facilitation of economic markets for materials, substances, energy, or other products contained within or derived from waste.

Sec. 47. Minnesota Statutes 1986, section 473.844, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSES.] The metropolitan landfill abatement fund is created as an account in the state treasury in order to reduce to the greatest extent feasible and prudent the need for and practice of land disposal of mixed municipal solid waste in the metropolitan area. The fund consists of revenue deposited in the fund under section 473.843, subdivision 2, clause (a) and interest earned on investment of money in the fund. All repayments to loans made under this section shall ~~must~~ be credited to the fund. ~~Except as otherwise provided in Laws 1984, chapter 644, section 81, subdivisions 2 and 3, and section 473.843, subdivision 7,~~ The money in the fund may be spent, ~~only for purposes of metropolitan landfill abatement as provided in subdivision 1a and only upon appropriation by the legislature, only.~~

Subd. 1a. [USE OF FUNDS.] The money in the fund may be spent only for the following purposes:

(1) solid waste management planning assistance in the metropolitan area under sections 115A.42 to 115A.46;

(2) grants and loans to any person for resource recovery projects and related public education in the metropolitan area under subdivision 4;

(3) grants and loans to any person for market development for reusable

or recyclable waste materials as provided in subdivision 2, clause (a); and

(4) assistance to any person for resource recovery projects funded under subdivision 4 or projects to develop markets for reusable or recyclable waste materials, including related public education, planning, and technical assistance;

(2) grants to counties under subdivision 4; and

(3) program administration and technical assistance by the metropolitan council as provided in subdivision 2, clause (b).

Sec. 48. Minnesota Statutes 1986, section 473.844, subdivision 4, is amended to read:

Subd. 4. [RESOURCE RECOVERY GRANTS AND LOANS.] The grant and loan program under this subdivision is administered by the metropolitan council. Grants and loans may be made to any person for resource recovery projects. The grants and loans may include the cost of planning, acquisition of land and equipment, and capital improvements. Grants and loans for planning may not exceed 50 percent of the planning costs. Grants and loans for acquisition of land and equipment and for capital improvements may not exceed 50 percent of the cost of the project. Grants and loans may be made for public education on the need for the resource recovery projects. A grant or loan for land, equipment, or capital improvements may not be made until the metropolitan council has determined the total estimated capital cost of the project and ascertained that full financing of the project is assured. Grants and loans made to cities, counties, or solid waste management districts must be for projects that are in conformance with approved master plans. A grant or loan to a city or town must be reviewed and approved by the county for conformance with the county master plan.

Sec. 49. [473.8441] [LOCAL RECYCLING DEVELOPMENT PROGRAM.]

Subdivision 1. [DEFINITIONS.] "Number of households" has the meaning given in section 477A.011, subdivision 3a.

Subd. 2. [PROGRAM.] The council shall encourage the development of permanent local recycling programs throughout the metropolitan area. By January 1, 1988, the council shall develop performance indicators for local recycling that will measure the availability and use of recycling throughout the metropolitan area. The council shall make grants to qualifying metropolitan counties as provided in this section.

Subd. 3. [GRANTS; ELIGIBLE COSTS.] Grants may be used to pay for planning, developing, and operating yard waste composting and recycling programs.

Subd. 4. [GRANT CONDITIONS.] The council shall administer grants so that the following conditions are met:

(a) A county must apply for a grant in the manner determined by the council. The application must describe the activities for which the grant will be used.

(b) The activities funded must be consistent with the council's policy plan and the county master plan.

(c) A grant must be matched by equal county expenditures for the activities for which the grant is made.

(d) All grant funds must be used for new activities or to expand existing activities in the county.

(e) Counties shall provide support to maintain effective municipal recycling where it is already established.

Subd. 5. [GRANT ALLOCATION PROCEDURE.] (a) The council shall distribute the funds so that each qualifying county receives a base amount of \$25,000, plus a proportionate share of the remaining funds available for the program. A county's share is an amount that has the same proportion to the total remaining funds as the number of households in the county has to the total number of households in all metropolitan counties. The council shall distribute the funds in two parts.

(b) The first distribution consists of the base amount plus one-third of the county's proportionate share. To qualify for the first distribution, a county must submit an application for council approval before December 1, 1987. Not more than one-half of the first distribution may be spent for planning and consultants.

(c) The second distribution consists of the remaining funds available for the program. To qualify for the second distribution, a county must have received funds under the first distribution and must submit for council approval by December 1, 1988, a report on expenditures and activities under the program, a local recycling implementation strategy as required by section 44, and a proposed performance funding system that will allocate all of the remaining funds available under the program for recycling implementation activities in accordance with performance.

Sec. 50. Minnesota Statutes 1986, section 473.846, is amended to read:
473.846 [REPORT TO LEGISLATURE.]

By November 1, 1986, and each year thereafter, the agency and metropolitan council shall submit to the senate finance committee, the house appropriations committee, and the legislative commission on waste management separate reports describing the activities for which money from the landfill abatement and contingency action funds has been spent during the previous fiscal year. *The council may incorporate its report in the report required by section 473.149. In its 1988 report, the council shall make recommendations to the legislature on the future management and use of the metropolitan landfill abatement fund.*

Sec. 51. [WASTE PESTICIDE COLLECTION; PILOT PROJECT.]

Subdivision 1. [PESTICIDE; DEFINITION.] For the purposes of this section, "pesticide" means any substance or mixture of substances intended to prevent, destroy, repel, or mitigate any pest, and any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 2. [PROJECT.] The pollution control agency in consultation and cooperation with the commissioner of agriculture shall design and implement a pilot project, to be completed by June 30, 1989, to:

- (1) collect and properly dispose of waste pesticides;*
- (2) inform and educate the public regarding proper waste pesticide management; and*
- (3) determine the current waste pesticide management methods and the nature and extent of problems associated with waste pesticides.*

Subd. 3. [COLLECTION AND DISPOSAL.] The agency shall provide for the establishment and operation of temporary collection sites for waste pesticides. It may use its United States Environmental Protection Agency identification number to identify pesticides collected. The agency may limit the type and quantity of pesticides acceptable for collection and may assess persons bringing pesticides to the collection site for costs incurred by the agency to store, test, handle, and dispose of the pesticides.

Subd. 4. [INFORMATION AND EDUCATION.] The agency shall develop informational and educational materials to alert the public to proper methods of waste pesticide management.

Subd. 5. [REPORT.] During the pilot project, the agency shall conduct surveys and collect data on pesticide storage and disposal. By November 30, 1989, the agency shall report to the legislative commission on waste management its findings during the project and its recommendations for further legislation governing management of waste pesticides.

Subd. 6. [DEPARTMENT OF AGRICULTURE; INVOLVEMENT.] The commissioner of agriculture must be kept informed of project data and shall provide assistance and advice to the agency in operation of the project.

Subd. 7. [MANAGEMENT AND DISPOSAL.] The agency or other entity collecting waste pesticides must manage and dispose of the waste in compliance with applicable federal and state requirements.

Sec. 52. [PROCUREMENT OF RECYCLED MATERIALS.]

Subdivision 1. [PROCUREMENT TEST FOR RECYCLED PAPER.] The commissioner of administration shall provide for the establishment of a program to test the purchase of recycled printing and writing paper by the state.

Subd. 2. [REPORT.] By November 15, 1987, the commissioner of administration shall report to the legislative commission on waste management on the methods and results of the test purchase of recycled printing and writing paper, and any findings and recommendations about the definitions and bid specifications in state purchasing contracts; the availability, performance, appropriate uses, and price of paper and other products containing recycled material; potential state demand and viability of cooperative purchases with political subdivisions; appropriate record-keeping and reporting mechanisms; and other similar matters of program design and administration.

Sec. 53. Laws 1984, chapter 644, section 85, is amended to read:

Sec. 85. [EFFECTIVE DATE.]

Sections 1 to 45, 48 to 51, 56 to 72, and 78 to 84 are effective the day following final enactment. Sections 46, 47, and 73 to 77 are effective January 1, 1985, except that the fees imposed in sections 46, 47, and 73 shall be effective January 1, ~~1988~~ 1990, with respect to nonhazardous solid waste from metalcasting facilities. Prior to January 1, ~~1988~~ 1990, an operator of a facility that is located in the metropolitan area for the disposal of mixed ~~municipal~~ municipal solid waste shall deduct from the disposal charge for nonhazardous solid waste from metalcasting facilities the fee imposed under sections 46, 47, and 73.

Section 52 is effective for taxable years after December 31, 1983. Section 55 is effective for sales after June 30, 1984. Sections 53 and 54 are effective

for taxable years after December 31, 1984.

Sec. 54. [APPROPRIATIONS; COMPLEMENT.]

Subdivision 1. [APPROPRIATIONS.] \$_____ is appropriated from _____ to the agencies and for the purposes and fiscal years specified:

1988

1989

- (a) *To the waste management board:*
 - (1) *For nonhazardous and industrial waste grants and technical assistance under sections 3 and 115A.152 and 115A.154*
 - (2) *For public education under section 4*
 - (3) *For the solid waste management policy report under section 14*
 - (4) *For market development for recyclable materials under section 17*
 - (5) *For waste reduction and separation projects and technical assistance under section 21*
- (b) *To the pollution control agency:*
 - (1) *For the solid waste management policy report under section 14*
 - (2) *For household hazardous waste management under section 29*
 - (3) *For pilot waste pesticide collection under section 51*
- (c) *To the department of public service for the notice and inspection program under sections 39, 40, and 41:*

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

Subd. 2. [COMPLEMENT.] The approved complement of the following agencies is increased as specified:

- (a) *Waste management board, _____positions.*
- (b) *Pollution control agency, _____positions.*

Subd. 3. [APPROPRIATION; USED OIL.] The transfer from the motor vehicle transfer fund in Laws 1985, First Special Session chapter 13, section 28, subdivision 8, for waste tire recycling may be used by the authority also for loans for used oil processing equipment and grants for used oil storage tanks under section 32.

Subd. 4. [APPROPRIATION; METROPOLITAN LANDFILL ABATEMENT.] All money in the metropolitan landfill abatement fund is appropriated to the pollution control agency for payment to the metropolitan council. The council shall use the funds for the purposes of section 473.844, as amended, and section 49. The council shall use \$1,500,000 for grants under section 49. In May of 1987 and 1988 the council shall submit to the legislative commission on waste management, in the form determined by the commission, a budget and work program showing planned expenditures from the fund for the following fiscal year. The council may not spend the money until the commission has made its recommendations on the budget

and work program. The recommendations are advisory only.

Sec. 55. [REPEALER.]

Minnesota Statutes 1986, sections 115A.13; 115A.43; 115A.44; 473.834, subdivision 3; and 473.844, subdivisions 2 and 5, are repealed.

Sec. 56. [APPLICATION.]

Sections 42 to 50 are effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 57. [EFFECTIVE DATE.]

Sections 33 to 35 are effective January 1, 1988."

Amend the title as follows:

Page 1, line 10, after "2;" insert "115A.15, subdivision 6; 115A.152; 115A.154; 115A.156, subdivisions 1, 2, and 5; 115A.158, subdivisions 1 and 2;"

Page 1, line 14, after the second semicolon, insert "169.872, subdivisions 2, 3, and by adding a subdivision;"

Page 1, line 15, after the first semicolon, insert "239.09; 239.52;"

Page 1, line 18, before "proposing" insert "Laws 1984, chapter 644, section 85;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

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

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 33, delete "; (a)" and insert ": (1)"

Page 4, line 34, delete "(b)" and insert "(2)"

Page 4, line 35, after "facility" insert "over a six-month period"

Page 4, line 36, before "number" insert "names, addresses, and"

Page 5, line 5, after the period, insert "Data received by the commissioner from an employer pursuant to this section which would identify any individual is private data as defined in section 13.02."

Page 5, line 10, after "workers" insert a comma

Page 6, line 11, delete "80" and insert "70"

Page 6, line 12, delete "shall" and insert "must"

Page 6, line 14, delete "ten" and insert "20"

Page 6, line 18, before the period, insert "or to provide rapid response services to dislocated workers and the associated administrative and planning expenses prior to the approval of other funds or programs"

Page 6, line 29, before "the" insert a comma and delete "shall apply" and insert "applies"

Page 6, line 32, delete "following shall be determined or monitored" and insert "commissioner shall determine or monitor the following"

Page 7, line 13, before the semicolon, insert "and other workers in the surrounding communities"

Page 7, line 17, delete the period and insert " ; and

(9) the type and amount of public sector financial assistance that individual businesses that have closed a plant received in the past ten years. Public sector financial assistance includes, but is not limited to, wage subsidies, tax increment financing, state and local tax abatement, credits, or deductions."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1365: A bill for an act relating to economic development; providing training and employment for low income seniors; creating the hospitality host older worker tourism program; prescribing duties for the commissioner of the department of jobs and training; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, delete everything before the period and insert "whose annual income is less than the poverty level established by the United States Office of Management and Budget"

Page 2, delete lines 21 to 25

Page 2, line 26, delete everything after "commissioner"

Page 2, line 27, delete "agency," and delete "nine" and insert "ten"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 1266: A bill for an act relating to Hennepin county; providing bonding authority for library construction and betterment; amending Minnesota Statutes 1986, section 383B.245.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1095: A bill for an act relating to taxation; clarifying determination of estimated property taxes for settlement with local taxing districts; providing an appeal mechanism; amending Minnesota Statutes 1986, section 276.11.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1504: A bill for an act relating to the county of Anoka; exempting an allocation of issuance authority for a solid waste project from the notice of issue filing deadline.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 596: A bill for an act relating to taxation; providing for allocation among governmental units of increases in the assessed valuation of commercial-industrial property within the taconite tax relief area; providing a formula for the distribution of additional revenues to municipalities within the taconite tax relief area; proposing coding for new law as Minnesota Statutes, chapter 276A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, delete "August"

Page 1, line 23, delete "1, 1979" and insert "June 1, 1987"

Page 2, after line 25, insert:

"(2) class 2c property, limited to the dwelling, a garage, and the one acre of land on which the dwelling is located;"

Page 2, line 26, delete "(2)" and insert "(3)"

Page 2, line 28, delete "(3)" and insert "(4)"

Page 2, delete lines 35 and 36 and insert:

"Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of revenue."

Page 3, lines 23 and 24, after "real" insert "and personal"

Page 4, line 23, delete "ADMINISTRATIVE AUDITOR" and insert "ADMINISTRATION"

Page 4, delete lines 24 to 36

Page 5, delete line 1 and insert "The commissioner"

Page 5, line 2, delete "auditor's office"

Page 5, line 3, delete everything before "to" and insert "department of

revenue”

Page 5, lines 4 and 10, delete “*administrative auditor*” and insert “*commissioner*”

Page 5, line 5, delete “*That county*” and insert “*The commissioner*”

Page 5, line 6, delete “*its county auditor and staff*” and insert “*the department of revenue*”

Page 5, lines 7, 9, 13, and 14, delete “*other*”

Page 5, line 14, delete “*treasurer of the county incurring*”

Page 5, line 15, delete “*expense*” and insert “*commissioner*”

Page 6, lines 18 and 19, delete “*administrative auditor*” and insert “*commissioner*”

Page 6, line 21, delete “*2-1/2*” and insert “*3.33*”

Page 6, line 24, delete “*of revenue*” and delete “*to*”

Page 6, line 25, delete “*the administrative auditor*”

Page 6, line 31, before “*The*” insert “*(a)*”

Page 6, line 32, delete “*administrative auditor*” and insert “*commissioner*”

Page 7, line 2, delete “*(a)*” and insert “*(i)*”

Page 7, line 4, delete “*(b)*” and insert “*(ii)*”

Page 7, after line 8, insert:

“*(b) Notwithstanding clause (a), a municipality's distribution index is zero if it certified no levy in the preceding year. Certification of a road and bridge levy for an unorganized territory by a county under section 163.06 is not deemed to be a certified levy for purposes of this clause.*”

Page 7, lines 9, 13, and 18, delete “*administrative auditor*” and insert “*commissioner*”

Page 7, line 32, delete “*40*” and insert “*30*”

Page 8, line 36, delete “*administrative auditor*” and insert “*commissioner*”

Page 9, lines 2, 5, 25, 30; and 32, delete “*administrative auditor*” and insert “*commissioner*”

Page 9, line 19, delete “*40*” and insert “*30*”

Page 10, lines 5 and 6, delete “*administrative auditor's*” and insert “*commissioner's*”

Page 11, lines 7 and 8, delete “*administrative auditor*” and insert “*commissioner*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1117: A bill for an act relating to crimes; taxes; providing for collection from convicted person's tax refund of court-ordered restitution to crime victims; amending Minnesota Statutes 1986, sections 270A.02;

and 270A.03, subdivisions 2, 5, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 2, after line 31, insert:

“Sec. 4. [REPEALER.]

Minnesota Statutes 1986, section 270A.02, is repealed.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete “sections 270A.02; and” and insert “section”

Page 1, line 6, before the period, insert “; repealing Minnesota Statutes 1986, section 270A.02”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1105: A bill for an act relating to recreation and natural resources; authorizing grants to local government units for park acquisition and betterment; authorizing dam safety projects; authorizing the acquisition of natural habitat; authorizing acquisition and betterment of units of the outdoor recreation system including, but not limited to, state parks, trails, forests, fishing management lands, wildlife management areas, scientific and natural areas, wild, scenic, and recreational rivers, canoe and boating routes, and public water access; providing for open space improvements in the metropolitan area; authorizing acquisition and development of amateur athletic training facilities; imposing the sales tax on certain clubs dues; providing for deposit and expenditures of certain sales tax revenues; authorizing the issuance of state bonds; appropriating money; amending Minnesota Statutes 1986, sections 115A.58, subdivision 5; 297A.01, subdivision 3; and 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 13, delete the first comma

Pages 8 to 11, delete sections 9 to 11

Amend the title as follows:

Page 1, line 15, delete everything after the semicolon

Page 1, delete line 16

Page 1, line 17, delete “certain sales tax revenues;”

Page 1, line 19, delete “sections” and insert “section”

Page 1, delete line 20 and insert “5.”

Page 1, delete lines 21 and 22

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1404: A bill for an act relating to local government; providing the Lake county housing and redevelopment authority with certain port authority powers.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 12, insert:

“Sec. 2. [LODGING TAX IN TOWNS.]

Notwithstanding Minnesota Statutes, section 477A.016, or other law, the Cook county board may impose a tax of up to two percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court or resort, other than the renting or leasing of it for a continuous period of 30 days or more, located in the towns of Lutsen, Tofte, and Schroeder. The tax may be imposed in one or more of the towns. The tax may be imposed in a town only with the agreement of the town expressed by its voters at an annual or special meeting. The tax shall be collected by and its proceeds paid to the county. The proceeds of the tax shall be dedicated for the construction, debt service, and maintenance of a public recreational facility within the towns.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert “authorizing the imposition of a lodging tax in certain towns in Cook county”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 729: A bill for an act relating to motor fuels; providing that unleaded gasoline having an octane rating of 90 or less and sold after June 30, 1988, must be blended with ethanol; amending Minnesota Statutes 1986, sections 296.01, subdivision 24; and 296.05, by adding a subdivision; repealing Minnesota Statutes 1986, section 296.02, subdivisions 7 and 8.

Reports the same back with the recommendation that the bill be amended as follows:

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “repealing the tax credit for agricultural alcohol gasoline;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred the following appointment as reported in the Journal for January 29, 1987:

STATE ETHICAL PRACTICES BOARD

Douglas R. Ewald

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred the following appointment as reported in the Journal for February 12, 1987:

STATE ETHICAL PRACTICES BOARD

Martin J. McGowan

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred the following appointment as reported in the Journal for February 26, 1987:

STATE ETHICAL PRACTICES BOARD

Judith Gilbert Schotzko

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1: A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; providing a program for revitalization of the cities of St. Paul and Minneapolis; creating a program for funding economic development projects in the taconite tax relief area; permitting investment of earnings of the northeast Minnesota economic protection trust in venture capital enterprises; appropriating money; amending Minnesota Statutes

1986, sections 16A.80, subdivision 2a; 41A.01; 41A.02, subdivisions 3, 4, 6, 11, and by adding subdivisions; 41A.05, subdivisions 1 and 2; 116.16, subdivisions 2, 5, 9, and by adding subdivisions; 116.18, subdivisions 2a and 3a; 116J.36, subdivisions 2, 3b, 3c, 8, 8a, and 11; 116J.37, subdivision 1, and by adding a subdivision; 116J.955, subdivisions 1 and 2; 116L.03, subdivision 2; 281.17; 298.292; 298.296, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; 462.398; and 462.445, subdivision 1; Laws 1983, chapter 334, section 7; proposing coding for new law in Minnesota Statutes, chapters 41A; 93; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; repealing Minnesota Statutes 1986, sections 116.167; 116J.951; 116J.961; 116J.965; 116M.01; 116M.02; 116M.03; 116M.04; 116M.05; 116M.06; 116M.07; 116M.08; 116M.09; 116M.10; 116M.11; 116M.12; 116M.13; 472.11, subdivisions 3, 5, 6, 7, 8, and 9; 472.12, subdivisions 2, 3, and 4; 472.125; 472.13, subdivisions 2, 3, and 4; and Laws 1969, chapters 833 and 984.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

RURAL DEVELOPMENT BOARD

Section 1. Minnesota Statutes 1986, section 116J.955, subdivision 1, is amended to read:

116J.955 [RURAL REHABILITATION REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT.] The rural rehabilitation revolving fund is established as an account in the state treasury. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation revolving fund. The principal amount of the rural rehabilitation revolving fund, ~~\$9,300,000, may not be spent and~~ must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the activities of the rural development council.

Sec. 2. Minnesota Statutes 1986, section 116J.955, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURE OF INVESTMENT INCOME FUND.] ~~The commissioner rural development board may only use the income from the investment of the rural rehabilitation revolving fund for the purposes that are allowed under the Minnesota rural rehabilitation corporation's charter and agreement with the United States Secretary of Agriculture as provided in Public Law Number 499, 81st Congress, enacted May 3, 1950 and as allowed under section 116J.961, subdivision 8.~~ Not more than three percent of the book value of the Minnesota rural rehabilitation corporation's assets may be used for administrative purposes in a year without approval of the United States Secretary of Agriculture. *The rural development board may create separate accounts within the fund for use in accordance with the fund's purposes.*

Sec. 3. [116N.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 3 to 11, the following terms have the meaning given them.

Subd. 2. [BOARD.] "Board" means the rural development board.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of energy and economic development.

Subd. 4. [LOCAL GOVERNMENTAL UNIT.] "Local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area, a county when the project is located in an unincorporated area, or an American Indian tribal council when the project is located within a federally recognized American Indian reservation or community.

Subd. 5. [LOW INCOME.] "Low income" means equal to or below the nonmetropolitan median household income.

Subd. 6. [PRINCIPALLY.] "Principally" means more than half.

Subd. 7. [REGIONAL ORGANIZATION.] "Regional organization" or "organization" means an organization selected under section 9, subdivision 3.

Subd. 8. [RURAL.] "Rural" means the area of Minnesota located outside of the metropolitan area as defined in section 473.121, subdivision 2.

Sec. 4. [116N.02] [RURAL DEVELOPMENT BOARD.]

Subdivision 1. [MEMBERSHIP.] The rural development board consists of the commissioner of energy and economic development, the commissioner of jobs and training, the commissioner of agriculture, the chair of the greater Minnesota corporation board, the state director of vocational technical education, the chancellor of the state university board, the chancellor of the state board for community colleges, the president of the University of Minnesota or the president's designee, and seven members from the general public appointed by the governor, with at least one public member from each of the regions established in section 9. Two of the public members must be local elected officials. Two of the public members must be members of farm organizations. One public member must represent the interests of business, and one public member must represent the interests of organized labor.

Subd. 2. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575.

Subd. 3. [CHAIR; OTHER OFFICERS.] The commissioner of energy and economic development shall serve as chair of the board. The board may elect other officers as is necessary from its members.

Subd. 4. [ADVISORY TASK FORCES.] The board may establish advisory task forces under section 15.014 to advise or assist the board in identifying and working with rural development issues.

Subd. 5. [STAFF.] The commissioner of energy and economic development shall provide staff, consultant support, materials, and administrative services necessary for the board's activities. The services must include personnel, budget, payroll, and contract administration. The board may request staff support from other agencies of state government as needed

for the execution of the responsibilities of the board, and the other agencies shall furnish the staff support upon request.

Subd. 6. [EXPENSES.] The commissioner shall pay the expenses of the board and the costs of the board's staff and programs from the rural rehabilitation revolving fund established in section 116J.955.

Sec. 5. [116N.03] [POWERS.]

Subdivision 1. [CONTRACTS.] The board may enter into contracts and grant agreements necessary to carry out its responsibilities.

Subd. 2. [GIFTS; GRANTS.] The board may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private foundations, or any other source. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, loan, or agreement. Money received by the board under this subdivision must be deposited in the state treasury. The amount deposited is appropriated to the board to carry out its duties.

Sec. 6. [116N.04] [DUTIES.]

Subdivision 1. [GENERAL DUTIES.] The board shall investigate and evaluate new methods to enhance rural development, particularly methods relating to economic diversification through private enterprises, including technologically innovative industries, value-added manufacturing, agri-processing, information industries, and agricultural marketing.

Subd. 2. [ESTABLISH PROGRAMS.] The board shall establish and administer a rural rehabilitation pilot project program to award up to \$500,000 in grants to public, nonprofit, or private organizations to support farm-related pilot projects for rural development. Projects must be designed to principally benefit low-income persons.

Subd. 3. [TECHNICAL ASSISTANCE.] The board shall provide technical assistance and rural development information services to state agencies, regional agencies, special districts, local governments, and the public.

Subd. 4. [BUDGET.] The board shall adopt an annual budget and work program and a biennial budget.

Subd. 5. [LEGISLATIVE REPORT.] The board shall submit a report to the legislature by January 31 of each year. The report must include a review of rural development in the state, an accounting of loans made under the challenge grant program, an evaluation of rural development initiatives, and recommendations concerning state support for rural development.

Sec. 7. [116N.056] [RURAL INVESTMENT GUIDE.]

The board, after appropriate study and public hearings as necessary, shall adopt a comprehensive state rural investment guide consisting of policy statements, objectives, standards, and program criteria to guide state agencies in establishing and implementing programs relating to rural development. The guide must recognize the community and economic needs, the food and agricultural policy, and the resources of rural Minnesota, and provide a plan to coordinate and allocate public and private resources to the rural areas of the state. The board shall submit the guide to the appropriate committees of the legislature.

Sec. 8. [116N.06] [BOARD REVIEW.]

The board may require state agencies to submit for review any state program relating to rural development. The board may comment on the program and may recommend changes consistent with the rural development guide.

Sec. 9. [116N.07] [CHALLENGE GRANT PROGRAM.]

Subdivision 1. [ORGANIZATION.] The board shall make challenge grants to regional organizations to encourage private investment, to provide jobs for low-income persons, and to promote economic development in the rural areas of the state.

Subd. 2. [FUNDING REGIONS.] The board shall divide the state outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the development regions established under section 462.385. The board shall designate up to \$1,000,000 for each region, to be awarded over a period of three years. The money designated to each region must be used for revolving loans and equity investments authorized in this section.

Subd. 3. [SELECTION OF ORGANIZATIONS TO RECEIVE CHALLENGE GRANTS.] The board shall select the organizations to receive the challenge grants and shall enter into grant agreements with the organizations. An organization must be a nonprofit corporation and must demonstrate that:

- (1) its board of directors includes citizens experienced in rural development and representatives from all geographic areas in the region;*
- (2) it has the technical skills to analyze projects;*
- (3) it is familiar with other available public and private funding sources and economic development programs;*
- (4) it can initiate and implement economic development projects; and*
- (5) it can establish and administer a revolving loan fund.*

Subd. 4. [REVOLVING LOAN FUND.] A regional organization shall establish a board certified revolving loan fund to provide loans to new and expanding businesses in rural Minnesota to promote economic development. Eligible business enterprises include technologically innovative industries, value-added manufacturing, agriprocessing, information industries, and agricultural marketing. Loan applications given preliminary approval by the organization must be forwarded to the board for final approval. The amount of state money allocated for each loan is appropriated from the rural rehabilitation revolving fund established in section 116J.955 to the organization's regional revolving loan fund when the board gives final approval for each loan. The amount of money appropriated from the rural rehabilitation revolving fund may not exceed 50 percent for each loan. The amount of nonpublic money must equal at least 50 percent for each loan.

Subd. 5. [LOAN CRITERIA.] The following criteria apply to loans made under the challenge grant program:

- (a) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program.*

(b) A loan must be used for a project designed principally to benefit low-income persons through the creation of job opportunities for them. Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving loan.

(c) The minimum loan is \$5,000 and the maximum is \$100,000.

(d) With the approval of the commissioner, a loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery fund.

(e) A loan may not exceed 50 percent of the total cost of an individual project.

(f) A loan may not be used for a retail development project.

(g) A business applying for a loan must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.

Subd. 6. [REVOLVING FUND ADMINISTRATION.] (a) The board shall establish a minimum interest rate for loans to ensure that necessary management costs are covered.

(b) Money repaid to a revolving loan fund must be deposited in the fund for further distribution by the regional organization, consistent with the loan criteria specified in subdivisions 4 and 5.

(c) Administrative expenses of each organization may be paid out of the interest earned on loans.

Subd. 7. [RULES.] The board shall adopt rules to implement the duties specified in this section.

Subd. 8. [GRANTS TO NONPROFITS.] The board may use a portion of the money designated for a region to make challenge grants to nonprofit regional investment corporations or nonprofit venture capital funds located in the region. A grant under this subdivision may be made only if the nonprofit investment corporation or the nonprofit venture capital fund can demonstrate that at least two individuals or organizations other than the board will each make a grant or investment equal to the amount of the challenge grant made by the board.

Subd. 9. [LOCAL GOVERNMENTAL UNIT LOANS.] A local governmental unit may receive a loan under this section if the local governmental unit has established a local revolving loan fund and can provide at least an equal match to the loan received from a regional organization. The maximum loan available to a local governmental unit under this section is \$50,000. The money loaned to a local governmental unit by a regional organization must be matched by the local revolving loan fund and used to provide loans to businesses to promote local economic development. One-half of the money loaned to a local governmental unit under this section by a regional organization must be repaid to the regional organization's revolving loan fund. One-half of the money may be retained by the local governmental unit's revolving loan fund for further distribution by the local governmental unit.

Subd. 10. [REGIONAL COOPERATION.] An organization that receives a challenge grant shall cooperate with other regional organizations, including regional development commissions, community development cor-

porations, community action agencies, and the Minnesota small business development centers and satellites, in carrying out challenge grant program responsibilities.

Sec. 10. [116N.08] [REPORTING REQUIREMENTS.]

The organization shall:

(1) *submit an annual report to the board by February 15 of each year that includes a description of projects supported by the challenge grant program, an account of loans made during the calendar year, the source and amount of money collected and distributed by the challenge grant program, the program's assets and liabilities, and an explanation of administrative expenses; and*

(2) *provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the board.*

Sec. 11. [116N.09] [CERTIFIED DEVELOPMENT COMPANY.]

Subdivision 1. [PURPOSE; OBJECTIVES.] The board may create, promote, and assist a development company that will qualify as a certified development company for the purposes of United States Code, title 15, section 697, and Code of Federal Regulations, title 13, section 108.503.

The board shall utilize the development company program to stimulate the state's economic activity.

The development company and its directors and officers shall comply with the organizational, operational, regulatory, and reporting requirements as promulgated by the United States Small Business Administration and the guidelines contained in the bylaws, articles of incorporation, and standard operating procedure prescribed by the Small Business Administration.

Subd. 2. [CAPITAL, LOAN LIMITS; MEMBERSHIP REQUIREMENTS.] The capital for a certified development company must be derived from corporate holders or members, each of whom must not have more than ten percent of the voting control of the development company. The company must have a minimum of ten members. The members of the company from each economic development region must represent, to the greatest extent practical, the same proportion of the membership of the company as the population of the economic development region is of the population of the state. The loan limit of each member must be established at the time of its acceptance as a member and must be computed on the basis of the financial information contained in or made a part of its application for membership. Loan limits must be established at the thousand dollar amount nearest the amount computed in accordance with the provisions of the articles of incorporation and this section.

Subd. 3. [MEMBERS.] Members must be representatives of local government, community organizations, financial institutions, and businesses in Minnesota and must, upon application, have been accepted for membership by a majority vote of the members of the board of directors present at a regular or special meeting of the board at which there is a quorum. A "financial institution" is a business organization recognized under Minnesota or federal law as a banking institution, trust company, savings and loan association, insurance company, or a corporation, partnership, foundation or other institution licensed to do business in the state of Minnesota

and engaged primarily in lending or investing money.

Subd. 4. [MEMBERSHIP APPLICATIONS.] Applications for membership must be submitted to the development company's board of directors on forms provided by the corporation and accompanied by additional information as the form may require. Application forms must provide that if the application is approved and the applicant accepted for membership by the development company's board of directors before withdrawal of the application, the applicant agrees to become a member upon the acceptance and to assume the rights and obligations of a member. Notice of approval or rejection of an application must be forwarded, by certified or registered United States mail, to the applicant for the attention of the person signing the application, within 15 days following the date when the approval or rejection is made. Approval of the application constitutes acceptance of the applicant as a member of the corporation.

Subd. 5. [OFFICERS.] The executive officers of the development company are a president, one or more vice presidents including the executive vice president, a secretary, and a treasurer. None of the officers, except the president, need be directors. One person may hold the offices and perform the duties of any two or more of the offices. The development company's board of directors by majority vote may leave unfilled for any period it may fix any office except that of president, treasurer, or secretary.

Subd. 6. [ASSISTANCE.] The commissioner of energy and economic development shall make available the professional staff of the department to provide services to the development company including, but not limited to, accounting, legal, and business assistance services. The staff must have the capability to package, process, close and service loans made through the development company.

Subd. 7. [REPORTS.] The development company shall submit to the Small Business Administration annual reports on its operation. When requested by the Small Business Administration, interim reports of a similar nature must be provided. The reports must be provided in accordance with the instructions and attachments set forth by the Small Business Administration. The development company shall comply with all regulations issued under the small business investment act of 1958, as amended, as well as applicable state and federal laws affecting its operation.

Subd. 8. [REVOLVING ACCOUNT.] The development company may charge a one-time processing fee up to the maximum allowed by the Small Business Administration on a debenture issued for loan purposes. In addition, a fee for servicing loans may be imposed up to the maximum allowed by the Small Business Administration based on the unpaid balance of each debenture. These fees must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the board to pay the costs of administering the program, compensate members of the board of directors under section 15.0575, subdivision 3, and to create and operate a pool of money for investment in projects that further the purposes of this section.

Sec. 12. [RESPONSIBILITIES TRANSFERRED TO RURAL DEVELOPMENT BOARD.]

The responsibilities for the certified development company program under section 116M.05 are transferred from the Minnesota energy and economic development authority to the rural development board. Minnesota

Statutes, section 15.039 applies to the transfer of responsibilities, which includes the transfer of one and one-half classified positions from the financial management division of the department of energy and economic development to the rural development board. The approved complement of the rural development board is seven and one-half positions, including the one and one-half positions transferred and six new positions, one of which is an executive director position in the unclassified service.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, sections 116J.951; 116J.961; 116J.965; and 116M.05, are repealed.

Sec. 14. [APPROPRIATION.]

\$150,000 is appropriated from the general fund to the commissioner of energy and economic development to administer programs under the rural development board. \$75,000 is for fiscal year 1988 and \$75,000 is for fiscal year 1989.

Sec. 15. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 2

GREATER MINNESOTA CORPORATION

Section 1. [116P01] [CITATION.]

Sections 1 to 10 may be cited as the "greater Minnesota corporation act."

Sec. 2. [116P02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.

Subd. 2. [BOARD.] "Board" means the board of directors of the greater Minnesota corporation.

Subd. 3. [CORPORATION.] "Corporation" means the greater Minnesota corporation.

Subd. 4. [FUND.] "Fund" means the greater Minnesota fund.

Sec. 3. [116P03] [CORPORATION; BOARD OF DIRECTORS; POWERS.]

Subdivision 1. [NAME.] The greater Minnesota corporation is a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter. The business of the corporation must be conducted under the name "greater Minnesota corporation."

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors. The term of a director is six years. Vacancies on the board are filled by appointment of the board, subject to the advice and consent of the senate. The board may determine the compensation of its members.

Subd. 3. [BYLAWS.] The board of directors shall adopt bylaws necessary for the conduct of the business of the corporation, consistent with this chapter.

Subd. 4. [PLACES OF BUSINESS.] The board shall locate and maintain

the corporation's places of business within the state.

Subd. 5. [MEETINGS AND ACTIONS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving notice in accordance with the bylaws of the corporation. Board meetings are subject to section 471.705, except when data described in subdivision 7 is discussed.

Subd. 6. [CLOSED MEETINGS; RECORDING.] The board of directors may by a majority vote in a public meeting decide to hold a closed meeting authorized under subdivision 5. The time and place of the closed meeting must be announced at the public meeting. A written roll of members present at the closed meeting must be made available to the public after the closed meeting. The proceedings of a closed meeting must be tape recorded at the expense of the board and must be preserved by the board for two years. The data on the tape is nonpublic data under section 13.02, subdivision 9.

Subd. 7. [APPLICATION AND INVESTIGATIVE DATA.] The following data is classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever is applicable:

(1) financial data, statistics, and information furnished in connection with assistance or proposed assistance under section 6, including credit reports, financial statements, statements of net worth, income tax returns, either personal or corporate, and any other business and personal financial records;

(2) correspondence between members of the corporation board or employees of the corporation and applicants or other persons or entities regarding assistance or proposed assistance, and any investigative data obtained by the corporation board or employees of the corporation in relation to the assistance under section 6; or

(3) security information, trade secret information, or labor relations information, as defined in section 13.37, subdivision 1, disclosed to members of the corporation board or employees of the corporation under section 6.

Subd. 8. [ADVISORY COMMITTEES.] (a) The board shall establish a research advisory committee and a finance advisory committee and may establish other advisory committees it considers necessary. Committee members are compensated as provided in section 15.059, subdivision 3.

(b) The research advisory committee must consist of five members who have extensive experience in science and technology research. The research advisory committee shall review all research grant proposals submitted to the board. The board shall not give final approval to a research grant until it has received the research advisory committee's evaluation and recommendations or until 30 days have elapsed since the proposal was submitted to the research advisory committee, whichever occurs first.

(c) The finance advisory committee must consist of five members who have extensive experience in business development, finance, banking, or venture capital investments. The finance advisory committee shall advise the board on equity investments.

Subd. 9. [CONFLICT OF INTEREST.] A director of the corporation may not participate in or vote on a decision of the board relating to an

organization in which the director has either a direct or indirect financial interest.

Subd. 10. [RESERVATION OF RIGHT.] The state reserves the right to amend or repeal this chapter. The greater Minnesota corporation is subject to this reserved right.

Sec. 4. [116P04] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] The board shall appoint and set the compensation for a president, who serves as chief executive officer of the corporation, and who may appoint subordinate officers. The president's salary may not exceed 95 percent of the governor's salary. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees, consultants, and agents the president considers necessary. The board shall define the duties and designate the titles of the employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans.

Sec. 5. [116P05] [POWERS OF THE CORPORATION.]

(a) Except as otherwise provided in this article, the corporation has the powers granted to a business corporation by section 302A.161, subdivisions 3, 4, 5, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, and 22.

(b) The state is not liable for the obligations of the corporation.

Sec. 6. [116P06] [ACTIVITIES.]

Subdivision 1. [GRANTS.] The corporation may make matching grants for applied research and development to the University of Minnesota, a state university, a community college, a Minnesota private college or university, or an area vocational technical institute.

Subd. 2. [EQUITY INVESTMENTS.] The corporation may acquire an interest in a product or a private business entity, except that the corporation may not acquire an interest in a business entity engaged in a trade or industry whose profits are directly regulated by the commissioner of commerce or the department of public service. The corporation may enter into joint venture agreements with other private corporations to promote economic development and job creation.

Subd. 3. [CONSULTING AND TECHNICAL SERVICES.] The corporation may provide general consulting and technical services to colleges or universities or to businesses and may set fees or charges for the services.

Subd. 4. [RESEARCH.] The corporation may identify opportunities for scientific research and technological innovation and advise colleges and universities of the research needs of private business.

Subd. 5. [REGIONAL FINANCE CENTERS.] The corporation may contract with the regional organizations selected in article 1, section 9, subdivision 3, to establish up to six regional finance centers.

Subd. 6. [ON-SITE RESEARCH.] The corporation may construct, acquire, lease, own, or operate one or more on-site research facilities in Minnesota.

Subd. 7. [AGRICULTURAL RESEARCH GRANTS.] The corporation may make matching grants for agricultural product utilization research to: the University of Minnesota, a state university, a community college, a Minnesota private college or university, an area vocational technical institute, a private corporation, or a person. Grants may be matched from private sources, including farm commodity groups and farm organizations.

Sec. 7. [116P07] [GREATER MINNESOTA FUND.]

(a) The greater Minnesota fund is created in the state treasury. The board may require the commissioner of finance to create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund is appropriated to the corporation to be used as provided in this chapter.

(b) The fund consists of:

- (1) money appropriated and transferred from other state funds;*
- (2) fees and charges collected by the corporation;*
- (3) income from investments and purchases;*
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and*
- (5) gifts, donations, and bequests made to the corporation.*

Sec. 8. [116P08] [AGRICULTURAL PROJECT UTILIZATION FUND.]

The agricultural project utilization fund is a fund in the state treasury. Money in the fund is appropriated to the corporation to be used for agricultural research grants as provided in section 6, subdivision 7.

Sec. 9. [116P09] [AUDITS.]

The legislative auditor shall audit the corporation at least once a year and oftener if considered necessary or as directed by the legislature or the legislative audit commission. The corporation is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the corporation either monthly or at the completion of the audit. Collections received for the audits must be credited to the general fund.

Sec. 10. [116P10] [REPORTS.]

The board shall report to the appropriate committees of the legislature and the governor on the activities of the corporation by January 1 of each year. The report must include, at least, a description of projects supported by the corporation, an account of all loans and grants made by the corporation during the calendar year, the source and amount of all money collected and distributed by the corporation, the corporation's assets and liabilities, an explanation of administrative expenses, and any amendments to the operational plan. Reports must be made to the legislature as required by section 3.195.

Sec. 11. [INITIAL APPOINTMENTS.]

Notwithstanding section 3, subdivision 2, the governor shall appoint the initial members of the board of directors of the greater Minnesota cor-

poration, subject to the advice and consent of the senate, as follows: four to six-year terms, four to four-year terms, and three to two-year terms. As the terms of the initial appointments expire, appointments must be made by the board, subject to the advice and consent of the senate.

Sec. 12. [OPERATIONAL PLAN.]

The board of directors of the greater Minnesota corporation shall prepare a comprehensive operational plan and submit the plan to the governor and the legislature by November 15, 1987. The operational plan must at least include operating procedures, accounting procedures, grant procedures, loan procedures, personnel procedures, investment procedures, and board conduct and ethics.

If the board proposes to make equity investments under section 6, subdivision 2, the board shall explain in the report how the investments will be made, how much money will be invested in them, how much private money is expected to be invested in the same investments, and why equity investments would be more desirable and effective than the other means of promoting development that are available to the board. No equity investments may be made unless the board has first submitted the information required by this section.

In addition, the operational plan must include a budget proposal and a five-year strategic plan setting out its objectives and general strategy for achieving the objectives. It must identify sources and amounts of available nongovernmental money and the purposes for which the money may be used.

Sec. 13. [LOAN PROGRAMS TERMINATED; ADMINISTRATION; CREDIT OF REPAYMENTS.]

The following loan programs administered by the Minnesota energy and economic development authority are terminated: the hazardous waste processing facilities program under Minnesota Statutes, section 116M.07, subdivision 9; the special assistance program under section 116M.07, subdivision 11, except for the small business development loans; the technology product loan program; the tourism loan program created under section 116M.07; the energy loan insurance program under section 116M.11; the energy development fund program under section 116M.12; and the Minnesota fund program under sections 472.11 to 472.13. Loan repayments, earnings, releases from insurance reserve accounts, and other income from these programs must be paid to the commissioner of energy and economic development, who shall deposit them in the state treasury and credit them to the greater Minnesota fund.

Sec. 14. [REPEALER.]

Minnesota Statutes 1986, sections 116M.11; 116M.12; 472.11, subdivisions 3, 5, 6, 7, 8, and 9; 472.12, subdivisions 2, 3, and 4; 472.125; and 472.13; subdivisions 2, 3, and 4, are repealed.

Sec. 15. [APPROPRIATION.]

\$6,000,000 is appropriated from the general fund for transfer to the greater Minnesota fund, to be available until expended. \$2,000,000 is appropriated from the rural rehabilitation revolving fund for transfer to the agricultural product utilization fund, to be available until expended.

Sec. 16. [EFFECTIVE DATE.]

This article is effective the day following final enactment, except that section 15 is effective July 1, 1987, and section 6, subdivision 2, is effective April 1, 1988.

ARTICLE 3

MINNESOTA PUBLIC FACILITIES AUTHORITY

Section 1. Minnesota Statutes 1986, section 116.16, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section and sections 116.17 and 116.18:

(1) Agency means the Minnesota pollution control agency created by this chapter;

(2) Municipality means any county, city, and town, the metropolitan waste control commission established in chapter 473 and the metropolitan council when acting under the provisions of that chapter or an Indian tribe or an authorized Indian tribal organization, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state;

(3) Pollution control fund means the Minnesota state water pollution control fund created by subdivision 1;

(4) Bond account means the Minnesota state water pollution control bond account created in the state bond fund by section 116.17, subdivision 4;

(5) Terms defined in section 115.01 have the meanings therein given them;

(6) The eligible cost of any municipal project, except as otherwise provided in clauses (7) and (8), includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension of disposal systems; (e) inspection and supervision of construction; and (f) all other expenses of the kinds enumerated in section 475.65.

(7) For state independent grant and matching grant purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal Water Pollution Control Act, ~~as amended~~, United States Code, title 33, ~~section 1314, et seq sections 1281 to 1299.~~

(8) Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost includes the acquisition of land for stabilization ponds, the construction of collector sewers for totally unsewered statutory and home rule charter cities and towns described under section 368.01, subdivision 1 or 1a, that are in existence on January 1, 1985, and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost does not include the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost in-

creases from unanticipated site conditions that exceed an additional two percent of as-bid costs.

(9) *Authority means the Minnesota public facilities authority established in section 20.*

Sec. 2. Minnesota Statutes 1986, section 116.16, subdivision 4, is amended to read:

Subd. 4. [DISBURSEMENTS.] Disbursements from the fund shall be made by the state treasurer upon order of the commissioner of finance at the times and in the amounts requested by the agency or the *Minnesota public facilities authority* in accordance with the applicable state and federal law governing such disbursements; except that no appropriation or loan of state funds for any project shall be disbursed to any municipality until and unless the agency has by resolution determined the total estimated cost of the project, and ascertained that financing of the project is assured by:

(1) A grant to the municipality by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state; or

(2) A grant of funds appropriated by state law; or

(3) A loan authorized by state law; or

(4) The appropriation of proceeds of bonds or other funds of the municipality to a fund for the construction of the project; or

(5) Any or all of the means referred to in paragraphs (1) to (4); and

(6) An irrevocable undertaking, by resolution of the governing body of the municipality, to use all funds so made available exclusively for the construction of the project, and to pay any additional amount by which the cost of the project exceeds the estimate, by the appropriation to the construction fund of additional municipal funds or the proceeds of additional bonds to be issued by the municipality; and

(7) Conformity of the project and of the loan or grant application with the state water pollution control plan as certified to the federal government and with all other conditions under applicable state and federal law for a grant of state or federal funds of the nature and in the amount involved.

Sec. 3. Minnesota Statutes 1986, section 116.16, subdivision 5, is amended to read:

Subd. 5. [RULES.] (a) The agency shall promulgate permanent rules and may promulgate emergency rules for the administration of grants and loans authorized to be made from the fund or from federal funds under the Federal Water Pollution Control Act, ~~as amended~~, which rules, however, shall not be applicable to the issuance of bonds by the commissioner of finance as provided in section 116.17. The rules shall contain as a minimum:

(1) procedures for application by municipalities;

(2) conditions for the administration of the grant or loan;

(3) criteria for the ranking of projects in order of priority for grants or loans, based on factors including the extent and nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multimunicipal systems; and

(4) such other matters as the agency and the director find necessary to

the proper administration of the grant program.

(b) Except as otherwise provided in sections 116.16 to 116.18, the rules for the administration of state independent grants must comply, to the extent practicable, with provisions relating directly to protection of the environment contained in the Federal Water Pollution Control Act, as amended, and regulations and guidelines of the United States environmental protection agency promulgated under the act, except provisions regarding allocation contained in section 205 of the act and regulations and guidelines promulgated under section 205 of the act. This provision does not require approval from federal agencies for the issuance of grants or for the construction of projects under the state independent grants program.

(c) For purposes of awarding independent state grants, the agency may by rule waive the federal 20-year planning requirement for municipalities with a population of less than 1,500.

Sec. 4. Minnesota Statutes 1986, section 116.16, subdivision 9, is amended to read:

Subd. 9. [APPLICATIONS.] Applications by municipalities for grants or loans from the fund shall be made to the ~~director of the agency~~ authority on forms requiring information prescribed by rules of the agency. *The authority shall send the application to the agency within ten days of receipt.* The director shall certify to the ~~agency~~ authority those applications which appear to meet the criteria set forth in sections 116.16 to 116.18 and the rules promulgated hereunder, and the ~~agency~~ authority shall award the grants or loans on the basis of the criteria and priorities established by the agency in its rules and in sections 116.16 to 116.18. A municipality that is designated under agency rules to receive state or federal funding for a project and that does not make a timely application for or that refuses the funding is not eligible for either state or federal funding for that project in that fiscal year or the subsequent year.

Sec. 5. Minnesota Statutes 1986, section 116.16, is amended by adding a subdivision to read:

Subd. 11. [AWARDS OF GRANTS AND LOANS.] *Upon certification by the director of the pollution control agency, the authority shall notify a municipality that is to receive a grant or loan and advise the municipality of the grant agreement or loan form or other document that must be executed to complete the grant or loan. Upon certification from the director that the work has been completed and that payment is proper, the authority shall pay to the municipality the periodic grant or loan payment.*

Sec. 6. Minnesota Statutes 1986, section 116.16, is amended by adding a subdivision to read:

Subd. 12. [AMENDMENTS.] *A municipality that seeks an amendment to a previously awarded grant or loan shall follow the procedure in subdivision 9 for applying to the authority. The request for a grant or loan amendment must be forwarded by the authority to the director of the pollution control agency for consideration, and the authority shall process a grant or loan amendment that is approved by the director.*

Sec. 7. Minnesota Statutes 1986, section 116.18, subdivision 2a, is amended to read:

Subd. 2a. [STATE MATCHING GRANTS PROGRAM BEGINNING OCTOBER 1, 1984.] For projects tendered, on or after October 1, 1984

1987, a grant of federal money under section 201(g), section 202, 203, or 206(f) of the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1251 to 1376, at 55 percent or more of the eligible cost for construction of the treatment works, state money appropriated under subdivision 1 must be expended for up to 30 50 percent of the *nonfederal share* of the eligible cost of construction for municipalities for which the construction would otherwise impose significant financial hardship; provided, that not less than ten percent of the eligible cost must be paid by the municipality or agency constructing the project. If a municipality is tendered federal and state grants in a percentage cumulatively exceeding 90 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to ensure that not less than ten percent of the eligible cost will be paid by the municipality. The amounts of the matching grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation with populations of 25,000 or less.

Sec. 8. Minnesota Statutes 1986, section 116.18, subdivision 3a, is amended to read:

Subd. 3a. [STATE INDEPENDENT GRANTS PROGRAM.] (a) The agency *Minnesota public facilities authority* may award independent grants for projects certified by the state pollution control director for 50 percent or, if the agency requires advanced treatment, 65 population of the municipality is 25,000 or less, 80 percent of the eligible cost of construction. The agency may award independent grants for up to an additional 30 percent or, if the agency requires advanced treatment, up to an additional 25 percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship; the amounts of the additional grants shall be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

(b) Up to ten percent of the money to be awarded as grants under this subdivision in any single fiscal year shall be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the commissioner of energy and economic development authority at the beginning of each fiscal year, and the commissioner authority shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with agency priorities, the set-aside shall be used by the agency authority to award grants to remaining municipalities that have been identified.

(c) Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the agency may commit in any single fiscal year is equal to the amount newly appropriated to the state grants programs for that year.

(d) A municipality that applies for a state independent grant to be reim-

bursed for a project must receive an additional five percent of the total eligible cost of construction beyond the normal percentage to which the municipality is entitled under paragraph (a).

Sec. 9. [STATE INDEPENDENT GRANTS PROGRAM.]

(a) The state pollution control agency may award independent grants for projects for 50 percent or, if the population of the municipality is 25,000 or less, 80 percent of the eligible cost of construction. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this section in a fiscal year may be awarded to a single grantee.

(b) Up to ten percent of the money to be awarded as grants under this section a fiscal year must be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the authority at the beginning of each fiscal year, and the authority shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with agency priorities, the set-aside must be used by the authority to award grants to remaining municipalities that have been identified.

(c) Grants may also be awarded under this section to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under Minnesota Statutes, section 116.18, subdivision 1, for that year.

(d) A municipality that applies for a state independent grant to be reimbursed for a project must receive an additional five percent of the total eligible cost of construction beyond the normal percentage to which the municipality is entitled under paragraph (a).

Sec. 10. Minnesota Statutes 1986, section 116J.36, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section:

(a) "Authority" means the Minnesota public facilities authority.

(b) "Construction costs" means all costs associated with the construction, modification or expansion of a district heating system except for preliminary planning costs and detailed design costs. Construction costs include the cost of debt service from the time a construction loan is made until five years after the beginning of the operation of the district heating system constructed or the part of the system being modified or expanded.

(c) "District heating" means the use of a central energy conversion facility to produce hot water or steam for a district heating system. District heating facilities may also produce electricity in addition to hot water or steam.

(d) "Municipality" means any county, home rule charter or statutory city, town, school district or a municipal power agency formed pursuant to sections 453.53 to 453.62. Municipality also means a public utility, as defined in section 452.01, subdivision 3, owned and operated by a city, however organized. For purposes of a district heating system only, municipality also means a nonprofit corporation organized pursuant to the pro-

visions of chapter 317 whose membership is limited to the mayor and governing body of the city in which the district heating system is located.

(d) (e) "District heating system" means any existing or proposed facility for (1) the production, through cogeneration or otherwise, of hot water or steam to be used for district heating, or (2) the transmission and distribution of hot water or steam for district heating either directly to heating consumers or to another facility or facilities for transmission and distribution, or (3) any part or combination of the foregoing facilities.

(e) (f) "Qualified energy improvement" means a cost-effective capital improvement to public land, buildings, or energy using systems, other than a district heating system, including the purchase or installation of equipment to reduce the usage of conventional energy sources or to use alternative energy resources. Qualified energy improvements also include waste-to-energy facilities that meet the criteria specified in subdivision 8a and any rule adopted under that subdivision. Qualified energy improvements shall meet all environmental and permitting standards established by state and federal law.

Sec. 11. Minnesota Statutes 1986, section 116J.36, subdivision 3b, is amended to read:

Subd. 3b. [GRANT ELIGIBILITY, DISTRICT HEATING.] The ~~commissioner of energy and economic development authority~~ may provide *district heating system* planning grants to municipalities for *planning related to the development of district heating systems certified by the director of public service as eligible to receive planning grants*. The municipality must demonstrate that a community heatload survey and map have been successfully completed, that potential district heating load is sufficiently large to justify further consideration, and that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include project definition, development of preliminary financing and distribution system plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of the grant to a municipality is limited to 90 percent of eligible planning costs and shall not exceed \$70,000 as established by rule or emergency rule.

Sec. 12. Minnesota Statutes 1986, section 116J.36, subdivision 3c, is amended to read:

Subd. 3c. [GRANT ELIGIBILITY, QUALIFIED ENERGY IMPROVEMENTS.] The ~~commissioner of energy and economic development authority~~ may provide *qualified energy improvement* planning grants to municipalities for *planning related to the development of qualified energy improvements certified by the director of public service as eligible to receive planning grants*. The municipality must demonstrate that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include definition of the improvement, development of preliminary financing plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of a grant to a municipality is limited to 90 percent of eligible planning costs and must not exceed \$100,000 as established by rule or emergency rule.

Sec. 13. Minnesota Statutes 1986, section 116J.36, subdivision 8, is amended to read:

Subd. 8. [LOAN APPROVAL.] The ~~commissioner of energy and economic development~~ *director of public service* shall prepare and submit to the ~~energy and economic development~~ authority separate *priority* lists of loan requests for district heating systems and qualified energy improvements. The *priority* list for district heating loans shall ~~contain the supporting information required by~~ *must be based on the requirements under* subdivisions 3, 4, 5, 6, and 7. The *priority* list for qualified energy improvements shall ~~contain the supporting information required by~~ *must be based on the requirements under* subdivisions 3a, 3c, 4a, 5, and 6. ~~The recommendation of the authority shall be transmitted to the commissioner of finance.~~ The commissioner of finance shall sell bonds and ~~the authority shall~~ make loans for district heating projects and qualified energy improvements only upon the recommendation of the ~~authority~~ *director of public service*.

Sec. 14. Minnesota Statutes 1986, section 116J.36, subdivision 8a, is amended to read:

Subd. 8a. [CRITERIA FOR QUALIFIED ENERGY IMPROVEMENTS.] Qualified energy improvements eligible for loans must meet criteria established in rule by the ~~commissioner of energy and economic development~~ *director of public service*. Rules shall include criteria for analyzing the cost-effectiveness of improvements. Rules relating to qualified energy improvements involving a waste-to-energy facility must be adopted in consultation with the waste management board, ~~the authority~~, and the pollution control agency. An improvement involving a waste-to-energy facility must be part of a solid waste management plan approved by the pollution control agency or a plan approved under section 473.803.

Sec. 15. Minnesota Statutes 1986, section 116J.36, subdivision 11, is amended to read:

Subd. 11. [RULES.] The commissioner of energy and economic development shall adopt rules *and may adopt emergency rules* necessary to carry out the programs of this section. *The director of public service shall adopt rules for the administration of programs under this section.* The ~~commissioner of energy and economic development~~ *director of public service* may adopt emergency rules pursuant to sections 14.29 to 14.36, meeting the requirements of this section. The rules shall contain as a minimum:

- (a) Procedures for application by municipalities; and
- (b) Criteria for reviewing grant and loan applications.

Sec. 16. Minnesota Statutes 1986, section 116J.37, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] In this section:

(a) "Commissioner" means the commissioner of energy and economic development. Upon passage of legislation creating a body known as the Minnesota ~~energy public facilities~~ authority, the duties assigned to the commissioner in this section are delegated to the authority.

(b) "Maxi-audit" has the meaning given in section 116J.06, subdivision 12.

(c) "Energy conservation investments" mean all capital expenditures that are associated with conservation measures identified in a maxi-audit and that have a ten-year or less payback period. Public school districts that

received a federal institutional building grant in 1984 to convert a heating system to wood, and that apply for an energy conservation investment loan to match a federal grant for wood conversion, shall be allowed to calculate payback of conservation measures based on the costs of the traditional fuel in use prior to the wood conversion.

Sec. 17. Minnesota Statutes 1986, section 116J.37, is amended by adding a subdivision to read:

Subd. 8. [TECHNICAL SUPPORT.] The director of public service shall prepare and submit to the authority the technical evaluation of all applicants under this section.

Sec. 18. [446A.01] [MINNESOTA PUBLIC FACILITIES AUTHORITY ACT.]

Sections 18 to 26 may be cited as the "Minnesota public facilities authority act."

Sec. 19. [446A.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 18 to 26, the terms in this section have the meanings given them.

Subd. 2. [AUTHORITY.] "Authority" means the Minnesota public facilities authority.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of energy and economic development.

Subd. 4. [FEDERAL WATER POLLUTION CONTROL ACT.] "Federal Water Pollution Control Act" means the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1281 to 1299.

Subd. 5. [GOVERNMENTAL UNIT.] "Governmental unit" means a state agency, home rule charter or statutory city, county, sanitary district, or other governmental subdivision.

Subd. 6. [PROJECT.] "Project" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of any structure, facility, or equipment necessary for a wastewater treatment system or water supply system.

Sec. 20. [446A.03] [MINNESOTA PUBLIC FACILITIES AUTHORITY.]

Subdivision 1. [MEMBERSHIP.] The Minnesota public facilities authority consists of the commissioner of energy and economic development, the commissioner of finance, the director of public service, the director of the pollution control agency, and three additional members appointed by the governor from the general public with the advice and consent of the senate.

Subd. 2. [CHAIR; OTHER OFFICERS.] The commissioner of energy and economic development shall serve as the chair and chief executive officer of the authority. The authority may elect other officers as necessary from its members.

Subd. 3. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of public members of the authority are as provided in section 15.0575.

Subd. 4. [BOARD ACTIONS.] A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its

powers, and for all other purposes.

Subd. 5. [EXECUTIVE DIRECTOR.] The commissioner shall employ, with the concurrence of the authority, an executive director. The director shall perform duties that the authority may require in carrying out its responsibilities. The executive director's position is in the unclassified service.

Subd. 6. [ADMINISTRATIVE SERVICES.] The commissioner shall provide administrative services to the authority.

Subd. 7. [PERSONAL LIABILITY.] Members and officers of the authority are not liable personally for any debt or obligation of the authority.

Sec. 21. [446A.04] [POWERS; DUTIES.]

Subdivision 1. [BYLAWS; RULES.] The authority shall adopt bylaws for its organization and internal management. The commissioner may adopt rules covering the authority's operations, properties, and facilities.

Subd. 2. [POWER TO SUE; ENTER CONTRACTS.] The authority may sue and be sued. The authority may make and enter into contracts, leases, and agreements necessary to perform its duties and exercise its powers.

Subd. 3. [GIFTS; GRANTS.] The authority may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private sources, or any other source for any of its purposes. Money received by the authority under this subdivision must be deposited in the state treasury and is appropriated to the authority to carry out its duties.

Subd. 4. [CONTRACT FOR SERVICES.] The authority may retain or contract for the services of attorneys, accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.

Subd. 5. [FEES.] The authority may set and collect fees for costs incurred by the authority for its financings and the establishment and maintenance of reserve funds.

Sec. 22. [446A.05] [PROJECT LOANS.]

Subdivision 1. [LOANS.] The authority may make and contract to make loans to governmental units to finance projects that the governmental unit may construct or acquire. A loan may not be used to pay current expenses or obligations, except for temporary financing. A loan must be secured by notes or bonds of the borrowing governmental unit.

Subd. 2. [RULES.] The commissioner may adopt rules governing loans awarded under this section.

Sec. 23. [446A.06] [INDEPENDENT WASTEWATER TREATMENT GRANTS.]

Subdivision 1. [AWARD OF GRANTS.] The authority shall award independent state grants to municipalities selected by the pollution control agency upon certification by the agency that the municipalities' projects and applications have been reviewed and approved by the agency in accordance with sections 116.16 to 116.18 and agency rules.

Subd. 2. [RULES.] The commissioner shall adopt rules containing procedures for the administration of the authority's duties as provided in subdivision 1.

Sec. 24. [446A.07] [WATER POLLUTION CONTROL REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT OF FUND.] The authority shall establish a water pollution control revolving fund to provide loans for the purposes and eligible costs authorized under title VI of the Federal Water Pollution Control Act. The fund must be credited with repayments.

Subd. 2. [STATE FUNDS.] A state matching fund is established to be used in compliance with federal matching requirements specified in the Federal Water Pollution Control Act. A state grant and loan fund is established to provide grants and loans to governmental units for the planning and construction of treatment works as specified in section 116.16, subdivision 2, paragraphs (6), (7), and (8).

Subd 3. [CAPITALIZATION GRANT AGREEMENT.] The authority shall enter an agreement with the administrator of the United States Environmental Protection Agency to receive capitalization grants for the revolving fund. The authority may exercise powers necessary to comply with the requirements specified in the agreement, which must be in compliance with the Federal Water Pollution Control Act.

Subd. 4. [INTENDED USE PLAN.] The pollution control agency shall annually prepare and submit to the United States Environmental Protection Agency an intended use plan. The plan must identify the intended uses of the amounts available to the water pollution control revolving fund, including a list of wastewater treatment projects and other eligible activities to be funded during the fiscal year. The agency may not submit the plan until it has received the review and comment of the authority or until 30 days have elapsed since the plan was submitted to the authority, whichever occurs first.

Subd. 5. [APPLICATIONS.] Applications by municipalities and other entities identified in the annual intended use plan for loans from the water pollution control revolving fund must be made to the authority on forms requiring information prescribed by the rules of the agency adopted under this section. The authority shall send the applications to the agency within ten days of receipt. The director shall certify to the authority those applications that appear to meet the criteria set forth in the Federal Water Pollution Control Act, this section, and rules of the agency.

Subd. 6. [AWARD AND TERMS OF LOANS.] The authority shall award loans to those municipalities and other entities certified by the agency. The terms and conditions of the loans must be in conformance with the Federal Water Pollution Control Act, this section, and rules of the agency, and authority adopted under this section.

Subd. 7. [LOAN CONDITIONS.] When making loans from the revolving fund, the authority shall comply with the conditions of the Federal Water Pollution Control Act, including:

(a) Loans must be made at or below market interest rates, including interest-free loans, at terms not to exceed 20 years.

(b) The annual principal and interest payments must begin no later than one year after completion of a project. Loans must be fully amortized no later than 20 years after project completion.

(c) A loan recipient shall establish a dedicated source of revenue for repayment of the loan.

(d) The fund must be credited with all payments of principal and interest on all loans.

Subd. 8. [OTHER USES OF REVOLVING FUND.] The water pollution control revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:

(1) to buy or refinance the debt obligation of governmental units for treatment works incurred after March 7, 1985, at or below market rates;

(2) to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loan guarantees for similar revolving funds established by a governmental unit other than state agencies;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the agency of administering the fund and conducting activities required under the Federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act.

Amounts spent under clause (6) may not exceed the amount allowed under the Federal Water Pollution Control Act. Five percent of the revolving loan fund repayments may be used by the agency and the authority for the purposes listed in clause (6).

Subd. 9. [PAYMENTS.] Payments from the fund must be made in accordance with the applicable state and federal law governing the payments, except that no payment for a project may be made to a governmental unit until and unless the authority has determined the total estimated cost of the project and ascertained that financing of the project is assured by:

(1) a loan authorized by state law or the appropriation of proceeds of bonds or other money of the governmental unit to a fund for the construction of the project; and

(2) an irrevocable undertaking, by resolution of the governing body of the governmental unit, to use all money made available for the project exclusively for the project, and to pay any additional amount by which the cost of the project exceeds the estimate by the appropriation to the construction fund of additional money or the proceeds of additional bonds to be issued by the governmental unit.

Subd. 10. [RULES OF THE AUTHORITY.] The commissioner shall adopt rules containing procedures for the administration of the authority's duties as provided in this section, including loan interest rates, the amounts of loans, and municipal financial need.

Subd. 11. [RULES OF THE AGENCY.] The agency shall adopt rules relating to the procedure for preparation of the annual intended use plan and other matters that the agency considers necessary for proper loan administration.

Sec. 25. [446A.08] [HEALTH CARE EQUIPMENT LOANS.]

Subdivision 1. [AUTHORITY.] The authority may make or participate in making health care equipment loans. The loans may be made only from the proceeds of bonds or notes issued under subdivision 2. Before making a commitment for a loan, the authority shall forward the application to the commissioner of health for review under subdivision 3. The authority may not approve or enter into a commitment for a loan unless the application has been approved by the commissioner of health.

Subd. 2. [BONDS AND NOTES.] The authority may issue its bonds and notes to provide money for the purposes specified in subdivision 1. The principal amount of bonds and notes issued and outstanding under this subdivision at any time may not exceed \$95,000,000. The bonds and notes issued to make the loans may not be insured by the authority but must be insured by a letter of credit or bond insurance issued by a private insurer.

Subd. 3. [ADMINISTRATION.] (a) The commissioner of health shall review each loan application received from the authority to determine whether the application is an eligible application. An application is eligible if the following criteria are satisfied:

(1) the hospital is owned and operated by a county, district, municipality or nonprofit corporation;

(2) the loan would not be used to refinance existing debt;

(3) the hospital was unable to obtain suitable financing from other sources;

(4) the loan is necessary to establish or maintain patient access to an essential health care service that would not otherwise be available within a reasonable distance from the facility; and

(5) the equipment to be financed by the loan is cost-effective and efficient.

(b) The authority shall determine whether the allocation available for the health care equipment loan program is sufficient for all eligible applications received during a specified time. If the allocations are sufficient, the authority shall approve all eligible applications. If the allocations are not sufficient, the authority shall compare the relative merits of the eligible applications with respect to the criteria in paragraph (a), clauses (4) and (5), rank the applications in order of priority, and approve the applications in order of priority to the extent possible within the available allocation.

(c) The authority may charge a reasonable fee under section 16A.128 to an applicant for the costs of review of the application. The authority shall transfer to the commissioner of health from the fees collected an amount sufficient to pay the costs of the commissioner of health in the review of applications. The commissioner of health may adopt permanent rules to implement subdivisions 1 to 3. The commissioner may adopt permanent rules to implement subdivisions 1 to 3.

Sec. 26. [446A.09] [REPORT; AUDIT.]

The authority shall report to the legislature and the governor by January 1 of each year. The report must include a complete operating and financial statement covering the authority's operations during the year, including amounts of income from all sources. Books and records of the authority are subject to audit by the legislative auditor in the manner prescribed for state agencies.

Sec. 27. [GOVERNOR'S ACTION.]

The governor may request the administrator of the environmental protection agency to make available to the state, capitalization grants to be deposited in the water pollution control revolving fund, for the fiscal year beginning October 1, 1987. The governor may request that up to 75 percent of the amount allotted to the state for the fiscal year beginning October 1, 1987, be made available for deposit in the water pollution control revolving fund.

Sec. 28. [TRANSFER OF AUTHORITY.]

Subdivision 1. [WATER POLLUTION CONTROL GRANTS.] (a) The responsibilities of the pollution control agency for the state independent wastewater treatment grant program under Minnesota Statutes, section 116.18, subdivision 3a, are transferred on July 1, 1988, to the Minnesota public facilities authority under Minnesota Statutes, section 15.039, except that the commissioner of energy and economic development and the director of the pollution control agency shall determine which classified and unclassified positions associated with these responsibilities are transferred.

(b) Any continuing obligation with respect to grants made before September 30, 1984, under Minnesota Statutes 1984, section 116.18, subdivision 2, remains with the pollution control agency.

(c) The pollution control agency shall continue to administer the combined sewer overflow program under Minnesota Statutes, section 116.162, and the appropriations for the program.

Subd. 2. [OTHER RESPONSIBILITIES.] (a) The responsibilities for the health care equipment loan program under section 116M.07, subdivisions 7a, 7b, and 7c; the public school energy conservation loan program under section 116J.37; and the district heating and qualified energy improvement loan program under section 116J.36, are transferred from the Minnesota energy and economic development authority to the Minnesota public facilities authority.

(b) Except as otherwise provided in this paragraph, section 15.039 applies to the transfer of responsibilities. The transfer includes eight and one-half positions from the financial management division of the department of energy and economic development to the community development division of the department of energy and economic development. All employee benefits and classifications of the transferred incumbents are maintained. The commissioner of energy and economic development and the director of public service shall determine which classified and unclassified positions associated with the responsibilities of the grant and loan programs under section 116J.36 and the school energy loan program under section 116J.37 are transferred to the director of public service and which positions are transferred to the commissioner of energy and economic development in order to carry out the purposes of this article.

Sec. 29. [REPEALER.]

Minnesota Statutes 1986, section 116.167, is repealed.

Sec. 30. [APPROPRIATION.]

\$900,000 is appropriated from the general fund to the commissioner of energy and economic development to administer programs under the Minnesota public facilities authority. \$450,000 is for fiscal year 1988 and \$450,000 is for fiscal year 1989. The approved complement of the department of energy and economic development is increased by eight and

one-half positions.

Sec. 31. [EFFECTIVE DATE.]

Sections 1, 2, 4, 5, 6, 8, 23, and 28, subdivision 1, are effective on July 1, 1988. Sections 9 to 22, 24 to 27, and 29 are effective the day following final enactment.

Section 9 is repealed July 1, 1988.

ARTICLE 4

COMMUNITY DEVELOPMENT

Section 1. [116J.874] [COMMUNITY DEVELOPMENT DIVISION.]

Subdivision 1. [DUTIES.] The community development division is a division within the department of energy and economic development. It shall:

(1) be responsible for administering all state community development and assistance programs, including the economic recovery fund, the outdoor recreation grant program, the rural development board programs, the Minnesota public facilities authority loan and grant programs, the main street program, the Minnesota community improvement program, the governor's design team, the Minnesota beautiful program, and the enterprise zone program;

(2) be responsible for state administration of federally funded community development and assistance programs, including the small cities development grant program and land and water conservation program;

(3) be responsible for state administration of the regional development commissions;

(4) provide technical assistance to rural communities for community development;

(5) coordinate the development and review of state rural development policies;

(6) provide staff and consultant services to the rural development board; and

(7) be responsible for coordinating community assistance and development programs.

Subd. 2. [GENERAL COMPLEMENT AUTHORITY.] The community development division may combine all related state and federal complement positions into general fund positions, to carry out the responsibilities under subdivision 1. The number of general fund positions must not exceed the aggregate number of all state and federal positions that are to be combined. Records of the actual number of employee hours charged to each state and federal account must be maintained for each general fund position.

Sec. 2. [116J.970] [COMMUNITY DEVELOPMENT CORPORATIONS.]

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

(a) [COMMISSIONER.] "Commissioner" means the commissioner of energy and economic development.

(b) [ECONOMIC DEVELOPMENT REGION.] "Economic development

region" means an area so designated in the governor's executive order number 60, dated June 12, 1970, as amended.

(c) [FEDERAL POVERTY LEVEL.] "Federal poverty level" means the income level established by the United States Community Services Administration in Code of Federal Regulations, title 45, section 1060.2-2.

(d) [LOW INCOME.] "Low income" means an annual income below the federal poverty level.

Subd. 2. [ADMINISTRATION.] The commissioner shall administer this section and shall enforce the rules related to the community development corporations adopted by the commissioner. The commissioner may amend, suspend, repeal or otherwise modify these rules as provided for in chapter 14.

Subd. 3. [GRANTS; CORPORATIONS ELIGIBLE.] (a) The commissioner shall designate a community development corporation as eligible to receive grants under this section if the corporation is a nonprofit corporation incorporated under chapter 317 and meets the other criteria in this subdivision.

(b) The corporation, in its articles of incorporation or bylaws, shall designate a specific geographic community within which it will operate. As least ten percent of the population within the designated community must have low incomes. Within the metropolitan area as defined in section 473.121, subdivision 2, a designated community must be an identifiable neighborhood or a combination of neighborhoods or home rule charter or statutory cities, townships, unincorporated areas, or combinations of those entities. Outside the metropolitan area, designated communities, so far as possible, may not cross existing economic development boundaries. If a proposed geographic area overlaps the designated community of a community development corporation existing before August 1, 1987, the proposed community development corporation must obtain the written consent of the existing community development corporation before the proposed corporation may be designated as eligible to receive grants under this section.

(c) The corporation must limit voting membership to residents of its designated area.

(d) The corporation must have a board of directors with 15 to 30 members unless the corporation can demonstrate to the satisfaction of the commissioner that a smaller or larger board is more advantageous. At least 40 percent of the directors must have incomes that do not exceed 80 percent of the county median family income or 80 percent of the statewide median family income as determined by the state demographer, whichever is less, and the remaining directors must be members of the business or financial community and the community at large. To the greatest extent possible, and at least 60 percent of, the directors must be residents of the designated community. Directors who meet the income limitations of this paragraph must be elected by the members of the corporation. The remaining directors may be elected by the members or appointed by the directors who meet the income limitations of this paragraph.

(e) The corporation shall hire low-income residents of the designated community to fill nonmanagerial and nonprofessional positions.

(f) The corporation shall demonstrate that it has or will have the tech-

nical skills to analyze projects, that it is familiar with other available public and private funding sources and economic development programs, and that it is capable of packaging economic development projects.

Subd. 4. [GRANT APPROVAL FOR PROJECTS.] The commissioner shall approve a grant to a community development corporation only for a project carried on within the designated community, except when the corporation demonstrates that a project carried on outside will have a significant impact inside the designated community.

Subd. 5. [USE OF GRANT.] The commissioner may approve a grant to a community development corporation for planning, including organization of the corporation, training of the directors, creation of a comprehensive community economic development plan, and development of a proposal for a venture grant, or for establishment of a business venture, including assistance to an existing business venture, purchase of partial or full ownership of a business venture, or development of resources or facilities necessary for the establishment of a business venture.

Subd. 6. [ASSIGNEE.] The commissioner must be named as an assignee of the rights of a state-funded community development corporation on any loan or other evidence of debt provided by a community development corporation to a private enterprise. The assignment of rights must provide that it will be effective upon the dormancy or cessation of existence of the community development corporation. "Dormancy" for the purpose of this section means the continuation of the corporation in name only without any functioning officers or activities. Upon the cessation of the activities of a state-funded community development corporation, any assigned money paid to the commissioner must be deposited in the state treasury and credited to the general fund.

Subd. 7. [FACTORS FOR GRANT APPROVAL.] Factors considered by the commissioner in approving a grant to a community development corporation must include the creation of employment opportunities, the maximization of profit, and the effect on securing money from sources other than the state.

Subd. 8. [PROHIBITION.] Grants under this section are not available for programs conducted by churches or religious organizations or for securing or developing social services.

Subd. 9. [NO EXCLUSION.] A person may not be excluded from participation in a program funded under this section because of race, color, religion, sex, age, or national origin.

Sec. 3. Minnesota Statutes 1986, section 462.384, subdivision 7, is amended to read:

~~Subd. 7. "Director" "Commissioner" means the director commissioner of state planning agency exercising the authority conferred by sections 116K.01 to 116K.13 energy and economic development.~~

Sec. 4. Minnesota Statutes 1986, section 462.385, subdivision 1, is amended to read:

Subdivision 1. Development regions for the state shall be those regions so designated by the governor by executive order. The order shall provide for public hearings within each proposed region after which any county may request assignment to a region other than that proposed by the order. If a request for reassignment is unacceptable to the ~~director~~ commissioner,

the county shall remain in the originally designated region until the next session of the legislature for its review and final assignment.

Sec. 5. Minnesota Statutes 1986, section 462.385, subdivision 3, is amended to read:

Subd. 3. The ~~director~~ *commissioner* shall conduct continuous studies and analysis of the boundaries of regions and shall make recommendations for their modification where necessary. Modification may be initiated by a county, a commission, or by the ~~director~~ *commissioner* and will be accomplished in accordance with this section as in the case of initial designation.

Sec. 6. Minnesota Statutes 1986, section 462.386, subdivision 1, is amended to read:

Subdivision 1. All coordination, planning, and development regions assisted or created by the state of Minnesota or pursuant to federal legislation shall conform to the regions designated by the executive order except where, after review and approval by the ~~director~~ *commissioner*, nonconformance is clearly justified. The ~~director~~ *commissioner* shall develop working agreements with state and federal departments and agencies to insure conformance with this subdivision.

Sec. 7. Minnesota Statutes 1986, section 462.387, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Any combination of counties or municipalities representing a majority of the population of the region for which a commission is proposed may petition the ~~director~~ *commissioner* by formal resolution setting forth its desire to establish, and the need for, the establishment of a regional development commission. For purposes of this section the population of a county does not include the population of a municipality within the county.

Sec. 8. Minnesota Statutes 1986, section 462.387, subdivision 3, is amended to read:

Subd. 3. [ESTABLISHMENT.] Upon receipt of a petition as provided in subdivision 1 a regional development commission shall be established by the ~~director~~ *commissioner* and the notification of all local government units within the region for which the commission is proposed. The notification shall be made within 60 days of the director's receipt of a petition under subdivision 1.

Sec. 9. Minnesota Statutes 1986, section 462.387, subdivision 4, is amended to read:

Subd. 4. [SELECTION OF MEMBERSHIP.] The ~~director~~ *commissioner* shall call together each of the membership classifications except citizen groups, defined in section 462.388, within 60 days of the establishment of a regional development commission for the purpose of selecting the commission membership.

Sec. 10. Minnesota Statutes 1986, section 462.39, subdivision 2, is amended to read:

Subd. 2. [FEDERAL PROGRAMS.] The commission is the authorized agency to receive state and federal grants for regional purposes from the following programs:

(1) Section 403 of the Public Works and Economic Development Act of

1965 (economic development districts);

(2) Section 701 of the Housing Act of 1954, as amended (multicounty comprehensive planning);

(3) Omnibus Crime Control Act of 1968;

and for the following to the extent feasible as determined by the governor:

(a) Economic Opportunity Act of 1964;

(b) Comprehensive Health Planning Act of 1965;

(c) Federal regional manpower planning programs;

(d) Resource, conservation, and development districts; or

(e) Any state and federal programs providing funds for multicounty planning, coordination, and development purposes. The ~~director~~ *commissioner* shall, where consistent with state and federal statutes and regulations, review applications for all state and federal regional planning and development grants to a commission.

Sec. 11. Minnesota Statutes 1986, section 462.39, subdivision 3, is amended to read:

Subd. 3. [PLANNING.] The commission shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development plan for the region. The plan shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for an orderly and economic development, public and private, of the region. The comprehensive development plan shall recognize and encompass physical, social, or economic needs of the region, and those future developments which will have an impact on the entire region including but not limited to such matters as land use, parks and open space land needs, access to direct sunlight for solar energy systems, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, public and private, housing, and other public buildings. In preparing the development plan the commission shall use to the maximum extent feasible the resources studies and data available from other planning agencies within the region, including counties, municipalities, special districts, and subregional planning agencies, and it shall utilize the resources of the ~~director~~ *commissioner* to the same purpose. No development plan or portion thereof for the region shall be adopted by the commission until it has been submitted to the ~~director~~ *commissioner* for review and comment and a period of 60 days has elapsed after such submission. When a development plan has been adopted, the commission shall distribute it to all local government units within the region.

Sec. 12. Minnesota Statutes 1986, section 462.391, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF INDEPENDENT AGENCIES.] The commission shall review all long term comprehensive plans of each independent commission, board, or agency prepared for its operation and development within the region but only if the plan is determined by the commission to have a regional effect, a multicomunity effect, or to have a substantial effect on regional development. Each plan shall be submitted to the commission before any action is taken to place the plan or any part thereof, into effect. No action shall be taken to place any plan or any part thereof into effect until 60 days have elapsed after the date of its submission to the commission

or until the commission finds and notifies the submitting commission, board, or agency that the plan is consistent with its development plan for the region and the orderly and economic development of the region, whichever first occurs. If, within 60 days after the date of submission, the commission finds that a plan, or any part thereof, is inconsistent with its comprehensive plan for the region or detrimental to the orderly and economic development of the region, or any part thereof, the plan shall be indefinitely suspended. An affected independent commission, board, or agency may appeal the decision of the commission suspending a plan, or part thereof, to the commission, and if the commission and the affected independent commission, board, or agency are unable to agree as to an adjustment of the plan, so that it may receive the commission's approval, then a record of the disagreeing positions shall be made and presented for consideration and disposition by the ~~director~~ *commissioner*.

Sec. 13. Minnesota Statutes 1986, section 462.391, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF FEDERAL AND STATE AID PROGRAMS.] The commission shall review all applications of governmental units, independent commissions, boards, or agencies operating in the region for a loan or grant from the United States of America or any agency, including state agencies and colleges or universities, for public facilities, studies, or any other purpose if the application clearly is related to the region, whether or not the review is required by the federal government. The review shall advise the granting authority as to relationship of the application to the comprehensive plans and priorities of the region as established by the region. All review actions together with copies of applications shall be submitted on a regular basis for informational purposes to the ~~director~~ *commissioner*. The requirements of this subdivision do not apply to applications of governmental units or other political subdivisions which have been reviewed by a subregion or subdistrict which has been designated by the United States government as an authorized areawide review agency under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. All review actions, together with copies of applications, shall be submitted by the subregion on a regular basis to the commission for informational purposes.

Sec. 14. Minnesota Statutes 1986, section 462.391, subdivision 4, is amended to read:

Subd. 4. [REVIEW PROCEDURES.] The commission shall develop, in consultation with the ~~director~~ *commissioner*, formal procedures for the review of plans, applications, and other matters required to be submitted to it by sections 462.381 to 462.398. The procedures shall be embodied in a formal resolution adopted after public hearing. After adoption the resolution shall be transmitted to each governmental unit and independent agency, board, or commission within the region.

Sec. 15. Minnesota Statutes 1986, section 462.395, is amended to read:
462.395 [DUTIES OF STATE AGENCIES.]

All state departments and agencies shall cooperate with regional development commissions established under sections 462.381 to 462.398 and shall make available to them studies, reports, data, and other informational and technical assistance within financial and personnel limitations. The ~~director~~ *commissioner* shall coordinate the state's assistance programs to

regional planning and development commissions.

Sec. 16. Minnesota Statutes 1986, section 462.396, subdivision 1, is amended to read:

Subdivision 1. The ~~director~~ *commissioner* shall determine the amount of and make grants to any commission created under sections 462.381 to 462.398 from appropriations made available for those purposes, provided a work program is submitted acceptable to the ~~director~~ *commissioner*. Any regional commission may levy a tax on all taxable property in the region to provide money for the purposes of sections 462.381 to 462.398.

Sec. 17. Minnesota Statutes 1986, section 462.398, is amended to read:

462.398 [TERMINATION OF COMMISSION.]

Subdivision 1. Any combination of counties or municipalities representing a majority of the population of the region for which a commission exists may petition the ~~director~~ *commissioner* by formal resolution stating that the existence of the commission is no longer in the public welfare and interest and is not needed to accomplish the purposes of the regional development act of 1969. For purposes of this section the population of a county does not include the population of a municipality within the county. Any formal resolution adopted by the governing body of a county or municipality for the termination of a commission shall be effective for a period of one year for the purpose of determining the requisite population of the region needed to petition the ~~director~~ *commissioner*.

Subd. 2. Within 35 days of the receipt of the petition, the ~~director~~ *commissioner* shall fix a time and place within the region for a hearing. The ~~director~~ *commissioner* shall give notice of the hearing by publication once each week for two successive weeks before the date of the hearing in a legal newspaper in each of the counties which the commission represents. The hearing shall be conducted by members of the commission. If the commission determines that the existence of the commission is no longer in the public welfare and interest and that it is not needed to accomplish the purposes of the regional development act of 1969, the commission shall recommend to the ~~director~~ *commissioner* that the ~~director~~ *commissioner* terminate the commission. Within 60 days after receipt of the recommendation, the ~~director~~ *commissioner* shall terminate the commission by giving notice of the termination to all government units within the region for which the commission was established. Unless otherwise provided by this subdivision, the hearing shall be in accordance with sections 14.01 to 14.70.

Subd. 3. The ~~director~~ *commissioner* shall not accept a petition for termination more than once in 30 months for each regional development commission.

Sec. 18. [TRANSFER OF RESPONSIBILITIES.]

Subdivision 1. [COMMUNITY DEVELOPMENT CORPORATIONS.] *The responsibilities of the Minnesota energy and economic development authority for community development corporations under Minnesota Statutes, section 116M.04, are transferred under Minnesota Statutes, section 15.039, to the commissioner of energy and economic development.*

Subd. 2. [OTHER PROGRAMS.] *The main street program, the Minnesota community improvement program, the governor's design team, and the Minnesota beautiful program are transferred under Minnesota Statutes,*

section 15.039, from the state planning agency to the community development division of the department of energy and economic development. The four incumbents of the state planning agency responsible for the administration of these programs are transferred to the community development division of the department of energy and economic development. All employee benefits and classifications of the transferred incumbents are maintained.

Sec. 19. [REPEALER.]

Minnesota Statutes, section 116M.04, is repealed.

Sec. 20. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 5

MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY

Section 1. Minnesota Statutes 1986, section 15.039, is amended by adding a subdivision to read:

Subd. 5a. [OBLIGATIONS.] The new agency is the legal successor in all respects of the agency whose responsibilities are transferred. The bonds, resolutions, contracts, and liabilities of the agency whose responsibilities are transferred become the bonds, resolutions, contracts, and liabilities of the new agency.

Sec. 2. Minnesota Statutes 1986, section 16A.80, subdivision 2a, is amended to read:

Subd. 2a. [EXEMPT AGENCIES.] This section does not apply to:

- (1) the housing finance agency;
- (2) the state board of investment;
- (3) the iron range resources and rehabilitation board;
- (4) the higher education coordinating board; and
- (5) the higher education facilities authority; and
- ~~(6) the energy and economic development authority.~~

Sec. 3. [TRANSFER OF RESPONSIBILITIES.]

The responsibilities of the Minnesota energy and economic development authority that are not transferred to any other agency are transferred to the commissioner of energy and economic development under Minnesota Statutes, section 15.039.

Sec. 4. [BALANCES CANCELED.]

The unobligated balances in the economic development fund created in Minnesota Statutes, section 116M.06, subdivision 4, and the energy fund created in section 116M.105, must be canceled, transferred, and credited to the general fund. The commissioner of energy and economic development shall make payments from the funds until the obligations of the funds are discharged.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, sections 116M.01; 116M.02; 116M.03; 116M.06;

116M.07; 116M.08; 116M.09; 116M.10; and 116M.13, are repealed.

Sec. 6. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 6

URBAN REVITALIZATION PROGRAMS

Section 1. Minnesota Statutes 1986, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22, (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a), or (c) seasonal recreational land as defined in section 273.13, subdivision 27, paragraph (a), or subdivision 22, paragraph (c), in which event the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in section 4 and sold to the state at a tax judgment sale is two years from the date of sale. The period of redemption for other lands in a targeted neighborhood as defined in section 4 and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Sec. 2. Minnesota Statutes 1986, section 462.445, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 462.415 to 462.705 (but not the power to levy and collect taxes or special assessments except as provided in sections 462.515 to 462.545 with respect to redevelopment projects only) including the following powers in addition to others granted in these sections:

(1) To sue and be sued; to have a seal, which shall be judicially noticed, and to alter the same at pleasure; to have perpetual succession; and to make, and from time to time to amend and repeal, rules and regulations not inconsistent with these sections;

(2) To employ an executive director, technical experts, and such officers, agents, and employees, permanent and temporary, as it may require, and determine their qualifications, duties, and compensation; for such legal services as it may require, to call upon the chief law officer of the municipality or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies, in its area of operation, such local public bodies, if requested, to make such services available;

(3) To delegate to one or more of its agents or employees such powers or duties as it may deem proper;

(4) Within its area of operation to undertake, prepare, carry out, and

operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) Subject to the provisions of section 462.511, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute such leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take such action, as may be necessary or convenient to carry out the purposes of these sections;

(6) Within its area of operation to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by Minnesota Statutes 1945, chapter 117, and any amendments thereof or supplements thereto, to acquire real property which it may deem necessary for its purposes under these sections, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 462.425 or found to exist by section 462.415, subdivision 5, or is necessary to carry out a redevelopment project as defined in section 462.421, subdivision 13;

(7) Within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) of this subdivision, including by the exercise of the power of eminent domain, in the manner provided by chapter 117, and without the adoption of a resolution provided for in subdivision 1, clause (6), real property, and to demolish, remove, rehabilitate or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill and construct foundations or otherwise prepare the site for improvements, and to dispose of said property pursuant to section 462.525, provided that the provisions of section 462.525 requiring conformance to an urban renewal plan shall not apply, and to finance such activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 462.545 or by means of contributions from the municipality provided for in section 462.581, clause (9), or by any combination of such means; provided that, real property with buildings or improvements thereon shall only be acquired when the buildings or improvements are substandard; and provided further that the exercise of the power of eminent domain under this clause shall be limited to real property which contains buildings and improvements which are vacated and substandard. For the purpose of this subparagraph, substandard buildings or improvements mean *hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community.*

(8) Within its area of operation to determine the level of income constituting low or moderate family income. Such income level shall be that level below which there is not available within the area of operation a substantial supply of decent, safe and sanitary housing provided by private enterprise without subsidy at prices or rents within the financial means of persons and families of such incomes. The authority may establish various income levels for various family sizes. In making its determination the

authority may consider income levels which may be established by the federal housing administration or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use such determination as a basis for the maximum amount of income for admissions to housing development projects owned or operated by it;

(9) To provide in federally assisted projects such relocation payments and assistance as may be necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto.

Sec. 3. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 3 to 10, the following terms have the meanings given in this section.

Subd. 2. [CITY.] "City" means the city of Minneapolis or the city of Saint Paul. For each city, a port authority, housing and redevelopment authority or other agency or instrumentality, the jurisdiction of which is the territory of the city, is included within the meaning of city.

Subd. 3. [CITY COUNCIL.] "City council" means either the city council of Minneapolis or the city council of Saint Paul.

Subd. 4. [CITY MATCHING MONEY.] "City matching money" means the money of a city specified in a revitalization and financing program to be spent to implement a revitalization program. The sources of city matching money may include:

(1) money from the general fund or a special fund of a city used to implement a revitalization program;

(2) money paid or repaid to a city from the proceeds of a grant that a city has received from the federal government, a profit or nonprofit corporation, or another entity or individual, that is to be used to implement a revitalization program;

(3) tax increments received by a city under sections 273.71 to 273.78 or other law, if eligible, to be spent in the targeted neighborhood;

(4) the greater of the fair market value or the cost to the city of acquiring land, buildings, equipment, or other real or personal property that a city contributes, grants, or loans to a profit or nonprofit corporation, or other entity or individual in connection with the implementation of a revitalization program;

(5) city money to be used to install, reinstall, repair, or improve the infrastructure facilities of a targeted neighborhood;

(6) money contributed by a city to pay issuance costs or to otherwise provide financial support for revenue bonds or obligations issued by a city for a project or program related to the implementation of a revitalization program;

(7) money derived from fees received by a city in connection with its community development activities that are to be used in implementing a revitalization program.

City matching money does not include:

(1) city money used to provide a service or exercise a function that is

ordinarily provided throughout the city, unless an increased level of the service or function is to be provided in a targeted neighborhood in accordance with a revitalization program;

(2) the proceeds of revenue bonds issued by the city under chapter 458, 462C, 472, or 474; or

(3) administrative expenses that are incurred in connection with the planning or implementation of sections 4 to 9.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of energy and economic development.

Subd. 6. [LOST UNIT.] "Lost unit" means a rental housing unit that is lost as a result of revitalization activities because it is demolished, converted to an owner-occupied unit that is not a cooperative, converted to a nonresidential use, or if the gross rent to be charged exceeds 125 percent of the gross rent charged for the unit six months before the start of rehabilitation.

Subd. 7. [TARGETED NEIGHBORHOOD.] "Targeted neighborhood" means an area including one or more census tracts as determined and measured by the bureau of census of the United States Department of Commerce that meet the criteria of section 4, subdivision 2, and any additional area designated under section 4, subdivision 3.

Subd. 8. [TARGETED NEIGHBORHOOD MONEY.] "Targeted neighborhood money" means the money designated in the revitalization program to be used to implement the revitalization program.

Subd. 9. [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM.] "Targeted neighborhood revitalization and financing program," "revitalization program," or "program" means the targeted neighborhood revitalization and financing program adopted in accordance with section 5.

Sec. 4. [DESIGNATION OF TARGETED NEIGHBORHOODS.]

Subdivision 1. [CITY AUTHORITY.] A city may by resolution designate targeted neighborhoods within its borders after adopting detailed findings that the designated neighborhoods meet the eligibility requirements in subdivision 2 or 3.

Subd. 2. [ELIGIBILITY REQUIREMENTS FOR TARGETED NEIGHBORHOODS.] An area within a city is eligible for designation as a targeted neighborhood if the area meets two of the following three requirements:

(a) The area had an unemployment rate that was twice the unemployment rate for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the 1980 federal decennial census.

(b) The median household income in the area was no more than half the median household income for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the 1980 federal decennial census.

(c) The area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this clause if 25 percent or more of the residential dwelling units are in substandard condition as determined by the city or 70 percent or more of the residential dwelling units in the area were built before 1940 as determined by the 1980 federal

decennial census.

Subd. 3. [ADDITIONAL AREA ELIGIBLE FOR INCLUSION IN TARGETED NEIGHBORHOOD.] The city may add to the area designated as a targeted neighborhood under subdivision 2 additional area extending up to four contiguous city blocks in all directions from the designated targeted neighborhood. For the purpose of this subdivision, "city block" has the meaning determined by the city.

Sec. 5. [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM REQUIREMENTS.]

Subdivision 1. [COMPREHENSIVE REVITALIZATION AND FINANCING PROGRAM.] (a) For each targeted neighborhood for which a city requests state financial assistance under section 6, the city must prepare a comprehensive revitalization and financing program that includes the following:

(1) the revitalization objectives of the city for the targeted neighborhood;
(2) the specific activities or means by which the city intends to pursue and implement the revitalization objectives;

(3) the extent to which the activities identified in clause (2) will benefit low and moderate income families, will alleviate the blighted condition of the targeted neighborhood, or will otherwise assist in the revitalization of the targeted neighborhood;

(4) a statement of the intended outcomes to be achieved by implementation of the revitalization program, how the outcomes will be measured both qualitatively and quantitatively, and the estimated time over which they will occur; and

(5) a financing program and budget that identifies the financial resources necessary to implement the revitalization program.

(b) The financing program and budget must include the following items:

(1) the estimated total cost to implement the revitalization program;

(2) the estimated cost to implement each activity in the revitalization program identified in paragraph (a), clause (2);

(3) the estimated amount of financial resources that will be available from all sources other than from the appropriation available under section 6 to implement the revitalization program;

(4) the estimated amount of the appropriation available under section 6 that will be necessary to implement the revitalization program;

(5) a description of the activities identified in the revitalization program for which the state appropriation will be used and the time or times at which the state appropriation will be committed or spent; and

(6) a statement of how the city intends to meet the requirement for a financial contribution matching the state appropriation from city matching money in accordance with section 6, subdivision 3.

Subd. 2. [TARGETED NEIGHBORHOOD PARTICIPATION IN REVITALIZATION PROGRAM DEVELOPMENT.] The city must develop a process to consult the residents in the targeted neighborhood concerning the development, drafting, and implementation of the revitalization program. The process may include the establishment of an advisory board in

each city. The process must include at least one public hearing.

Subd. 3. [PRELIMINARY CITY REVIEW; STATE AGENCY REVIEW.] Before adoption of the revitalization program under subdivision 4, the city must submit a draft program to the commissioner and the Minnesota housing finance agency for their comment. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.

Subd. 4. [CITY APPROVAL.] The city may adopt the revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days before the date of the hearing.

Subd. 5. [PROGRAM CERTIFICATION.] A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the Minnesota housing finance agency.

Subd. 6. [REVITALIZATION PROGRAM MODIFICATION.] The revitalization program may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under subdivision 5, it must implement the revitalization program approval and certification process of subdivisions 2 to 5 for the proposed modification.

Sec. 6. [PAYMENT; CITY MATCHING MONEY; DRAWDOWN; USES OF STATE MONEY.]

Subdivision 1. [PAYMENT OF STATE MONEY.] Upon receipt from a city of the certification that a revitalization program has been adopted or modified, the commissioner must, within 30 days, pay to the city the amount of state money identified as necessary to implement the revitalization program or program modification. State money may be paid to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded. Once the state money has been paid to the city, it becomes targeted neighborhood money for use by the city in accordance with an adopted revitalization program and subject only to the restrictions on its use in sections 3 to 10.

Subd. 2. [ALLOCATION.] A city may receive a part of the appropriations made available that is the proportion that the population of the city bears to the combined population of Minneapolis and Saint Paul. One city may agree to reduce its entitlement amount so that the other may receive an amount more than its entitlement amount. The population of each city for the purposes of this subdivision is determined according to the most recent estimates available to the commissioner. Interest earned by a city from money paid to the city must be repaid to the commissioner annually unless the revitalization program identifies the interest as necessary to implement the revitalization program and the requirement for city matching

money is satisfied with respect to the interest.

Subd. 3. [CITY MATCHING MONEY; DRAWDOWN OF STATE MONEY; RESTRICTION ON USE OF STATE MONEY.] *A city may spend state money only if the revitalization program identifies city matching money to be used to implement the program in an amount equal to the state appropriation. A city must keep the state money in a segregated fund for accounting purposes. No state money may be used to pay the general administrative expenses of a city that are incurred in connection with the planning or implementation of sections 3 to 10.*

Sec. 7. [CITY POWERS AND ELIGIBLE USES OF TARGETED NEIGHBORHOOD MONEY.]

Subdivision 1. [CONSOLIDATION OF EXISTING POWERS IN TARGETED NEIGHBORHOODS.] *A city may exercise any of its corporate powers within a targeted neighborhood including, but not limited to, all of the powers enumerated and granted by chapters 458, 462, 462C, 472, 472A, and 474. For the purposes of chapter 458, a targeted neighborhood is considered an industrial development district. A city may exercise the powers of chapter 458 in conjunction with, and in addition to, exercising the powers granted by chapters 462 and 462C in order to promote and assist housing construction and rehabilitation within a targeted neighborhood. For the purposes of section 462C.02, subdivision 9, a targeted neighborhood is considered a "targeted area."*

Subd. 2. [GRANTS AND LOANS.] *In addition to the authority granted by other law, a city may make grants and loans to individuals, for-profit and nonprofit corporations, and other organizations to implement a revitalization program. The grants and loans must contain the terms concerning use of money, repayment, and other conditions the city deems proper to implement a revitalization program.*

Subd. 3. [ELIGIBLE USES OF TARGETED NEIGHBORHOOD MONEY.] *The city may spend targeted neighborhood money for any purpose authorized by subdivision 1 or 2. Use of targeted neighborhood money must be authorized in a revitalization program.*

Sec. 8. [HAZARDOUS BUILDING PENALTY.]

A city may assess a penalty equal to one percent of the assessed value of a building located in a targeted neighborhood defined in section 4 that the city determined to be hazardous as defined in section 463.15, subdivision 3. If the owner of the building has not paid the penalty and fixed the property within 30 days after receiving notice of the penalty, the penalty is considered delinquent and is increased by 25 percent each 60 days the penalty is not paid and the property remains hazardous. For the purposes of this section, a penalty that is delinquent is considered a delinquent property tax and subject to Minnesota Statutes, chapters 279, 280, and 281, in the same manner as delinquent property taxes.

Sec. 9. [ANNUAL AUDIT AND REPORT.]

Subdivision 1. [ANNUAL FINANCIAL AUDIT.] *In 1988 and subsequent years, at the end of each calendar year, the legislative auditor shall conduct a financial audit to review the spending of state money under sections 3 to 10. Before spending state money to implement a revitalization program, the city must consult with the legislative auditor to determine appropriate accounting methods and principles that will assist the legis-*

lative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission, the state planning agency, the commissioner, and the Minnesota housing finance agency.

Subd. 2. [ANNUAL REPORT.] A city that begins to implement a revitalization program in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed report on the revitalization program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 5, subdivision 1, paragraph (a), clause (4), are being achieved. The report must include at least the following:

(a) The number of housing units removed, created, lost, replaced, relocated, and assisted as a result of the program. The level of rent of the units and the income of the households affected must be included in the report.

(b) The number and type of commercial establishments removed, created, and assisted as a result of a revitalization program. The report must include information regarding the number of new jobs created by category, whether the jobs are full time or part time, and the salary or wage levels of both new and expanded jobs in the affected commercial establishments.

(c) A description of a statement of the cost of the public improvement projects that are part of the program and the number of jobs created per each \$20,000 of funds expended on commercial projects and applicable public improvement projects.

(d) The increase in the assessed valuation for the city as a result of the assistance to commercial and housing assistance.

(e) The amount of private investment that is a result of the use of public money in a targeted neighborhood.

The report must be submitted to the commissioner, the Minnesota housing finance agency, and the legislative audit commission, and must be available to the public.

Sec. 10. [APPROPRIATION; DISTRIBUTION.]

\$11,000,000 is appropriated from the general fund to the commissioner of energy and economic development for payment to the cities of Minneapolis and Saint Paul as provided in section 6. \$5,500,000 is for fiscal year 1988 and \$5,500,000 is for fiscal year 1989.

Sec. 11. [REPEALER.]

Laws 1969, chapters 833 and 984, are repealed.

Sec. 12. [EFFECTIVE DATE; LOCAL APPROVAL.]

Sections 3 to 10 are effective for the city of Minneapolis the day after compliance with section 645.021, subdivision 3, by the governing body of the city of Minneapolis.

Sections 3 to 10 are effective for the city of Saint Paul the day after compliance with section 645.021, subdivision 3, by the governing body of the city of Saint Paul.

ARTICLE 7

NATURAL RESOURCES

Section 1. [93.001] [POLICY FOR MINERAL DEVELOPMENT.]

It is the policy of the state to provide for the diversification of the state's mineral economy through long-term support of mineral exploration, evaluation, development, production, and commercialization.

Sec. 2. [93.002] [MINERAL COORDINATING COMMITTEE.]

Subdivision 1. [ESTABLISHMENT.] The mineral coordinating committee is established to plan for diversified mineral development. The mineral coordinating committee consists of the director of the minerals division of the department of natural resources, the director of the Minnesota geological survey, the director of the University of Minnesota mineral resources research center, and the director of the natural resources research institute. The director of the minerals division of the department of natural resources shall serve as chair. A member of the committee may designate another person of the member's organization to act in the member's place. The commissioner of natural resources shall provide staff and administrative services necessary for the committee's activities.

Subd. 2. [MINERAL DIVERSIFICATION PLAN.] The mineral coordinating committee shall prepare and adopt a ten-year plan for mineral diversification. The plan must include a strategy to:

- (1) increase the knowledge of the state's mineral potential;*
- (2) stimulate the development of mineral resources in the state; and*
- (3) promote basic minerals research.*

The plan must also include a two-year plan that establishes funding priorities for the minerals programs under subdivision 3. The funding priorities must be updated every two years.

Subd. 3. [MINERALS PROGRAMS.] The mineral diversification plan must address at least the following: aeromagnetic surveys, glacial till geochemistry surveys, geologic drilling and mapping, LMIC minerals data base, drill core examination and assay, industrial minerals characterization and research, bedrock geochemistry, nonferrous minerals research, reclamation studies, economic evaluation of mineral resources, improved geophysical and remote sensing base, acquisition of sampling equipment and analyses, determination of mineral rights ownership, ferrous minerals research, evaluation of mineral resource occurrence, evaluation of value added processes, ore deposit modeling, and basic mineral research.

Subd. 4. [SUBMISSION OF PLAN AND FUNDING PRIORITIES.] (a) The minerals coordinating committee shall submit the minerals diversification plan to the legislature by December 31, 1987.

(b) By January 15 of each odd-numbered year, the minerals coordinating committee shall submit the two-year funding priority plan required under subdivision 2 to the chairs of the house appropriations and environment and natural resources committees and the chairs of the senate finance and environment and natural resources committees.

Sec. 3. [APPROPRIATION.]

Subdivision 1. [MINERALS PROGRAMS.] \$1,000,000 is appropriated

from the general fund to the commissioner of natural resources to accelerate geological mapping of the state, accelerate evaluation of the state's mineral potential and other natural resources, and provide analytical support for the minerals industry according to the mineral diversification plan or a minerals industry acceleration plan developed by the minerals coordinating committee. \$500,000 is for fiscal year 1988 and \$500,000 is for fiscal year 1989.

Subd. 2. [COUNTY FORESTRY ASSISTANCE PROGRAMS.] \$1,750,000 is appropriated from the general fund to the commissioner of natural resources for grants to counties or groups of counties for county forestry assistance programs. \$875,000 is for fiscal year 1988 and \$875,000 is for fiscal year 1989. The commissioner of natural resources shall make the appropriation available to counties with the amount proportional to the acreage of forested tax-forfeited land managed by the county. As a condition of receiving money, the commissioner of natural resources shall require work plans, semiannual progress reports, and final project reports.

Subd. 3. [FORESTRY MANAGEMENT.] \$250,000 is appropriated from the general fund to the commissioner of natural resources for implementation of the forestry management plan required in Minnesota Statutes, section 89.011, on land that is not managed for the school trust fund. \$125,000 is for fiscal year 1988 and \$125,000 is for fiscal year 1989.

Sec. 4. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 8 IRON RANGE RESOURCES AND REHABILITATION

Section 1. [NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT FUND.]

Subdivision 1. [APPROPRIATION.] \$5,000,000 is appropriated from the general fund to the commissioner of iron range resources and rehabilitation. \$300,000 of this appropriation must be used in the same manner as money appropriated under section 298.17.

Subd. 2. [PURPOSE OF EXPENDITURES.] The money appropriated in this section may be used for projects and programs for which technological and economic feasibility have been demonstrated and that have the following purposes:

(1) creating and maintaining productive, permanent, skilled employment, including employment in technologically innovative businesses; and

(2) encouraging diversification of the economy and promoting the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism.

Subd. 3. [USE OF MONEY.] The money appropriated under this section may be used to provide loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan must be no less than the lesser of eight percent or the rate of interest set by the Minnesota development board for comparable small business development loans at that time.

Money appropriated in this section must be expended only in or for the

benefit of the tax relief area defined in Minnesota Statutes, section 273.134, and as otherwise provided in section 1, subdivision 1.

Subd. 4. [PROJECT APPROVAL.] The board shall by August 1, 1987, and each year thereafter prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:

(1) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;

(2) the prospective benefits of the expenditure exceed the anticipated costs; and

(3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

To be proposed by the board, a project must be approved by at least eight iron range resources and rehabilitation board members and the commissioner of iron range resources and rehabilitation. The list of projects must be submitted to the legislative advisory commission for its review. The list with the recommendation of the legislative advisory commission must be submitted to the governor, who shall, by November 15 of each year, approve or disapprove, or return for further consideration, each project. The money for a project may be spent only upon approval of the project by the governor.

The board may submit supplemental projects for approval at any time. Supplemental projects must be submitted to the members of the legislative advisory commission for their review and recommendations of further review. If a recommendation is not provided within ten days, no further review by the legislative advisory commission is required, and the governor shall approve or disapprove each project or return it for further consideration. If the recommendation by a member is for further review, the governor shall submit the request to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.

Subd. 5. [ADVISORY COMMITTEES.] Before submission to the board of a proposal for a project for expenditure of money appropriated under this section, the commissioner of iron range resources and rehabilitation shall appoint a technical advisory committee consisting of at least seven persons who are knowledgeable in areas related to the objectives of the proposal. If the project involves investment in a scientific research proposal, at least four of the committee members must be knowledgeable in the specific scientific research area relating to the project. Members of the committees shall be compensated as provided in Minnesota Statutes, section 15.059, subdivision 3. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee.

Subd. 6. [USE OF REPAYMENTS AND EARNINGS.] Principal and interest received in repayment of loans made under this section must be deposited in the state treasury and are appropriated to the board for the purposes of this section.

Sec. 2. Minnesota Statutes 1986, section 298.292, is amended to read:
298.292 [POLICY.]

Subdivision 1. [PURPOSES.] The legislature is cognizant of the severe economic dislocations and widespread unemployment that result when a single industry on which an area is largely dependent, experiences a drastic reduction in activity. The northeast Minnesota economic protection trust fund is hereby created to be devoted to economic rehabilitation and diversification of industrial enterprises where these conditions ensue as the result of the decline of such a single industry. Priority shall be given to using the northeast Minnesota economic protection trust fund for the following purposes:

(a) (1) projects and programs that are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses;

(b) (2) projects and programs to encourage diversification of the economy and to promote the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism; and

(c) (3) projects and programs for which technological and economic feasibility have been demonstrated;

(d) *Subd. 2. [USE OF MONEY.]* Money in the northeast Minnesota economic protection trust fund may be used for the following purposes:

(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan shall be no less than the lesser of eight percent or the rate of interest set by the Minnesota development board for comparable small business development loans at that time;

(e) funding (2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211; and

(f) (3) to pay in periodic payments or in a lump sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources; and

(4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the northeast Minnesota economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made by an investor other than the northeast Minnesota economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during

the period beginning one year before the date of the investment by the northeast Minnesota economic protection trust fund.

Money from the trust fund shall be expended only in or for the benefit of the tax relief area defined in section 273.134.

Sec. 3. Minnesota Statutes 1986, section 298.296, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURE OF FUNDS.] Before January 1, 2002, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust. On and after January 1, 2002, funds may be expended on projects and for administration from any assets of the trust. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

Principal and interest received in repayment of loans made pursuant to this section, *and earnings on other investments made under section 298.292, subdivision 2, clause (4)*, shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment.

ARTICLE 9

MINNESOTA DEVELOPMENT PROGRAM

Section 1. Minnesota Statutes 1986, section 41A.01, is amended to read:

41A.01 [PURPOSE.]

Sections 41A.01 to ~~41A.06~~ *41A.08* provide a ~~framework for an agricultural resource loan guaranty program; the purposes of which are to further the development of the state's agricultural resources and improve the market for its agricultural products and economic development in the state.~~ All credit advanced pursuant to loan guaranty commitments is to be secured by subrogation of the state to mortgage security and other security interests granted to the private lender, in proportion to the amount advanced by the state. A ~~loan guaranty~~ board is established to investigate the feasibility of each project, its conformity to public policy and to environmental standards, the qualifications of the owners, operators, and lenders, and the nature and extent of the security, prior to commitment. The board shall also seek to secure financial participation by private persons not supported by the guaranty, to assure that in these respects each project satisfies and will continue to satisfy criteria which are adequate in the judgment of the board.

Sec. 2. Minnesota Statutes 1986, section 41A.02, subdivision 3, is amended to read:

Subd. 3. [~~AGRICULTURAL RESOURCE LOAN GUARANTY MINNESOTA DEVELOPMENT BOARD; BOARD.~~] "~~Agricultural resource loan guaranty Minnesota development board~~" or "~~board~~" means consists of the commissioner of finance as chair, the commissioner of agriculture, ~~the commissioner of commerce,~~ the commissioner of energy and economic development, and the director of the pollution control agency, ~~the chair of the greater Minnesota corporation,~~ and two public members with experience in finance, appointed by the governor.

Sec. 3. Minnesota Statutes 1986, section 41A.02, subdivision 4, is amended to read:

Subd. 4. [~~AGRICULTURAL RESOURCE LOAN GUARANTY MINNESOTA DEVELOPMENT FUND; GUARANTY DEVELOPMENT FUND.~~] "~~Agricultural resource loan guaranty Minnesota development fund~~" or "~~guaranty development fund~~" means the fund created by section 41A.05.

Sec. 4. Minnesota Statutes 1986, section 41A.02, subdivision 6, is amended to read:

Subd. 6. [AGRICULTURAL RESOURCE PROJECT; PROJECT.] "Agricultural resource project" or "project" means (1) any facility, or portion of a facility, located in the state which is operated or to be operated primarily for the production from agricultural resources of marketable products, (2) buildings, equipment, and land used for the commercial production of turkeys or turkey products, (3) a facility or portion of a facility used for the commercial production of fish or of products made from commercially-produced fish, or (4) real or personal property used or useful in connection with a new or expanding business, that is not used for the production of livestock, other than poultry, or for the production of crops, plants, or milk. The land in clause (2) is limited to land on which buildings and equipment are situated and immediately surrounding land used for storage, waste disposal, or other functions directly related to the commercial production of turkeys or turkey products at that project site. The land in clause (2) does not include land used for the growing or raising of crops or the grazing of livestock other than poultry. A project includes a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Sec. 5. Minnesota Statutes 1986, section 41A.02, subdivision 11, is amended to read:

Subd. 11. [LENDER.] "Lender" means a corporation or any investment or commercial banking institution, savings and loan institution, insurance company, investment company, or other financial institution or institutional investor making, purchasing, or participating in a loan or any part of a loan, or a public entity authorized to make agricultural loans.

Sec. 6. Minnesota Statutes 1986, section 41A.02, is amended by adding a subdivision to read:

Subd. 16. [ELIGIBLE SMALL BUSINESS.] "Eligible small business" means:

(1) an enterprise determined by the board to constitute a small business concern as defined in regulations of the United States Small Business Administration under United States Code, title 15, sections 631 to 647; or

(2) a business eligible to receive assistance under section 12.

Sec. 7. Minnesota Statutes 1986, section 41A.02, is amended by adding a subdivision to read:

Subd. 17. [SMALL BUSINESS DEVELOPMENT LOAN.] "Small business development loan" means a loan to a business that is an "eligible small business" to finance:

(1) capital expenditures on an interim or long-term basis to acquire or improve land, acquire, construct, rehabilitate, remove, or improve buildings, or to acquire and install fixtures and equipment useful to conduct a small business, including facilities of a capital nature useful or suitable for a business engaged in an enterprise promoting employment including, without limitation, facilities included within the meaning of the term "project" as defined in sections 474.02, subdivisions 1 to 1f, and 474.03, subdivision 4; or

(2) short-term costs of conducting a small business.

Sec. 8. [41A.021] [SUCCESSOR STATUS.]

The board is the legal successor in all respects of the agricultural resource loan guaranty board established by Laws 1984, chapter 502, article 10, and all bonds, resolutions, contracts, and liabilities of the agricultural resource loan guaranty board are the bonds, resolutions, contracts, and liabilities of the board as renamed and reconstituted by section 41A.02, subdivision 3.

Sec. 9. [41A.022] [MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY; SUCCESSOR STATUS.]

The board is the legal successor in all respects of the Minnesota energy and economic development authority under the general bond resolution for the Minnesota small business development loan program, as amended and restated by the authority on September 24, 1986. All bonds, resolutions, contracts, and liabilities of the Minnesota energy and economic development authority relating to the Minnesota small business development loan program are the bonds, resolutions, contracts, and liabilities of the Minnesota development board.

Sec. 10. [41A.023] [POWERS.]

In addition to other powers granted by this chapter, the board may:

- (1) sue and be sued;*
- (2) acquire, hold, lease, and transfer any interest in real and personal property for its corporate purposes;*
- (3) sell at public or private sale any instrument or obligation evidencing a loan;*
- (4) obtain insurance on its property;*
- (5) obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions;*
- (6) enter into other agreements or transactions, without regard to chapter 16B, that the board considers necessary or appropriate to carry out the purposes of this chapter with federal or state agencies, political subdivisions of the state, or other persons, firms, or corporations;*

(7) establish and collect fees without regard to chapter 14 and section 16A.128;

(8) accept appropriations, gifts, grants, and bequests;

(9) use money received from any source for any legal purpose or program of the board;

(10) participate in loans for agricultural resource projects in accordance with section 11;

(11) provide small business development loans in accordance with section 12; and

(12) guarantee or insure bonds or notes issued by the board.

Sec. 11. [41A.035] [AGRICULTURAL RESOURCES LOAN PARTICIPATION.]

The board may participate in loans made to finance agricultural resource projects by purchasing from a lender up to 75 percent of the amount of each eligible loan. If the loan participated in is for \$500,000 or less, the loan may be for 100 percent of the cost of the project. If the loan participated in exceeds \$500,000, the loan may not exceed 80 percent of the cost of the project. The lender shall service the loan or cause it to be serviced in a manner that equally protects the lender's and the board's interests.

Sec. 12. [41A.036] [SMALL BUSINESS DEVELOPMENT LOANS.]

Subdivision 1. [LOANS; LIMITATIONS.] (a) The board may make, purchase, or participate with financial institutions in making or purchasing small business development loans not exceeding \$1,000,000 in principal amount with respect to small business loans made or purchased by the board and not exceeding \$1,000,000 principal amount with respect to the board's share when the board participates in making or purchasing small business loans.

(b) With respect to loans that the board makes or purchases or participates in, the board may determine or provide for their servicing, the percentage of board participation, if any, the times the loans or participations are payable and the amounts of payment, their amount and interest rates, their security, if any, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The board may enter into commitments to purchase or participate with financial institutions or other persons upon the terms, conditions, and provisions determined by it. Loans or participations may be serviced by financial institutions or other persons designated by the board.

(c) The board shall obtain the best available security for all loans. The board may provide for or require the insurance or guaranteeing of the loans or board participations in whole or in part by the federal government or a department, agency, or instrumentality of it, by an appropriate board account, or by a private insurer.

Subd. 2. [SMALL BUSINESS DEVELOPMENT LOANS; PREFERENCES.] The following eligible small businesses have preference among all business applicants for small business development loans:

(1) businesses located in rural areas of the state that are experiencing

the most severe unemployment rates in the state;

(2) businesses that are likely to expand and provide additional permanent employment in rural areas of the state;

(3) businesses located in border communities that experience a competitive disadvantage due to location;

(4) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;

(5) businesses that utilize state resources and reduce state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state; and

(6) businesses located in designated enterprise zones, as described in section 273.1312, subdivision 4.

Subd. 3. [LOCAL GOVERNMENTAL UNIT SPONSOR; RESOLUTION.] A business applying for a loan must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located. For purposes of this paragraph, "local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area, a county when the project is located in an unincorporated area, or an American Indian tribal council when the project is located within a federally recognized American Indian reservation or community.

Sec. 13. Minnesota Statutes 1986, section 41A.05, subdivision 1, is amended to read:

~~Subdivision 1. [ESTABLISHMENT OF FUND.] For the purpose of developing the state's agricultural resources by extending credit on real estate security, the agricultural resource loan guaranty The Minnesota development fund is established as a special and dedicated fund to be held and invested separately from all other funds of the state. All money appropriated to the fund, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the fund pursuant to law or pursuant to the terms of grants, contributions, or contracts are appropriated and shall remain available for the purposes of the fund until those purposes have been fully accomplished to the board to carry out the purposes of this chapter. The board may maintain or establish within the guaranty Minnesota development fund reserve funds accounts, project accounts, trustee accounts, special guaranty fund accounts, or other restrictions it determines necessary or appropriate to carry out the purposes of this chapter. Except as otherwise provided in this section, the fund may be used only for paying amounts due under loan guaranties and principal and interest assistance contracts entered into by the state, pursuant to the agricultural resource loan guaranty program. The board may enter into pledge and escrow agreements or indentures of trust with a trustee for the purpose of maintaining the accounts.~~

Sec. 14. Minnesota Statutes 1986, section 41A.05, subdivision 2, is amended to read:

~~Subd. 2. [ISSUANCE OF BONDS.] (a) Subject to section 16A.80, upon application pursuant to section 41A.04, The board by resolution may exercise the powers of a rural development authority under sections 362A.01~~

to 362A.05 and the powers of a municipality under chapter 474 for the purposes of ~~providing money to pay the costs of financing~~ a project, including the issuance of bonds and the ~~loan~~ application of the bond proceeds pursuant to a lease, *loan*, *loan guaranty*, *loan participation*, or other agreement. The bonds must be issued, sold, and secured on the terms and conditions and in the manner determined by resolution of the board. ~~Sections Section 16A.80 and 474.23 do~~ does not apply to the bonds. Notwithstanding subdivision 1, a reserve established for the bonds provided by the borrower, including out of bond proceeds, may be deposited and held in a separate account in the ~~guaranty~~ *Minnesota development* fund and applied to the last installments of principal or interest on the bonds, subject to the reserves being withdrawn for any purpose permitted by subdivision 1. The board may by resolution or indenture pledge any or all amounts in the ~~guaranty~~ fund, including any reserves and investment income on amounts in the fund, to secure the payment of principal and interest on any or all series of bonds, upon the terms and conditions as provided in the resolution or indenture. To the extent the board deems necessary or desirable to prevent interest on bonds from becoming subject to federal income taxation, (1) the amounts in the ~~guaranty~~ fund shall be invested in obligations or securities with restricted yields and (2) the investment income on the amounts are released from the pledge securing the bonds or loan guaranty and appropriately applied to prevent taxation.

(b) Bonds issued pursuant to this chapter are not general obligations of the state or the board. The full faith and credit and taxing powers of the state and the board are not and may not be pledged for the payment of the bonds. No person may compel the levy of a tax for the payment or compel the appropriation of money of the state or the board for the payment of the bonds, except as specifically provided in this chapter.

(c) ~~The issuance of bonds pursuant to this subdivision is subject to sections 474.18 to 474.25.~~ For purposes of sections ~~474.16 474A.01 to 474.20 474A.21~~, the board is a local issuer and may apply for allocations of authority to issue private activity obligations and may enter into an agreement for the issuance of obligations by another issuer.

Sec. 15. Minnesota Statutes 1986, section 41A.08, is amended to read:
41A.08 [STAFF]

Subdivision 1. [EMPLOYEES.] Subject to all other applicable laws governing employees of or employment by a department or agency of the state, the commissioner of energy and economic development, on behalf of the board, may retain or employ the officers, employees, agents, contractors, and consultants the commissioner determines necessary or appropriate to discharge the functions of the board in respect to the agricultural resource loan program. The commissioner shall define their duties and responsibilities.

Subd. 2. [EXECUTIVE DIRECTOR.] *The commissioner shall employ, with the concurrence of the board, an executive director. The executive director shall perform the duties that the board may require in carrying out its responsibilities. The executive director's position is in the unclassified service.*

Sec. 16. [RESPONSIBILITIES TRANSFERRED TO MINNESOTA DEVELOPMENT BOARD.]

Subdivision 1. [TRANSFER.] *The responsibilities under the general bond resolution for the Minnesota small business development loan pro-*

gram, as amended and restated by the authority on September 24, 1986, are transferred from the Minnesota energy and economic development authority to the Minnesota development board. Money designated or committed to the small business development loan program is transferred to the Minnesota development fund, to be credited to a separate account to be used to carry out the purposes specified in section 9. This transfer includes four classified positions from the financial management division of the department of energy and economic development. Minnesota Statutes, section 15.039 applies to the transfer of responsibilities.

Subd. 2. [POWERS CONTINUED.] To carry out the purposes specified in section 9, the board may exercise the powers granted to the Minnesota energy and economic development authority under Minnesota Statutes 1986, sections 116M.06, 116M.07, and 116M.08, notwithstanding the repeal of those sections.

Sec. 17. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the phrase "agricultural resource loan guaranty board" wherever it appears in Minnesota Statutes to "Minnesota development board" in the next and subsequent editions of the statutes.

Sec. 18. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the phrase "agricultural resource loan guaranty fund" wherever it appears in Minnesota Statutes to "Minnesota development fund" in the next and subsequent editions of the statutes.

Sec. 19. [APPROPRIATION.]

\$400,000 is appropriated from the general fund for transfer to the Minnesota development fund. \$200,000 is for fiscal year 1988 and \$200,000 is for fiscal year 1989.

Sec. 20. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 10

EDUCATION AND TRAINING PROGRAMS

Section 1. Minnesota Statutes 1986, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] Members shall be appointed as follows: four members appointed by the speaker of the house; one member appointed by the minority leader of the house; four members appointed by the majority leader of the senate; one member appointed by the minority leader of the senate; eight members appointed by the governor; and the ~~commissioners of the departments~~ commissioner of energy and economic development, ~~education, and jobs and training~~ the commissioner of jobs and training, and the state director of vocational technical education.

Sec. 2. [116L.06] [RURAL TRAINING PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "low-income" means equal to or below the nonmetropolitan median household income. "Principally" means more than half. "Rural Minnesota" means the part of the state outside the metropolitan area as defined in section

473.121, subdivision 2.

Subd. 2. [TRAINING PROGRAM.] The partnership may provide grants to educational or other nonprofit institutions for training for new or expanding businesses located in rural Minnesota. Grants may be awarded only for training projects designed principally to benefit low-income persons. The partnership shall follow the criteria and guidelines in sections 116L.02 and 116L.04 to establish and administer the program.

Subd. 3. [NEW BUSINESS SET-ASIDE.] The partnership may set aside up to 50 percent of the amount available for the rural training program to provide grants for new businesses locating in rural Minnesota. A set-aside grant may not be made for an existing business located in the metropolitan area as defined in section 473.121, subdivision 2, that relocates to rural Minnesota. The partnership shall use the guidelines in section 116L.04 to establish and administer the program, except that a committee consisting of the commissioner of energy and economic development, the executive director of the Minnesota job skills partnership board, and the state director of vocational technical education may give final approval for training applications by a majority vote of the committee. Any amount left in the set-aside program at the end of the 1988 fiscal year may be used for the rural training program established by subdivision 2.

Sec. 3. [136A.134] [GRANTS TO DISLOCATED RURAL WORKERS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The higher education coordinating board shall develop policies and procedures to administer a dislocated rural worker grant program and to allocate program money to eligible institutions and shall supervise the operation of the program.

Subd. 2. [ELIGIBLE INSTITUTIONS.] For purposes of this section, "eligible institution" has the meaning given it in section 136A.101.

Subd. 3. [APPLICANTS.] An applicant may be considered for a dislocated rural worker grant if the applicant:

(1) is a resident of rural Minnesota;

(2) is enrolled in an adult farm management program or a program designed to provide preparation for available employment within the local labor market or in an area to which the individual is willing to relocate;

(3) has met the financial need criteria established by the board; and

(4) can demonstrate that one of the following criteria has been met:

(i) the applicant or applicant's spouse has been separated from employment or has received a notice of separation from employment as a result of job obsolescence, plant shutdown, regional decline in the applicant's customary occupation, or industry slowdown, and the applicant or the applicant's spouse is unlikely to return to work for that employer or in that occupation within 12 months following separation from employment;

(ii) the applicant is a displaced homemaker; or

(iii) the applicant or the applicant's spouse is a farmer who can demonstrate severe household financial need.

Subd. 4. [PROGRAM RECIPIENTS.] An eligible institution shall select a recipient of a dislocated rural worker grant in accordance with guidelines, policies, and rules established by the board. The board may adopt

emergency rules for awarding grants only for the fiscal year beginning July 1, 1987.

Subd. 5. [PROGRAM COORDINATION; INFORMATION.] The board shall develop and provide information to dislocated workers in rural areas about post-secondary education opportunities and student financial aid programs. The board shall also provide for the coordination of dislocated rural worker grants with other available student financial aid programs. Dislocated rural worker grants must be awarded in a manner that maximizes the use of existing federal and state student financial aid programs.

Sec. 4. [SUPPLEMENTAL EDUCATION GRANT PROGRAM FUNDING.]

\$500,000 is appropriated from the general fund and \$500,000 is appropriated from the rural rehabilitation revolving fund to the higher education coordinating board for the dislocated rural worker grant program established in section 3, to be available until June 30, 1989."

Amend the title as follows:

Page 1, line 24, after "sections" insert "15.039, by adding a subdivision;"

Page 1, line 26, after the second semicolon, insert "41A.08;"

Page 1, line 27, after "2," insert "4,"

Page 1; lines 37 and 38, delete "Laws 1983, chapter 334, section 7;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1191, 384, 1095, 1504, 596, 1117, 1404, 729 and 1 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 404, 813, 1145, 561, 1031, 1197, 1376 and 1266 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Luther moved that S.F. No. 1503 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Moe, R.D. introduced—

S.F. No. 1512: A bill for an act relating to local government finance; authorizing imposition of a service fee for ambulance services provided in a subordinate service district in Polk and Norman counties.

Referred to the Committee on Taxes and Tax Laws.

Mr. Freeman introduced—

S.F. No. 1513: A bill for an act relating to juvenile court; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed an aggravated felony against the person as a member of an organized gang; amending Minnesota Statutes 1986, section 260.125, subdivision 3.

Referred to the Committee on Judiciary.

MEMBERS EXCUSED

Mr. Brandl was excused from the Session of today from 3:30 to 5:30 p.m. Mr. Bernhagen was excused from the Session of today from 3:00 to 9:30 p.m. Mr. Dahl was excused from the Session of today at 9:05 p.m. Mr. DeCramer was excused from the Session of today from 3:00 to 4:40 p.m. Mr. Dicklich was excused from the Session of today from 6:45 to 9:00 p.m. Mr. Hughes was excused from the Session of today at 4:00 p.m. Mr. Moe, R.D. was excused from the Session of today at 4:00 p.m. Mr. Storm was excused from the Session of today at 9:15 p.m.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 12:00 noon, Thursday, April 30, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTIETH DAY

St. Paul, Minnesota, Thursday, April 30, 1987

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Willet imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Joseph Paris.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 161, 721 and 1349.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1987

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 157: A bill for an act relating to property interests; enacting the uniform statutory rule against perpetuities; amending Minnesota Statutes 1986, section 500.17, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 501A; repealing Minnesota Statutes 1986, section 500.13.

Senate File No. 157 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1987

CONCURRENCE AND REPASSAGE

Mr. Luther moved that the Senate concur in the amendments by the House to S.F. No. 157 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 157 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Renneke
Anderson	Davis	Jude	Merriam	Schmitz
Beckman	DeCramer	Knaak	Metzen	Storm
Belanger	Dicklich	Knutson	Moe, D.M.	Stumpf
Berg	Diessner	Kroening	Moe, R.D.	Taylor
Berglin	Frank	Laidig	Morse	Vickerman
Bernhagen	Frederick	Langseth	Olson	Waldorf
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Willet
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	
Brataas	Freeman	Luther	Piper	
Chmielewski	Gustafson	Marty	Ramstad	
Cohen	Hughes	McQuaid	Reichgott	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 668, 872, 674, 1327, 1507, 463, 856 and 529.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 668: A bill for an act relating to health; extending the moratorium on hospital capacity expansion; amending Laws 1984, chapter 654, article 5, section 57, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 598, now on General Orders.

H.F. No. 872: A bill for an act relating to hazardous waste facilities; providing for financial responsibility when an owner or operator is bankrupt; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1346.

H.F. No. 674: A bill for an act relating to crimes; dictating circumstances in which the court may stay execution of sentence following conviction for a second or subsequent offense relating to criminal sexual conduct; providing that information regarding a sexual assault victim is private; amending Minnesota Statutes 1986, sections 609.346, subdivisions 2 and 3; and 611A.06.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 947, now on General Orders.

H.F. No. 1327: A bill for an act relating to elections; specifying the time for precinct caucuses; amending Minnesota Statutes 1986, section 202A.14, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1243, now on General Orders.

H.F. No. 1507: A bill for an act relating to water; prohibiting the commissioner of natural resources from issuing certain permits or approving certain plans for diversion of water from certain water basins before consultation with state and Canadian officials; amending Minnesota Statutes 1986, sections 105.37, by adding subdivisions; 105.405, subdivision 2, and by adding subdivisions; and 105.44, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1092, now on General Orders.

H.F. No. 463: A bill for an act relating to retirement; various public retirement plans and funds; lowering vesting standards; changing certain teachers benefits; regulating Minneapolis police pensions; amending Minnesota Statutes 1986, sections 352.113, subdivision 1; 352.115, subdivision 1; 352.12, subdivision 2; 352.22, subdivision 3; 352.72, subdivision 1; 352.93, subdivision 1; 352B.08, subdivision 1; 352B.11, subdivision 2; 352B.30, subdivision 1; 353.29, subdivision 1; 353.30, subdivision 1c; 353.32, subdivision 1a; 353.33, subdivision 1; 353.34, subdivision 3; 353.651, subdivision 1; 353.657, subdivision 2a; 353.71, subdivision 1; 354.44, subdivision 1; 354.46, subdivision 2; 354.48, subdivision 1; 354.49, subdivision 3; 354.60; 354A.31, subdivisions 1, 5, and 6; 354A.35, subdivision 2; 354A.36, subdivision 1; 354A.39; 356.30, subdivision 1; Laws 1949, chapter 406, section 4, subdivisions 2 and 3, as amended; section 5, subdivisions 1, as amended, and 3, as amended; section 6, subdivision 1, as amended; and Laws 1980, chapter 607, article 15, section 9; proposing coding for new law in Minnesota Statutes, chapter 423A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1063, now on General Orders.

H.F. No. 856: A bill for an act relating to local government; designating certain counties eligible entities for community action funds; amending Minnesota Statutes 1986, section 268.53, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 921, now on General Orders.

H.F. No. 529: A bill for an act relating to the financing of government in Minnesota; changing tax rates and bases; modifying the methods of administering, collecting, and enforcing taxes; changing the computation, administration, and payment of aids, credits, and refunds; imposing taxes; limiting taxing powers; transferring governmental powers and duties; allocating bonding authority; making entitlement allocations to the cities of Minneapolis and St. Paul; making technical corrections and clarifications; imposing and increasing fees, interest, and penalties; appropriating money; amending Minnesota Statutes 1986, sections 16A.15, subdivisions 1 and 6; 16A.1541; 16A.26; 16A.275; 60A.13, subdivision 1a; 60A.15, subdivision 1; 60A.199, subdivisions 1, 2, 3, 5, 7, 8, 9, 10, and 11; 60A.209, subdivisions 1 and 3; 60A.24; 60C.06, by adding a subdivision; 64B.39, subdivision 4; 67A.11, subdivision 3; 69.011, subdivisions 1 and 2; 69.021, subdivisions 1, 2, and 3; 69.54; 69.55; 79.34, subdivision 1, and by adding a subdivision; 88.49, by adding a subdivision; 121.904, subdivisions 11a and 11b; 124.195, subdivision 2; 124.2131, subdivisions 1, 2, 3, 5, 6, 7, 8, and 11; 124.38, subdivision 8; 124A.02, subdivisions 3a and 8; 124A.035, subdivision 5; 124A.08, subdivision 5; 134.33, subdivision 1; 134.34, subdivisions 1 and 2; 176.129, by adding a subdivision; 176A.08; 239.10; 270.066; 270.074, subdivision 3; 270.075, subdivision 1; 270.10, subdivisions 1 and 4; 270.11, subdivisions 1 and 2; 270.12, subdivisions 2 and 3; 270.13; 270.72, subdivisions 1 and 2; 270.77; 270.80, subdivision 2; 270.87; 270A.07, subdivision 1; 271.21, subdivision 2; 272.01, subdivisions 2 and 3; 272.02, subdivision 1, and by adding a subdivision; 272.115, subdivision 2; 273.061, subdivisions 1 and 8; 273.065; 273.11, by adding a subdivision; 273.1102; 273.1103; 273.12; 273.13, subdivision 22; 273.1312, subdivision 4; 273.1313, subdivisions 1, 2, and by adding a subdivision; 273.1314, subdivisions 8, 9, 10, and by adding a subdivision; 273.1392; 273.1393; 273.19, subdivisions 1, 3, 4, and by adding a subdivision; 273.33, subdivision 2; 273.37, subdivision 2; 274.01, subdivision 1; 274.14; 274.16; 275.07, subdivision 1; 275.125, subdivisions 9, 9b, and 15; 275.51, subdivision 3h; 276.04; 276.11; 277.01; 278.05, subdivision 4; 279.01, subdivision 1; 282.014; 282.02; 282.33, subdivision 1; 287.05, subdivision 1; 287.09; 287.12; 287.21, subdivision 1; 287.22; 287.25; 287.29, subdivision 1; 290.01, subdivisions 4, 5, 7, 19, 20, 22, and by adding subdivisions; 290.02; 290.03; 290.032, subdivisions 1 and 2; 290.05, subdivisions 1, 2, and 3; 290.06, subdivisions 1, 2c, 2d, and by adding a subdivision; 290.068, subdivisions 1, 2, 3, 4, and 5; 290.069, subdivisions 2a and 4b; 290.077, subdivision 1; 290.081; 290.091, subdivisions 1, 2, and 3; 290.095, subdivisions 1, 2, 3, 4, 7, 9, and 11; 290.12, subdivision 2; 290.131, subdivision 1; 290.132, subdivision 1; 290.133, subdivision 1; 290.134, subdivision 1; 290.135, subdivision 1; 290.136, subdivision 1; 290.138, subdivision 3; 290.14; 290.17; 290.171; 290.20, subdivision 1, and by adding a subdivision; 290.21, subdivisions 3 and 4; 290.23, subdivisions 3 and 5; 290.31, subdivisions 2, 3, 5, and by adding a subdivision; 290.34, subdivision 2; 290.35; 290.36; 290.37, subdivisions 1 and 3; 290.38; 290.39, subdivision 3; 290.41, subdivisions 2 and 3; 290.42; 290.45, subdivisions 1 and 2; 290.46; 290.48, subdivision 10; 290.491; 290.50, subdivision 1; 290.53, subdivisions 1, 2, 3a, 4, and by adding subdivisions; 290.56, subdivisions 2, 3, and 4; 290.92, subdivisions 2a, 4a, 5, 5a, 6, 7, 9, 11, 12, 13, 14, 15, 18, 24, and 25; 290.93, subdivision 10; 290.934, subdivision 2; 290.9725; 290.9726, subdivisions 1, 2, and

4; 290.974; 290A.03, subdivisions 3, 8, and by adding a subdivision; 290A.04, subdivision 2; 290A.06; 290A.011, subdivision 2; 290A.18; 290A.19; 291.131, subdivisions 1, 2, 4, and by adding a subdivision; 295.01, subdivision 10; 295.32; 295.34, subdivision 1; 295.39; 295.40; 295.41; 295.43; 296.02, subdivision 2, and by adding a subdivision; 296.025, subdivision 2, and by adding a subdivision; 296.17, subdivisions 3, 7, and 11; 296.18, subdivision 7; 297.01, subdivisions 2, 4, 7, and 10; 297.02, subdivisions 1 and 6; 297.03, subdivisions 1, 5, and 6; 297.04, subdivisions 4, 6, and 9; 297.07, subdivisions 1, 3, 4, and 5; 297.11, subdivisions 3 and 5; 297.23, subdivision 1; 297.31, subdivisions 2, 3, and 7; 297.32, subdivisions 1, 2, and 8; 297.33, subdivisions 4 and 5; 297.35, subdivisions 1, 3, 5, and 8; 297.36; 297A.01, subdivisions 3, 4, 8, and 15; 297A.14; 297A.151; 297A.18; 297A.211, subdivision 2; 297A.25, subdivisions 7, 11, 12, and by adding subdivisions; 297A.256; 297A.26, subdivision 1; 297A.27, subdivision 1; 297A.275; 297A.39, subdivisions 1, 2, 4, and by adding a subdivision; 297A.43; 297B.01, subdivision 8; 297B.10; 297C.03, subdivision 1, and by adding a subdivision; 297C.04; 297C.05, subdivision 2; 297C.06; 297C.09; 297D.02; 297D.07; 297D.09; 297D.10; 297D.12, subdivision 1; 297D.13; 298.01, subdivision 1, and by adding subdivisions; 298.026; 298.027; 298.028, subdivision 1; 298.03, subdivision 1; 298.031, subdivision 2; 298.08; 298.09, subdivision 1; 298.25; 298.28, subdivision 4; 299F21, subdivisions 1, 2, and by adding subdivisions; 325D.30; 325D.32, subdivisions 4, 10, 11, and 12; 325D.33, subdivisions 1, 2, and by adding subdivisions; 325D.38, subdivision 1; 325D.40, subdivision 1; 349.12, subdivisions 11 and 13; 349.212, subdivisions 1 and 4; 349.2121, subdivisions 4, 6, 7, and by adding subdivisions; 360.531, subdivision 2; 462C.11, subdivisions 2 and 3; 473.556, subdivision 4; 473E02, subdivision 12; 474A.02, subdivisions 1, 2, 3, 6, 7, 8, 12, 14, 16, 18, 19, 21, 26, and by adding subdivisions; 474A.03, subdivision 1, and by adding a subdivision; 474A.04, subdivisions 5, 6, and by adding a subdivision; 474A.13, subdivisions 1, 4, and 5; 474A.14; 474A.15; 474A.16; 474A.17; 474A.18; 474A.20; 474A.21; 475.53, subdivision 4; 477A.012, subdivision 1; 477A.013; 477A.018, subdivisions 1, 2, 3, 6, and by adding a subdivision; Laws 1985, First Special Session chapter 14, article 3, section 18; proposing coding for new law in Minnesota Statutes, chapters 3; 239; 270; 272; 273; 276; 290; 290A; 294; 297; 297A; 297C; 298; 349; 429; and 474A; repealing Minnesota Statutes 1986, sections 60A.15, subdivision 2; 61A.49; 62E.13, subdivision 9; 64B.24; 69.021, subdivision 3a; 124.38, subdivision 10; 270.75, subdivision 8; 270.89; 282.021; 290.01, subdivisions 20a, 20b, 20d, 20f, 21, and 24; 290.013; 290.06, subdivisions 3f, 3g, and 11; 290.068, subdivision 6; 290.069, subdivisions 1, 2, 3, 5, 6, and 7; 290.07, subdivision 5; 290.071; 290.073; 290.075; 290.077, subdivision 3; 290.079; 290.08; 290.082; 290.085; 290.088; 290.089; 290.09; 290.095, subdivisions 8 and 10; 290.12, subdivision 4; 290.13; 290.139; 290.15; 290.16; 290.165; 290.175; 290.18; 290.19; 290.21, subdivisions 5, 6, and 8; 290.26, subdivision 2; 290.361; 290.9726, subdivisions 3, 5, and 6; 290A.04, subdivisions 2e and 2g; 294.21; 294.22; 294.23; 294.24; 294.25; 294.26; 295.32; 295.33; 295.34; 295.36; 295.365; 295.366; 296.04, subdivisions 1, 2, 3, and 4; 296.05; 296.07; 296.13; 296.17, subdivision 12; 296.18, subdivision 4, 5, 6, and 7; 296.22; 296.28; 297.07, subdivision 6; 297.23, subdivision 5; 297.35, subdivisions 4, 6, and 7; 297A.25, subdivisions 13, and 19; 297A.26, subdivision 3; 297C.03, subdivisions 2 and 3; 297C.05, subdivision 4; 298.01, subdivision 1; 298.02; 298.026; 298.027; 298.028; 298.03; 298.031; 298.04; 298.28, subdivision 14; 298.40; 298.51; 298.52; 298.53; 298.54; 298.55; 298.61; 298.62; 298.63; 298.64;

298.65; 298.66; 298.67; 299.01; 299.012; 299.013; 299.02; 299.03; 299.04; 299.05; 299.06; 299.07; 299.08; 299.09; 299.10; 299.11; 299.12; 299.13; 299.14; 325D.41; 360.654; 474A.02, subdivisions 5, 9, 10, 11, 13, 15, 17, 20, 22, 23, 24, 25, 27, 28, and 29; 474A.03, subdivisions 2 and 3; 474A.04, subdivisions 1, 2, 3, and 4; 474A.05; 474A.06; 474A.07; 474A.08; 474A.09; 474A.10; 474A.11; 474A.12; 474A.13, subdivisions 2 and 3; and 474A.19; Laws 1981, chapters 222, section 6; 223, section 6, subdivision 3; Laws 1985, First Special Session chapter 14, article 14, section 3; Laws 1986, First Special Session chapter 1, article 5, section 8.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 1355: A bill for an act relating to the city of Minneapolis; giving the city certain powers pertaining to conventions and tourism activities; providing for the use of certain tax revenues; amending Laws 1986, chapter 396, section 4, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, delete "*levy taxes and*"

Page 2, after line 33, insert:

"Sec. 4. Laws 1986, chapter 396, section 2, subdivision 1, is amended to read:

Subdivision 1. [ACTIVITIES; CONTRACTS.] The city may acquire, design, construct, equip, improve, control, operate, and maintain the convention center and related facilities. The city shall have all powers necessary or convenient for those purposes and may enter into any contract for those purposes, including the financing of the convention center and any related facilities.

The city may contract for construction materials, supplies, and equipment in accordance with Minnesota Statutes, section 471.345, except that it may enter into contracts with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, and construction manager with respect to all or part of a project to build or remodel the convention center and related facilities. Contractors shall be selected through the process of public bidding, provided that it shall be permissible for the city to narrow the listing of eligible bidders to those which the city determines to possess sufficient expertise to perform the intended functions and the city may negotiate with the three lowest responsible bidders to achieve the lowest possible bid. *Notwithstanding any other law or charter provision to the contrary, the city may, at the discretion of the city council, enter into agreements with appropriate labor organizations and contractors which provide that no strike or lockout may be ordered during the term of the agreements. These provisions and necessary procedures may be utilized for the purpose of maintaining employment stability and avoiding delay or interference with the performance of the fast-track construction schedule*

in connection with the project. The city may require any construction manager to certify a construction price and completion date to the city. The city may require the posting of a bond in an amount determined by the city to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the city or loss of revenues resulting from incomplete construction on the completion date and any other obligations the city may require the construction manager to bear. The city shall secure surety bonds as required in Minnesota Statutes, section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in Minnesota Statutes, sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the city under the provisions of Minnesota Statutes, sections 514.01 to 514.16.

Sec. 5. Laws 1986, chapter 396, section 4, subdivision 2, is amended to read:

Subd. 2. [ENFORCEMENT; COLLECTION.] *(a) Except as provided in paragraph (b), these taxes shall be subject to the same interest penalties and other rules imposed under Minnesota Statutes, chapter 297A. The commissioner of revenue may enter into appropriate agreements with the city to provide for collection of these taxes by the state on behalf of the city. The commissioner may charge the city a reasonable fee for its collection from the proceeds of any taxes.*

(b) A taxpayer located outside of the city of Minneapolis who collects use tax under this section in an amount that does not exceed \$10 in a reporting period is not required to remit that tax until the amount of use tax collected is \$10."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 2, subdivision 1; and"

Page 1, line 6, delete "subdivision" and insert "subdivisions 2 and"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1034: A bill for an act relating to crimes; repealing the requirement that the department of public safety must keep a record of all first convictions for the crime of possessing a small amount of marijuana; amending Minnesota Statutes 1986, section 152.15, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 806: A bill for an act relating to human services; requiring certain written reports of abuse within 72 hours; requiring county attorneys to be on child protection teams; requiring specific investigations of certain abuse cases; amending Minnesota Statutes 1986, sections 626.556, subdivisions 7, 10, and 10a; and 626.558, subdivisions 1, 2, and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, lines 34 and 35, delete the new language

Page 6, delete sections 5 and 6 and insert:

“Sec. 5. Minnesota Statutes 1986, section 626.558, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF TEAM.] A multidisciplinary child protection team ~~shall be a consultant~~ *may provide public and professional education, develop resources for prevention, intervention, and treatment, and provide case consultation to the local welfare agency to better enable the agency to carry out its child protection functions pursuant to under section 626.556 and the community social services act. Case consultation must be performed by a committee of the team composed of the team members representing social services, law enforcement, the county attorney, health care, education, and persons directly involved in an individual case as determined by the case consultation committee. Case consultation is a case review process that results in recommendations about services to be provided to the identified children and family.*

Sec. 6. Minnesota Statutes 1986, section 626.558, subdivision 3, is amended to read:

Subd. 3. [INFORMATION SHARING.] *The local welfare agency may make available to the case consultation committee of the team all records collected and maintained by the local welfare agency pursuant to under section 626.556 may be made available to the child protection team and in connection with case consultation. Any member of the child protection team case consultation committee may share information acquired in the member's professional capacity with the team for the purpose of aiding committee to assist the team committee in its function.*”

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “providing for case consultation by child protection teams;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 580: A bill for an act relating to human rights; changing certain requirements relating to disabled persons; amending Minnesota Statutes 1986, sections 363.02, subdivisions 1 and 5; 363.03, subdivision 1; and 363.116.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1478: A bill for an act relating to adoption; requiring certain notifications to parents placing a child for adoption and to proposed adoptive parents; requiring a waiting period for adoption by persons whose parental rights to another child have been terminated; specifying circumstances that

do not constitute good cause for terminating parental rights; amending Minnesota Statutes 1986, sections 259.23, subdivision 2; 259.24, subdivision 5; 259.25, subdivision 1; 259.27, by adding a subdivision; and 260.221; proposing coding for new law in Minnesota Statutes, chapter 259.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 259.24, subdivision 5, is amended to read:

Subd. 5. [EXECUTION.] All consents to an adoption, except those by the commissioner, the commissioner's agent, a licensed child-placing agency, or the child's parent when that parent is either a copetitioner in the adoption proceeding or does not have custody of the child, shall be executed before a representative of the commissioner, the commissioner's agent or a licensed child-placing agency. In addition all consents to an adoption shall be in writing and shall contain notice to the parent of the substance of subdivision 6a, providing for the right to withdraw consent. *The consent must contain the following written notice in all capital letters at least one-eighth inch high:*

“This agency will submit your consent to adoption to the court. The consent itself does not terminate your parental rights. Parental rights to a child may be terminated only by an adoption decree or by a court order terminating parental rights. Unless the child is adopted or your parental rights are terminated, you may be asked to support the child.”

Consents shall be executed before two competent witnesses and acknowledged by the consenting party. Consents shall be filed in the adoption proceedings at any time before the matter is heard provided, however, that a consent executed and acknowledged outside of this state, either in accordance with the law of this state or in accordance with the law of the place where executed, is valid.

Sec. 2. Minnesota Statutes 1986, section 259.25, subdivision 1, is amended to read:

Subdivision 1. [CONSENTS REQUIRED.] The parents and guardian, if there be one, of a child may enter into a written agreement with the commissioner of human services or an agency, giving the commissioner or such agency authority to place the child for adoption. If an unmarried parent is under the age of 18 years the written consent of the parents and guardian, if any, of the minor parent also shall be required; if either or both of the parents are disqualified from giving such consent for any of the reasons enumerated in section 259.24, subdivision 1, then the written consent of the guardian shall be required. The agreement and consent shall be in the form prescribed by the commissioner and shall contain notice to the parent of the substance of subdivision 2a providing for the right to revoke the agreement. *The agreement and consent must contain the following written notice in all capital letters at least one-eighth inch high:*

“This agency will submit your consent to adoption to the court. The consent itself does not terminate your parental rights. Parental rights to a child may be terminated only by an adoption decree or by a court order terminating parental rights. Unless the child is adopted or your parental rights are terminated, you may be asked to support the child.”

The agreement shall be executed by the commissioner or agency, or one of their authorized agents, and all other necessary parties, and shall be filed, together with the consent, in the proceedings for the adoption of the child.

If, after the execution of an agreement and consent under this section, the child is diagnosed with a medical or psychological condition that may present a substantial barrier to adoption, the child-placing agency shall make reasonable efforts to give notice of this fact to a party to the agreement and consent. If a child is not adopted within two years after an agreement and consent are executed under this subdivision, the agency that executed the agreement shall so notify a parent who was a party to the agreement and request the parent to take custody of the child or to file a petition for termination of parental rights. This notice must be provided to the parent in a personal and confidential manner. A parent who has executed an agreement under this subdivision shall, upon request to the agency, be informed of whether the child has been adopted.

Sec. 3. [259.257] [NOTICE TO ADOPTIVE PARENTS.]

Subdivision 1. [PARENTAL RESPONSIBILITIES.] Prior to commencing an investigation of the suitability of proposed adoptive parents, a child-placing agency shall give the individuals the following written notice in all capital letters at least one-eighth inch high:

"Minnesota Statutes, section 259.29, provides that upon adopting a child, adoptive parents assume all the rights and responsibilities of birth parents. The responsibilities include providing for the child's financial support and caring for health, emotional, and behavioral problems. Except for subsidized adoptions under Minnesota Statutes, section 259.40, or any other provisions of law that expressly apply to adoptive parents and children, adoptive parents are not eligible for state or federal financial subsidies besides those that a birth parent would be eligible to receive for a child. Adoptive parents may not terminate their parental rights to an adopted child for a reason that would not apply to a birth parent seeking to terminate rights to a child. An individual who takes guardianship of a child for the purpose of adopting the child shall, upon taking guardianship, assume all the rights and responsibilities of birth and adoptive parents as stated in this paragraph."

Subd. 2. [REFERRAL TO FOREIGN AGENCIES.] An agency in this state that refers individuals to an agency or individual in another country for the purpose of adopting a child located in that country shall provide the following information in writing at the time of making the referral:

(1) the name of any government authority in the country where the adoption agency or individual is located that licenses or regulates the adoption agency or individual;

(2) the name of the current director of the adoption agency;

(3) whether the country in which the agency or individual is located requires an adoption to take place in that country before a child can be removed from the country; and

(4) the notification required by subdivision 1.

Sec. 4. [259.465] [REFERRAL FOR SERVICES.]

When a parent contacts a licensed child-placing agency and requests

out-of-home placement for a child, the agency shall refer the parent to the local welfare agency if the child-placing agency is not able to arrange a shelter or foster placement for the child as requested by the parent.

Sec. 5. Minnesota Statutes 1986, section 260.221, is amended to read:

260.221 [GROUNDS FOR TERMINATION OF PARENTAL RIGHTS.]

The juvenile court may, upon petition, terminate all rights of a parent to a child in the following cases:

(a) With the written consent of a parent who for good cause desires to terminate parental rights; or

(b) If it finds that one or more of the following conditions exist:

(1) That the parent has abandoned the child; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental or emotional health and development, if the parent is physically and financially able; or

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be permanently detrimental to the physical or mental health of the child; or

(5) That following upon a determination of neglect or dependency, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination; or

(6) That in the case of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of intent to retain parental rights under section 259.261 or that the notice has been successfully challenged; or

(7) That the child is neglected and in foster care.

For purposes of clause (a), an adoptive parent may not terminate parental rights to an adopted child for a reason that would not apply to a birth parent seeking termination of parental rights to a child under clause (a)."

Delete the title and insert:

"A bill for an act relating to adoption; requiring certain notifications to parents placing a child for adoption and to proposed adoptive parents; specifying that adoptive parents may not voluntarily terminate parental rights for any reason not available to birth parents; amending Minnesota

Statutes 1986, sections 259.24, subdivision 5; 259.25, subdivision 1; and 260.221; proposing coding for new law in Minnesota Statutes, chapter 259."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 842: A bill for an act relating to Indian child welfare; establishing direct grants to tribal governments, Indian social service organizations, and local social service agencies to fund Indian child welfare programs; establishing an Indian child welfare advisory council; amending Minnesota Statutes 1986, sections 257.35; and 257.351, subdivision 15, and by adding subdivisions; 257.354, subdivision 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 257; repealing Minnesota Statutes 1986, section 245.76.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, delete "18" and insert "19"

Page 5, line 11, delete the first comma and insert "and" and delete "and chemical abuse"

Page 6, delete lines 13 to 16

Page 7, line 16, delete "two-thirds" and insert "four-fifths"

Page 7, line 35, delete "and" and insert "or"

Page 8, line 2, delete "A grant must not be greater than \$100,000."

Page 8, line 10, delete "one-third" and insert "one-fifth"

Page 8, line 21, delete "create" and insert "appoint"

Page 8, line 27, before the period, insert "*who are authorized by tribal resolution, one representative from the Duluth urban Indian community, three representatives from the Minneapolis urban Indian community and two representatives from the St. Paul urban Indian community. Representatives from the urban Indian communities must be selected through an open appointments process under section 15.0597*"

Page 8, after line 30, insert:

"Sec. 19. [APPROPRIATION.]

\$300,000 is appropriated to the commissioner of human services from federal reimbursement received as a result of the Title IV-E foster care program to increase federal financial participation, to be distributed in fiscal year 1988 to counties that received Indian relief payments in fiscal year 1986. The reimbursement must be allocated to the counties in the same proportion as the distribution of Indian relief payments in fiscal year 1986."

Page 8, line 31, delete "19" and insert "20"

Page 8, line 33, delete "20" and insert "21"

Page 8, line 34, delete "19" and insert "20"

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 602: A bill for an act relating to health; creating an exception to the nursing home moratorium for a facility operated on the Red Lake Indian Reservation; amending Minnesota Statutes 1986, section 144A.071, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules; or

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration; or

(g) to certify or license new beds in an Indian health service facility located on the Red Lake Indian Reservation, provided the new beds are used only for persons whose care will be paid for entirely by the federal government pursuant to the Indian Health Care Improvement Act, Public Law Number 94-437, and United States Code, title 42, section 1396d, as amended through December 31, 1986. If state money is used to finance construction of the facility, the money and financing costs, if any, must be repaid by the tribe."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 210: A bill for an act relating to health; providing for special grants to conduct community-wide pilot programs to reduce the prevalence of risk conditions or behaviors related to osteoporosis; appropriating money; amending Minnesota Statutes 1986, section 145.922, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 555: A bill for an act relating to human services; prohibiting the use of faradic shock in certain facilities; including certain aversive and deprivation procedures as abuse; amending Minnesota Statutes 1986, sections 245.825, subdivision 1; 626.556, subdivision 2; and 626.557, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after "facilities" insert "*and licensed services*"

Page 1, line 26, after "*shock*" insert "*without a court order*"

Page 2, line 4, after the period, insert "*For any persons receiving faradic shock on April 1, 1987, the prohibition against the use of faradic shock does not apply, except that for these persons a plan must be in effect by*

July 1, 1987, to reduce and eliminate the use of faradic shock unless a court order is obtained."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

H.F. No. 462: A resolution memorializing the United States Congress to maintain the Veteran's Administration system of health care facilities.

Reports the same back with the recommendation that the resolution do pass and be placed on the Consent Calendar. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 318: A bill for an act relating to crimes; creating the crime of criminal sexual conduct by impersonating a health care professional; amending Minnesota Statutes 1986, sections 609.344, subdivision 1; and 609.345, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1346: A bill for an act relating to hazardous waste facilities; providing for financial responsibility when an owner or operator is bankrupt; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1438: A bill for an act relating to courts; providing the court of appeals with jurisdiction to issue writs of certiorari to the tax court and workers' compensation court of appeals; providing for office equipment for trial judges; appropriating money; amending Minnesota Statutes 1986, sections 175A.01, subdivision 2; 175A.10; 176.471; 176.481; 176.491; 176.501; 176.511, subdivisions 4 and 5; 271.01, subdivision 5; 271.07; 271.09, subdivision 1; 271.10; 271.12; 271.19; 480A.06, subdivision 3; 480.15, by adding a subdivision; 484.68, subdivisions 3 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 5, delete sections 1 to 8

Page 10, line 23, reinstate the stricken language and delete the new language

Page 10, line 24, delete the new language and strike "the tax court and"

Page 11, line 17, delete "16" and insert "8"

Page 11, line 33, delete "15" and insert "7"

Page 12, line 2, delete "15" and insert "7"

Page 12, line 3, delete "16" and insert "8" and delete "18" and insert "10"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "tax court and"

Page 1, line 7, delete everything after "sections"

Page 1, delete line 8

Page 1, line 9, delete the first "5;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 687: A bill for an act relating to collection and dissemination of data; allowing law enforcement agencies to release the date of birth of persons involved in traffic accidents; amending Minnesota Statutes 1986, section 169.09, subdivision 13.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 26, after "involved," insert "*whether a citation was issued, and if so, what it was for, and whether the parties involved were wearing seat belts,*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 692: A bill for an act relating to public safety; providing for access to criminal justice datacommunications network and defining purposes for its use; providing access to motor vehicle excise tax data; amending Minnesota Statutes 1986, sections 297B.12; 299C.46, subdivision 3; and 299C.48.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 299C.46, subdivision 3, is amended to read:

Subd. 3. The datacommunications network shall be used exclusively for by:

(1) criminal justice agencies of the state in connection with enforcement of the criminal or traffic laws of the state the performance of duties required by law;

(2) agencies investigating federal security clearances of individuals for assignment or retention in federal employment with duties related to national security, as required by Public Law 99-169; and

(3) other agencies to the extent necessary to provide for protection of the public or property in an emergency or disaster situation.

The commissioner of public safety shall establish a monthly network access charge to be paid by each participating criminal justice agency. The

network access charge shall be a standard fee established for each terminal, computer, or other equipment directly addressable by the criminal justice datacommunications network, as follows: January 1, 1984 to December 31, 1984, \$40 connect fee per month; January 1, 1985 and thereafter, \$50 connect fee per month.

The commissioner of public safety is authorized to arrange for the connection of the datacommunications network with the criminal justice information system of the federal government, any adjacent state, or Canada.

Sec. 2. Minnesota Statutes 1986, section 299C.48, is amended to read:

299C.48 [CONNECTIONS BY MUNICIPALITIES AUTHORIZED AGENCY.]

~~Any criminal justice~~ *An agency authorized under section 299C.46, subdivision 3, may connect with and participate in the criminal justice datacommunications network upon approval of the commissioner of public safety; provided, that the agency shall first agree to pay installation charges as may be necessary for connection and monthly operational charges as may be established by the commissioner of public safety. Before participation by a criminal justice agency may be approved, the agency must have executed an agreement with the commissioner providing for security of network facilities and restrictions on access to data supplied to and received through the network.*

Amend the title as follows:

Page 1, line 4, delete "providing access to"

Page 1, line 5, delete everything before "amending"

Page 1, line 6, delete "297B.12;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1495 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1495	990				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1230 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File

be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1230	1426				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 142 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
142	29				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 853 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
853	759				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 853 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 853 and insert the language after the enacting clause of S.F. No. 759, the first engrossment; further, delete the title of H.F. No. 853 and insert the title of S.F. No. 759, the first engrossment.

And when so amended H.F. No. 853 will be identical to S.F. No. 759, and further recommends that H.F. No. 853 be given its second reading and substituted for S.F. No. 759, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1412 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1412	1276				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1412 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1412 and insert the language after the enacting clause of S.F. No. 1276, the first engrossment; further, delete the title of H.F. No. 1412 and insert the title of S.F. No. 1276, the first engrossment.

And when so amended H.F. No. 1412 will be identical to S.F. No. 1276, and further recommends that H.F. No. 1412 be given its second reading and substituted for S.F. No. 1276, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 291 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
291	691				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 291 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 291 and insert the language after the enacting clause of S.F. No. 691, the first engrossment; further, delete the title of H.F. No. 291 and insert the title of S.F. No. 691, the first engrossment.

And when so amended H.F. No. 291 will be identical to S.F. No. 691, and further recommends that H.F. No. 291 be given its second reading and substituted for S.F. No. 691, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 654 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
654	923				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 654 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 654 and insert the language after the enacting clause of S.F. No. 923, the first engrossment; further, delete the title of H.F. No. 654 and insert the title of S.F. No. 923, the first engrossment.

And when so amended H.F. No. 654 will be identical to S.F. No. 923, and further recommends that H.F. No. 654 be given its second reading and substituted for S.F. No. 923, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1263 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1263	1143				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1281 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1281	873				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1281 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1281 and insert the language after the enacting clause of S.F. No. 873; further, delete the title of H.F. No. 1281 and insert the title of S.F. No. 873.

And when so amended H.F. No. 1281 will be identical to S.F. No. 873, and further recommends that H.F. No. 1281 be given its second reading and substituted for S.F. No. 873, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1185 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1185		371			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1185 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1185 and insert the language after the enacting clause of S.F. No. 371, the first engrossment; further, delete the title of H.F. No. 1185 and insert the title of S.F. No. 371, the first engrossment.

And when so amended H.F. No. 1185 will be identical to S.F. No. 371, and further recommends that H.F. No. 1185 be given its second reading and substituted for S.F. No. 371, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1478, 555 and 1346 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1355, 1034, 806, 580, 462, 318, 687, 692, 1495, 1230, 142, 853, 1412, 291, 654, 1263, 1281 and 1185 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Storm moved that his name be stricken as a co-author to S.F. No. 187. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Dahl be added as a co-author to S.F. No. 247. The motion prevailed.

Mr. Bertram moved that the name of Mr. Pogemiller be added as a co-

author to S.F. No. 605. The motion prevailed.

Mr. Knutson moved that his name be stricken as a co-author to S.F. No. 636. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Marty be added as a co-author to S.F. No. 701. The motion prevailed.

Ms. Reichgott moved that the names of Ms. Olson and Mr. Storm be added as co-authors to S.F. No. 1275. The motion prevailed.

Ms. Piper moved that the name of Mr. Marty be added as a co-author to S.F. No. 1391. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committee indicated.

Messrs. Cohen; Brandl; Moe, R.D. and Benson introduced—

S.F. No. 1514: A bill for an act relating to state government; creating a legislative budget office; providing for its duties; providing for a director of the legislative budget office and the manner of the director's appointment and service; eliminating the department of finance and transferring its powers and duties to the department of revenue; amending Minnesota Statutes 1986, sections 3.30, subdivision 1; 3.303, subdivision 2; 3.98, subdivisions 1 and 4; 3.982; 15.06, subdivision 1; 270.66, subdivision 1; 282.09, subdivision 1; and 293.06; proposing coding for new law in Minnesota Statutes, chapter 270A; proposing coding for new law as Minnesota Statutes, chapters 3D and 272A; repealing Minnesota Statutes 1986, sections 3.30, subdivision 2; 16A.01; 16A.1281; and 16A.45.

Referred to the Committee on Governmental Operations.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1515: A bill for an act relating to higher education; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, the Mayo medical foundation, and the Minnesota job skills partnership board, with certain conditions; amending Minnesota Statutes 1986, sections 135A.03, subdivision 1; 136A.101, by adding a subdivision; 136A.111, by adding a subdivision; 136A.121, subdivisions 4 and 5; 136A.132, subdivisions 3, 6, and 7; 136A.233, subdivisions 1 and 2; 136A.85; 136A.86, subdivisions 1 and 2; 136A.87; 137.31, subdivision 3; and 645.445, subdivision 5; Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, section 136.09, subdivision 3.

Under the rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

S.F. Nos. 1084, 1051, 292, 465, 1184, 1160, 911, 1081, 1268, 343, 1204, 1097, 1261, 69, 785, 915, 800, 446, 537, 1308, 1050, 321 and H.F. No. 854, which the committee recommends to pass.

H.F. No. 436, which the committee recommends to pass with the following amendment offered by Ms. Piper:

Page 2, line 25, delete "1988" and insert "1989"

The motion prevailed. So the amendment was adopted.

S.F. No. 631, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Page 7, delete section 11

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "creating a"

Page 1, line 8, delete "right of first refusal;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1012, which the committee recommends to pass with the following amendments offered by Messrs. Merriam and Wegscheid:

Mr. Merriam moved to amend S.F. No. 1012 as follows:

Page 1, line 12, delete "*terminate or not*" and insert "*immediately discharge or terminate after the season*"

Page 1, line 13, delete "*renew*"

Amend the title as follows

Page 1, delete lines 2 to 4 and insert "relating to education; providing grievance procedures for immediate discharge and termination of licensed athletic coaches; amending"

The motion prevailed. So the amendment was adopted.

Mr. Wegscheid moved to amend S.F. No. 1012 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 125.121, is amended to read:

125.121 [COACHES, ~~TERMINATION~~ NONRENEWAL AND IMMEDIATE DISCHARGE OF DUTIES.]

Subdivision 1. ~~Before a district terminates the A school board's decision not to renew a coaching duties of contract for a subsequent year for an employee who is required to hold a license as an athletic coach from the state board of education; the district is subject to this subdivision and subdivision 2. Before the board decides to terminate the contract, it shall notify the employee in writing and state its reason for the proposed termination. Within 14 days of receiving this notification, the employee may request in writing a hearing on the termination before the board. If a hearing is requested, the board shall hold a hearing within 25 days according to the hearing procedures specified in section 125.12, subdivision 9, and the termination shall not be final except upon the order of the board after the hearing.~~

Subd. 2. Within ten days after the hearing, the board shall issue a written decision regarding the termination. If the board decides to terminate the employee's coaching ~~duties contract~~, the decision shall state the reason on which it is based and include findings of fact based upon competent evidence in the record. The board may terminate the employee's ~~duties or not contract~~, as it sees fit, for ~~any~~ a reason ~~which~~ that is found to be true based on substantial and competent evidence in the record.

Subd. 2a. [IMMEDIATE DISCHARGE.] *A school board's decision to immediately discharge from coaching duties an employee who is required to hold a license as an athletic coach during the period of the coaching contract is subject to the grievance procedure required by section 179A.20, subdivision 4.*

Subd. 3. This section shall not apply to the termination of a coaching ~~duties contract~~ pursuant to a district transfer policy or as a result of the nonrenewal or termination of the employee's *continuing contract pursuant to section 125.12 or 125.17* or the employee's discharge, demotion or suspension pursuant to section 125.12 or 125.17. This section shall not apply to the termination of an employee's coaching ~~duties~~ prior to completion of the probationary period of employment."

Delete the title and insert:

"A bill for an act relating to education; requiring notice and a hearing for nonrenewal of an athletic coach's contract; requiring grievance procedures for discharge of an athletic coach during the contract period; amending Minnesota Statutes 1986, section 125.121."

The motion prevailed. So the amendment was adopted.

S.F. No. 928, which the committee recommends to pass, subject to the following motions:

Mrs. Brataas moved to amend S.F. No. 928 as follows:

Page 1, line 19, reinstate the stricken "pertinent"

Page 1, line 20, delete "With"

Page 1, line 21, delete "the consent of the patient,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Knaak	Mehrkens	Storm
Belanger	Frederick	Knutson	Olson	Stumpf
Benson	Frederickson, D.R.	Laidig	Purfeerst	
Bernhagen	Gustafson	Larson	Ramstad	
Brataas	Hughes	Lessard	Renneke	
Chmielewski	Johnson, D.E.	McQuaid	Samuelson	

Those who voted in the negative were:

Adkins	Dicklich	Lantry	Peterson, D.C.	Spear
Berg	Frank	Luther	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.J.	Marty	Piper	Waldorf
Brandl	Freeman	Merriam	Pogemiller	Willet
Dahl	Jude	Metzen	Reichgott	
Davis	Kroening	Morse	Schmitz	
DeCramer	Langseth	Novak	Solon	

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

Mr. Diessner moved to amend S.F. No. 928 as follows:

Page 1, line 19, reinstate the stricken "pertinent"

The motion prevailed. So the amendment was adopted.

S.F. No. 1145, which the committee recommends be returned to its author.

S.F. No. 1226, which the committee recommends be returned to its author.

S.F. No. 1230, which the committee recommends to pass with the following amendment offered by Ms. Piper:

Page 2, line 13, delete "*preservation and*"

Page 2, line 17, after "*services,*" insert "*acting as advisor on preservation,*"

Page 2, line 19, delete "*furnishings and*"

The motion prevailed. So the amendment was adopted.

S.F. No. 100, which the committee recommends to pass with the following amendments offered by Mr. Frank and Ms. Peterson, D.C.:

Mr. Frank moved to amend S.F. No. 100 as follows:

Page 4, line 10, reinstate the stricken "(a)"

Page 4, lines 12 to 21, reinstate the stricken language

Page 4, line 27, reinstate the stricken language and after the reinstated "Money" insert "*in excess of \$10,000*"

Page 4, lines 28 to 36, reinstate the stricken language

Page 5, lines 1 to 6, reinstate the stricken language

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bertram	Freeman	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Willet
Dahl	Johnson, D.J.	Moe, R.D.	Reichgott	
Dicklich	Jude	Morse	Samuelson	
Diessner	Kroening	Novak	Solon	
Frank	Langseth	Pehler	Spear	

Those who voted in the negative were:

Anderson	Berglin	Frederickson, D.R.	McQuaid	Renneke
Beckman	Bernhagen	Gustafson	Mehrkens	Storm
Belanger	Brandl	Knaak	Merriam	Taylor
Benson	Brataas	Ladig	Olson	
Berg	Davis	Larson	Ramstad	

The motion prevailed. So the amendment was adopted.

Ms. Peterson, D.C. moved to amend S.F. No. 100 as follows:

Page 5, after line 26, insert:

"Sec. 5. Minnesota Statutes 1986, section 383B.048, subdivision 2, is amended to read:

Subd. 2. [CONTENT OF REPORTS.] Each campaign report required under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, committee or political fund that made transfers or donations in kind to the political committee in an aggregate amount or value in excess of \$50 \$100, together with the amount and date;

(c) The sum of all contributions made to the political committee or political fund;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. A loan made to a political committee or political fund which is forgiven or is repaid by an entity other than that political committee or fund shall be reported as a contribution;

(e) The sum of all receipts, including all contributions and loans, during the reporting period;

(f) The name and address of each person to whom aggregate expenditures have been made by or on behalf of the political committee or fund within the year in excess of \$100, the amount, date and purpose of each expenditure and the ballot question or the name and address of the candidate supported or opposed by the expenditure;

(g) The sum of all expenditures made by the political committee or fund;

(h) The amount and nature of any advance of credit incurred by the political committee or fund continuously reported until paid or forgiven. An advance of credit incurred by a political committee or fund which is forgiven or is paid by an entity other than that political committee or fund shall be reported as a donation in kind;

(i) The name and address of each political committee or fund to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(j) The sum of all transfers made to political committees or funds; and

(k) The sum of all disbursements not made to influence the outcome of an election."

Amend the title as follows:

Page 1, line 5, delete the second "and" and before the period, insert "and 383B.048, subdivision 2"

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend S.F. No. 100 as follows:

Pages 3 and 4, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "subdivisions 3 and 5" and insert "subdivision 3"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Brandl	Hughes	McQuaid	Storm
Belanger	Brataas	Johnson, D.E.	Mehrkens	Taylor
Benson	Frederick	Knaak	Olson	
Berg	Frederickson, D.R.	Laidig	Ramstad	
Bernhagen	Gustafson	Larson	Renneke	

Those who voted in the negative were:

Adkins	Davis	Kroening	Morse	Schmitz
Beckman	DeCramer	Langseth	Peterson, D.C.	Solon
Berglin	Dicklich	Lantry	Peterson, R.W.	Spear
Bertram	Frank	Luther	Piper	Stumpf
Chmielewski	Frederickson, D.J.	Marty	Pogemiller	Vickerman
Cohen	Freeman	Merriam	Reichgott	Wegscheid
Dahl	Jude	Moe, R.D.	Samuelson	Willet

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

S.F. No. 802, which the committee recommends to pass with the following amendment offered by Mr. Willet:

Pages 1 and 2, delete section 2

Page 3, delete lines 11 to 36 and insert:

"(c) The board shall proceed with acquisition consistent with the policies and rules established by the commissioner of administration."

Page 4, delete lines 1 to 12

Page 4, line 18, delete the second "for the" and insert "by the commissioner of administration."

Page 4, delete line 19

Page 4, line 21, delete "this section" and insert "subdivision 2, 3, or 4"

Page 4, line 23, after the period, insert "If either chairperson objects to the proposed project, the plan must be deferred and presented to the legislature at the next regular or special legislative session."

Renumber the subdivisions in sequence

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete “; authorizing”

Page 1, line 4, delete everything before the semicolon

Page 1, line 10, delete everything after the semicolon

Page 1, delete line 11

Page 1, line 12, delete everything before “authorizing”

Page 1, line 16, delete “sections” and insert “section”

Page 1, line 17, delete everything after the first semicolon

The motion prevailed. So the amendment was adopted.

S.F. No. 1313, which the committee recommends to pass with the following amendment offered by Mrs. Adkins:

Page 3, line 19, after the period, insert “*The rating plan approved by the commissioner shall provide for surcharge factors based upon claims reported and losses paid.*”

The motion prevailed. So the amendment was adopted.

S.F. No. 743, which the committee recommends to pass with the following amendments offered by Mr. Spear:

Amend S.F. No. 743 as follows:

Page 2, after line 14, insert:

“Sec. 2. [47.76] [REQUIRED SAVINGS ACCOUNT.]

A federal or state chartered financial institution, including, but not limited to, a bank, savings and loan association, savings bank, or credit union, shall offer to a Minnesota resident a savings account to promote thrift that has no service charge or fee, if such an account has an average monthly balance of more than \$50.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the period, insert “; proposing coding for new law in Minnesota Statutes, chapter 47”

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend S.F. No. 743 as follows:

Page 1, line 23, strike “according to the last previous United States census” and insert “*as determined by the commissioner from the latest available data from the state demographer*”

Page 1, line 25, after “less” insert “, *as determined by the commissioner from the latest available data from the state demographer,*”

The motion prevailed. So the amendment was adopted.

S.F. No. 830, which the committee recommends to pass, subject to the following motions:

Mr. Ramstad moved to amend S.F. No. 830 as follows:

Page 3, delete section 2

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 31, as follows:

Those who voted in the affirmative were:

Benson	Frederickson, D.R.	Laidig	Olson	Wegscheid
Bernhagen	Gustafson	Larson	Ramstad	
Brataas	Johnson, D.E.	McQuaid	Renneke	
Frederick	Knaak	Mehrrens	Storm	

Those who voted in the negative were:

Adkins	Dicklich	Lantry	Peterson, D.C.	Vickerman
Beckman	Frank	Luther	Peterson, R.W.	Waldorf
Bertram	Frederickson, D.J.	Marty	Piper	Willet
Chmielewski	Freeman	Moe, D.M.	Reichgott	
Cohen	Hughes	Moe, R.D.	Schmitz	
Dahl	Jude	Morse	Spear	
Davis	Kroening	Pehler	Stumpf	

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

Mr. Pehler moved to amend S.F. No. 830 as follows:

Page 2, line 10, delete "4" and insert "5"

The motion prevailed. So the amendment was adopted.

S.F. No. 1323, which the committee recommends to pass with the following amendment offered by Mr. Marty:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 1986, section 169.123, subdivision 7, is amended to read:

Subd. 7. [APPEAL.] Any party aggrieved by the decision of the reviewing court may appeal the decision as provided in ~~section 487.39~~ *the rules of procedure.*"

Page 1, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1986, section 487.01, subdivision 2, is amended to read:

Subd. 2. The county board of a county to which sections 487.01 to ~~487.39~~ 487.38 apply shall provide and furnish to the county court the courtrooms, quarters, supplies, equipment and personnel the court finds necessary for its purposes.

Sec. 4. Minnesota Statutes 1986, section 487.01, subdivision 3, is amended to read:

Subd. 3. The following combined probate and county court districts are established: Kittson, Roseau and Lake of the Woods; Marshall, Red Lake and Pennington; Norman and Mahnomon; Cass and Hubbard; Wadena and Todd; Mille Lacs and Kanabec; Big Stone and Traverse; Grant and Douglas; Lincoln and Lyon; Rock and Nobles; Dodge and Olmsted; Lake and Cook; Pine, Isanti and Chisago; Sherburne, Benton and Stearns. Notwithstanding the provisions of this paragraph the separation of combined county court districts by concurrent action of county boards before April 23, 1977, shall continue to be in effect unless the districts are combined pursuant to subdivision 6.

A combined county court district may be separated into single county courts by the supreme court. Vacancies in the office of judge created by such a separation shall be filled in the manner herein provided for the selection of other county court judges.

The single county court districts so created by such separation shall each be entitled to one judge, subject to the provisions of subdivision 5, clause (5), provided, however, that if the number of judges of the combined county court district exceeds the number of counties, then, upon separation into single county court districts, the county having the largest population determined by the last United States census shall be entitled to two judges and in the event there are more judges than counties remaining, the county having the next largest population determined by the last United States census shall also be entitled to two judges.

In each other county except Hennepin and Ramsey, the probate court of the single county is also the county court of the county and shall be governed by the provisions of sections 487.01 to ~~487.39~~ 487.38.

Sec. 5. Minnesota Statutes 1986, section 487.01, subdivision 4, is amended to read:

Subd. 4. The provisions of sections 487.01 to ~~487.39~~ 487.38 do not apply to the counties of Hennepin and Ramsey.

Sec. 6. Minnesota Statutes 1986, section 487.21, subdivision 4, is amended to read:

Subd. 4. If a municipality is located in more than one county court district, or in more than one county within a county court district, the county in which the city hall of the municipality is located determines the county or county court district in which the municipality shall be deemed located for the purposes of sections 487.01 to ~~487.39~~ 487.38 provided, however, that the municipality by ordinance enacted may designate, for those purposes, some other county or district in which a part of the municipality is located.

Sec. 7. Minnesota Statutes 1986, section 487.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Pleading, practice, procedure and forms in civil actions shall be governed by rules of civil procedure for county courts which shall be adopted by the supreme court. Until the rules become effective, such matters are governed by the rules for municipal courts and rules promulgated from time to time by the supreme court or by the statutes governing the district court insofar as the rules promulgated by the supreme court do not contain any applicable provision. The provisions of sections 487.01 to ~~487.39~~ 487.38 relating to pleading, practice and procedure in civil actions shall be effective as rules of court until modified or superseded by the rules hereafter adopted by the supreme court. Rules or statutory provisions modified or superseded by the rules of civil procedure for county courts adopted by the supreme court shall be of no effect in any county court from and after the effective date of said adopted rules.

Sec. 8. Minnesota Statutes 1986, section 487.23, subdivision 2, is amended to read:

Subd. 2. [COURT RULES.] The court may adopt rules governing pleading, practice, procedure and forms for civil actions which are not inconsistent with the provisions of sections 487.01 to ~~487.39~~ 487.38, the rules

for county courts promulgated by the supreme court, or governing statutes.

Sec. 9. Minnesota Statutes 1986, section 487.23, subdivision 3, is amended to read:

Subd. 3. [NOTES OF ISSUE; DEMAND FOR JURY TRIAL; WAIVER OF JURY TRIAL.] (a) A party desiring to place a civil cause upon the calendar for trial after issue is joined shall serve a note of issue on all other parties and file it with the court administrator, with proof of service within ten days after service. The note of issue shall state whether the issues are of law or fact, whether trial by jury is demanded or waived, and the name and address of the respective counsel.

(b) If any other party to the action desires a trial by jury when none is demanded in the note of issue served upon the party, the party shall serve a demand for trial by a jury on all other parties to the action and file it with the court administrator, with proof of service, within ten days after the note of issue was served upon the party.

(c) If a jury is not demanded at the time and in the manner provided in sections 487.01 to ~~487.39~~ 487.38, all parties waive trial by jury. Jury trial may be waived also in the manner provided by rule 38.02 of the rules for municipal courts promulgated by the supreme court and rules promulgated by the supreme court from time to time for county courts.

Sec. 10. Minnesota Statutes 1986, section 487.25, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except as otherwise provided in sections 487.01 to ~~487.39~~ 487.38 but subject to the provisions of section 480.059, pleading, practice, procedure and forms in actions or proceedings charging violation of a criminal law or a municipal ordinance, charter provision or rule are governed by the rules of criminal procedure.

Sec. 11. Minnesota Statutes 1986, section 487.25, subdivision 2, is amended to read:

Subd. 2. [COURT RULES.] The court may adopt rules governing pleading, practice, procedure and forms in actions or proceedings charging a violation of a criminal law or a municipal ordinance, charter provision or rule. The rules shall be consistent with the rules of criminal procedure, the provisions of sections 487.01 to ~~487.39~~ 487.38 and any other statute of this state.

Sec. 12. Minnesota Statutes 1986, section 487.33, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] Except as otherwise provided by sections 487.01 to ~~487.39~~ 487.38 or 574.34, the court administrator shall pay to the county treasurer all fines, penalties and fees collected by the court administrator, all sums forfeited to the court and all other money received by the court administrator no later than the tenth day of the month following the month of collection.

Sec. 13. Minnesota Statutes 1986, section 488A.01, subdivision 14, is amended to read:

Subd. 14. [APPEALS.] Appeals from the county municipal court to the court of appeals shall be subject to the provisions of section ~~487.39~~ and the rules of appellate procedure.

Sec. 14. Minnesota Statutes 1986, section 488A.18, subdivision 14, is amended to read:

Subd. 14. [APPEALS.] Appeals from the county municipal court to the court of appeals shall be subject to ~~the provisions of section 487.39~~ and the rules of appellate procedure.

Sec. 15. Minnesota Statutes 1986, section 501.35, is amended to read:

501.35 [MAY APPLY TO COURT FOR INSTRUCTIONS.]

Any trustee of an express trust by will or other written instrument whose appointment has been confirmed, or any beneficiary of that trust, may petition the court then having jurisdiction of the trust as a proceeding in rem, and any trustee of an express trust by will or other written instrument whose appointment has not been confirmed, or any beneficiary of that trust, may petition the district or county court of the county in which the unconfirmed trustee resides or has a place of business, for instructions in the administration of the trust, for the confirmation of any action taken by the trustee, for a construction of the trust instrument, or upon or after the filing of any account, for the settlement and allowance thereof. Upon the filing of the petition, the court shall make an order fixing a time and place for hearing it, unless hearing has been waived in writing by the beneficiaries of the trust then in being. Notice of hearing shall be given by publishing a copy of the order one time in a legal newspaper of the county at least 20 days before the date of the hearing, and by mailing a copy of it to each beneficiary of the trust then in being, at each beneficiary's last known address, at least ten days before the date of the hearing or in any other manner as the court orders. If the court deems further notice necessary, it shall be given in the manner specified in the order. At the hearing the court shall make such order as it deems appropriate. The order shall be final and conclusive as to all matters determined by it and binding in rem upon the trust estate and upon the interests of all beneficiaries, vested or contingent, even though unascertained or not in being, except that appeal may be taken in the manner provided in ~~section 487.39~~ *the rules of appellate procedure.*

Sec. 16. Minnesota Statutes 1986, section 525.712, is amended to read:

525.712 [REQUISITES.]

The appeal may be taken by any person aggrieved within 30 days after service of notice of the filing of the order, judgment, or decree appealed from, or if no notice be served, within six months after the filing of the order, judgment, or decree. Except as provided in this section, the appeal shall be perfected and determined upon the record as provided in sections 484.63 and ~~487.39~~ *the rules of appellate procedure.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "340A.501" and insert "169.123, subdivision 7" and delete "and" and after the second semicolon, insert "487.01, subdivisions 2, 3, and 4; 487.21, subdivision 4; 487.23, subdivisions 1, 2, and 3; 487.25, subdivisions 1 and 2; 487.33, subdivision 1; 488A.01, subdivision 14; 488A.18, subdivision 14; 501.35; and 525.712;"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 1516: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting fees; amending Minnesota Statutes 1986, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 27.041, subdivision 2; 28A.08; 32.075; 32.59; 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; 138.65; 138.91, by adding a subdivision; 309.531, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 332.33, subdivisions 3 and 4; amending Laws 1975, chapter 235, section 2, as amended.

Under the rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees and Second Reading of Senate Bills. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 583: A bill for an act relating to education; providing for aids for education and the distributions of tax revenues; providing for certain powers and duties of school boards, the state board of education, the commissioner of education, and others; establishing general education revenue that is composed of basic, compensatory education, training and experience, and sparsity revenue; combining certain categorical aids; providing special instruction and services for handicapped children from birth; making certain modifications to the school of the arts and resource center; establishing education districts and area learning centers; modifying requirements for school district planning, evaluating, and reporting; requiring counties to participate in regional public library systems; appropriating money; amending Minnesota Statutes 1986, sections 43A.08, subdivisions 1, and 1a; 120.03, subdivision 1; 120.17, subdivisions 1, 2, 3, 3a, 3b, 5, 7a, 12, and by adding subdivisions; 121.11, by adding a subdivision; 121.609, subdivision 4; 121.88, subdivision 7; 121.912, subdivision 1, and by adding a subdivision; 121.932, subdivision 3, and by adding a subdivision; 121.934, subdivisions 1, 2, and 6; 122.541, subdivision 2; 123.34, subdivision 9; 123.35, by adding a subdivision; 123.39, subdivision 1; 123.703, subdivision 3; 123.705; 124.14, subdivision 7; 124.17, subdivision 1, and by adding a subdivision; 124.175; 124.195, subdivision 8; 124.2162, by add-

ing a subdivision; 124.223; 124.225, subdivisions 1, 4b, 7b, 8a, 8i, and 10; 124.26, by adding subdivisions; 124.271, subdivisions 2b, and 7; 124.2711, subdivision 1; 124.273, subdivision 5; 124A.02, subdivisions 9, and 16; 124A.031, subdivision 4; 124A.21; 125.03, subdivision 5; 125.05, subdivision 1; 125.611, subdivisions 11, 12, and 13; 126.54, subdivision 1; 126.56, subdivisions 3, and 6; 126.67, subdivisions 3a, and 6, and by adding a subdivision; 128A.01; 128A.02, subdivisions 2, and 4; 129B.39; 129B.43, subdivisions 1, and 4; 129C.10, subdivisions 1, 3, 4, 5, 6, and by adding subdivisions; 134.10; 136D.27; 136D.74, subdivision 2; 136D.87; 171.29, subdivision 2; 275.125, subdivisions 4, 5, and 8; and Laws 1986, First Special Session chapter 1, article 5, section 9; proposing coding for new law in Minnesota Statutes, chapters 122, 124, 124A, 126, 128A, 129B, and 134; repealing Minnesota Statutes 1986, sections 120.17, subdivision 13; 121.20; 121.935, subdivision 5; 123.3514, subdivision 9; 124.17, subdivisions 1a, and 2d; 124.185; 124.2161; 124.2162; 124.2163; 124.225, subdivision 1a; 124.245; 124.246; 124.247; 124.252; 124.26, subdivisions 1, and 6; 124.272; 124.273, subdivision 2b; 124.274; 124.275; 124.573; 124.65; 124.66; 124A.01; 124A.02, subdivisions 2, 5, 6, 7, 9, 10, 11, 12, 13, and 14; 124A.03, subdivisions 1, 1a, 3, 4, and 6; 124A.031, subdivision 1; 124A.033; 124A.035, subdivision 1; 124A.04; 124A.06, subdivisions 1, 1a, 1b, 2, 3a, and 4; 124A.08, subdivisions 1, 2, 3a, 4, and 5; 124A.10, subdivisions 1, 2, 3a, and 4; 124A.12, subdivisions 1, 2, 3a, and 4; 124A.14, subdivisions 1, 2, 3, 4, 5, 5a, and 6; 124A.16; 124A.20, subdivisions 1, 2, and 3; 124A.21; 125.611, subdivisions 8, 9, and 10; 126.031, subdivision 2; 126.264, subdivision 3; 126.267; 126.268, subdivision 2; 126.60; 126.62; 126.64; 126.65; 126.66; 126.67, subdivisions 1, 1a, 2a, 5b, and 9; 126.70; 126.71; 126.72; 126.80; 126.81; 129B.01; 129B.02; 129B.04; 129B.05; 129B.17; 129B.20; 129B.21; 129B.35; 129B.43, subdivisions 2, 3, and 6; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; 129B.67; 275.125, subdivisions 3, 6a, 8a, 11a, 11c, and 12; 354.66, subdivisions 4a and 9; 354A.094, subdivisions 4a and 9; and Laws 1985, First Special Session chapter 12, article 8, section 46.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 35, strike "years" and insert "year"

Page 6, line 28, after the period, insert "*Except for the requirements of section 10,*" and delete "*basic*" and insert "*general education*"

Page 6, line 29, delete "*, subdivision 2,*" and insert "*and supplemental revenue under section 11*"

Page 9, line 13, delete "*these pupils*"

Page 9, line 15, delete the second "*the*" and insert "*these*"

Page 9, line 22, after "*to*" insert "*improve their ability to*"

Page 9, line 23, delete "*their*" and insert "*the pupils*"

Page 10, line 5, delete "*receiving*" and insert "*that receives*"

Page 16, after line 15, insert:

"Sec. 18. [COSTS OF ADMINISTRATION.]

Subdivision 1. [TOTAL COST FREEZE.] A school board may not increase its total costs of administration and supervision for the 1987-1988 and 1988-1989 school years above the level for the 1986-1987 school year.

Administration and supervision costs include all costs related to the school board, office of the superintendent, central office, district support services, and administrative and supervisory staff. It includes all costs related to the administration and supervision of elementary education, secondary education, special education, vocational education, community education, food service, transportation services, building operations and maintenance, and other programs.

It does not include principals, assistant principals, direct costs of classroom teaching, and professional support services for pupils such as library, social work, health, and counseling.

The costs shall be determined according to the uniform financial accounting and reporting categories of district and school administration, district support services, and all executive and managerial salaries and their related expenditures. Expenditures related to principals and assistant principals must not be included in any category.

Subd. 2. [RULE VARIANCES.] If compliance with this section is impaired because of rules of the state board of education, the district shall report to the state board the particular rule that impairs compliance. The state board shall, upon a showing of need by the district, grant a variance from the rule to each district submitting a report. A variance may be granted from at least the following rules: Minnesota Rules, parts 3500.0600, subpart 2; 3505.4800; 3505.5000; 3505.6500; 3505.9300, subparts 4 and 5; 3515.8700, subparts 1 and 4; 3515.8900, subpart 1; 3525.2405; 3525.2410; 3525.2415; 3530.6000; and other similar and successor parts.

Subd. 3. [AID REDUCTION FOR ADMINISTRATION COSTS.] The general education aid for the 1988-1989 school year for each district shall be reduced by an amount equal to 5.6 percent of the district's administration costs for the 1986-1987 school year. If the reduction exceeds the district's general education aid, the reduction shall be made from other aids paid to the district."

Page 16, line 33, delete "\$989,747,000" and insert "\$982,811,800"

Page 16, line 36, delete "\$989,087,500" and insert "\$982,152,300"

Page 17, delete lines 19 to 22

Page 17, line 29, after "129B.05;" insert "129B.32, subdivisions 2 and 5; 129B.33; 129B.36; 129B.375;"

Page 18, line 8, delete "129B.17;"

Page 18, line 9, delete "129B.20; 129B.21;"

Renumber the sections of article 1 in sequence

Page 22, line 31, delete "which" and insert "that"

Page 27, delete lines 34 to 36

Page 28, delete lines 1 to 7

Page 30, line 26, after "caregiver" insert a comma

Page 30, line 27, after "both" insert a comma

Page 39, line 23, delete "all"

Page 40, line 12, strike "as appropriate"

Page 40, line 29, strike "learning" and insert "intervention"

Page 42, line 13, delete "are encouraged to" and insert "may"

Page 42, lines 20 and 21, after "pay" insert a comma

Page 43, line 25, delete "requiring" and insert "that requires"

Page 47, line 18, delete "meets all of the"

Page 47, line 19, delete "following"

Page 48, line 17, strike "school year"

Page 50, line 8, delete "appropriate"

Page 50, line 28, delete "instruction" and insert ", financing," and delete "service" and insert "services"

Page 56, delete lines 26 to 35

Page 57, line 21, delete ", 2, and 4" and insert "and 2"

Page 59, after line 2, insert:

"Sec. 5. Minnesota Statutes 1986, section 124.26, is amended by adding a subdivision to read:

Subd. 1c. [PROGRAM APPROVAL.] A district receiving aid under this section must have its program approved by the commissioner according to the following criteria:

- (1) *how the needs of all levels of learners will be met;*
- (2) *for continuing programs, an evaluation of results;*
- (3) *anticipated number and education level of participants;*
- (4) *coordination with other resources and services;*
- (5) *participation in a consortium, if any, and funds available from other participants;*
- (6) *management and program design;*
- (7) *volunteer training and use of volunteers;*
- (8) *staff development services; and*
- (9) *program sites and schedules.*

The commissioner may contract with a private, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a contract must be approved according to the same criteria used for district programs."

Page 59, line 5, delete "1c" and insert "7" and delete "The" and insert "Each"

Page 59, line 6, delete "state" and insert "district" and delete "pay" and insert "receive" and before "adult" insert "approved"

Page 60, line 34, strike "amount of the approved budget" and insert "actual expenditures for approved programs"

Page 62, line 20, strike "one-half of the amount of" and insert ": (1)"

Page 62, line 23, after "certified" insert "minus the amount of state aid paid for the same year," and before "\$30,000" insert "(2)"

Page 63, after line 32, insert:

"Up to \$200,000 each year may be used for contracts with private, nonprofit organizations for approved programs."

Page 65, delete lines 27 to 36

Renumber the sections of article 4 in sequence

Page 67, line 1, delete "State" and insert "General" and delete "412.0" and insert "411.0" in both places

Page 67, line 3, delete everything after "Federal" and insert " - 1988 = 154.4, and 1989 = 153.4"

Page 68, after line 6, insert:

"Each year of the biennium, the commissioner of education shall monitor the compliance of each school district with article 1, section 18, through the uniform financial accounting and reporting standards. In addition, the commissioner shall conduct a field audit of school district practices, records, and files of at least 60 school districts to determine whether administrative costs are properly assigned to accounts, properly reported, have exceeded the 1986-1987 costs, and other evidence of meeting the requirements of article 1, section 18. When appropriate, these audits may be conducted at the same time as audits conducted under Minnesota Statutes, section 124.14, subdivision 3. The commissioner shall report the compliance or noncompliance of each district and the results of the audit of each district to the education committees of the legislature by January 1 of 1988, 1989, and 1990."

Page 69, after line 61, insert:

"\$157,500 in fiscal year 1988 and \$67,800 in fiscal year 1989 is for services to school districts related to acquired immune deficiency syndrome."

Page 70, delete line 11

Page 70, line 12, delete everything before the period

Page 71, line 23, delete "assistance" and insert "effectiveness"

Page 71, after line 41, insert:

"\$1,098,700 for fiscal year 1988 and \$1,100,800 for fiscal year 1989 is for education data systems. Any unexpended balance remaining in the first year does not cancel and is available for the second year."

Page 75, line 19, delete the new language and strike the old language

Page 75, strike lines 20 to 22

Page 75, line 23, strike the old language and delete the period and insert:

“(e) The board may identify pupils in grades 9 to 12 who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) a pilot interdisciplinary academic and arts program for pupils in the 11th and 12th grades, beginning with 135 pupils in the 11th grade in September 1989, and 135 pupils in the 11th grade and 135 pupils in the 12th grade in September 1990;

(2) intensive arts seminars for one or two weeks for 9th and 10th grade pupils;

(3) summer arts institutes for pupils in grades 9 to 12;

(4) artist mentor and extension programs in regional sites; and

(5) teacher education programs for indirect curriculum delivery.”

Page 75, line 24, delete “(f)” and insert “(g)”

Page 75, line 28, delete “(g)” and insert “(h)” and delete “may” and insert “must”

Page 75, line 29, strike the old language and before the period, insert *“on an equal basis from each congressional district”*

Reletter the paragraphs in sequence

Page 78, line 32, after the period, insert *“The board may financially support arts education programs of other government agencies, such as the comprehensive arts planning program of the department of education.”*

Page 86, line 6, delete *“its unreserved”* and insert *“a designated for certain”*

Page 86, line 16, delete *“unreserved”* and insert *“designated for certain”*

Page 86, line 32, delete *“for”* and insert *“about”*

Page 87, line 4, strike *“consisting of”* and delete *“12”* and strike *“members”*

Page 89, line 15, after *“aid”* insert *“or grant”*

Page 89, line 20, strike *“, except that”* and insert *“. However, section 124A.032 applies to”*

Page 89, line 21, strike everything after *“aid”*

Page 89, line 22, strike everything before the period

Page 89, line 30, after the period, insert *“If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.”*

Page 90, after line 6, insert:

“Sec. 13. [124.217] [EXCEPTIONAL NEED AID.]

Subdivision 1. [ELIGIBILITY.] A district is eligible for exceptional need revenue if all of the following apply to the district:

(a) *The ratio of the average daily membership of pupils enrolled in the district to the number of licensed staff, measured in full-time equivalents, is greater than 17.*

(b) *The ratio of the referendum levy certified according to section 124A.02, subdivision 2, to the adjusted assessed valuation is greater than .006.*

(c) *The ratio of the total levy certified by the district to the adjusted assessed valuation is greater than .05.*

(d) *The ratio of the adjusted assessed valuation to the actual pupil units is less than \$38,500.*

(e) *The unappropriated operating fund balance is less than \$100 times the number of actual pupil units.*

Before a school board certifies levies to the county auditor, the commissioner shall determine the district's eligibility for exceptional need revenue for the following school year. Eligibility must be based on pupil and staff data from the prior year, levies certified in the prior year, adjusted assessed valuation in the prior year, and fund balances on June 30 of the same year.

Subd. 2. [EXCEPTIONAL NEED REVENUE.] The exceptional need revenue for each district equals \$75 times the number of actual pupil units.

Subd. 3. [EXCEPTIONAL NEED AID.] A district's exceptional need aid is the difference between its exceptional need revenue and the exceptional need levy, multiplied times the ratio of the actual amount levied to the amount permitted to be levied."

Page 95, after line 13, insert:

"Sec. 10. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 6f. [EXCEPTIONAL NEED LEVY.] To obtain exceptional need revenue, a district may levy an amount not to exceed the lesser of its exceptional need revenue or the result of the following computation:

(a) *Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the actual pupil units for the year to which the levy is attributable.*

(b) *Divide the result in paragraph (a) by the ratio of the formula allowance, established in article 1, section 6, subdivision 2, to the general education mill rate, established in article 1, section 7, subdivision 1, for the year to which the levy is attributable.*

(c) *Multiply the result in paragraph (b) by the district's exceptional need revenue for the year to which the levy is attributable."*

Page 97, after line 32, insert:

"Subd. 8. [EXCEPTIONAL NEED AID.] *For exceptional need aid there is appropriated:*

\$125,600 _____ 1989.

The appropriation is for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriation is based on an aid entitlement of \$147,800 for fiscal year 1989."

Renumber the sections of article 7 in sequence

Page 118, after line 19, insert:

“Sec. 3. [COUNTY OPTION.]

Renville, Brown, Lincoln, and Pipestone counties may choose to be exempt from the requirements of section 2. A county's choice to become exempt must be made by the filing of a certificate of local approval of this section under Minnesota Statutes, section 645.021.”

Renumber the sections of article 9 in sequence

Amend the title as follows:

Page 1, line 44, before the second semicolon, insert “and by adding a subdivision”

Page 2, line 23, delete “129B.17; 129B.20;”

Page 2, line 24, delete “129B.21;” and insert “129B.32, subdivisions 2 and 5; 129B.33;” and after “129B.35;” insert “129B.36; 129B.375;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 583 was read the second time.

MEMBERS EXCUSED

Mr. Lessard was excused from the Session of today from 12:00 noon to 1:55 p.m. Mr. Pehler was excused from the Session of today from 12:00 noon to 1:45 p.m. Mr. Pogemiller was excused from the Session of today from 12:00 noon to 12:50 p.m. Mr. Metzen was excused from the Session of today from 4:15 to 5:00 p.m. Mr. Waldorf was excused from the Session of today from 2:45 to 4:20 p.m. Mr. Wegscheid was excused from the Session of today from 12:00 noon to 2:00 p.m. Ms. Berglin was excused from the Session of today at 4:40 p.m. Mr. Samuelson was excused from the Session of today at 5:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Friday, May 1, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-FIRST DAY

St. Paul, Minnesota, Friday, May 1, 1987

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Marjorie B. Aurelius.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 29, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 73, 136 and 1067.

Sincerely,

Rudy Perpich, Governor

April 30, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 725.

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 482: A bill for an act relating to insurance; regulating terminations of certain agency contracts; requiring companies to attempt to rehabilitate agents before terminating their appointment; regulating these rehabilitation agreements; amending Minnesota Statutes 1986, section 60A.171, subdivisions 1, 3, and by adding a subdivision.

Senate File No. 482 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 30, 1987

CONCURRENCE AND REPASSAGE

Mr. Metzen moved that the Senate concur in the amendments by the House to S.F. No. 482 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 482 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Metzen	Samuelson
Anderson	DeCramer	Kroening	Morse	Schmitz
Beckman	Dicklich	Laidig	Novak	Solon
Berg	Diessner	Langseth	Olson	Spear
Berglin	Frank	Lantry	Pehler	Storm
Bernhagen	Frederick	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Lessard	Peterson, R.W.	Taylor
Brandl	Frederickson, D.R.	Luther	Piper	Willet
Brataas	Freeman	Marty	Pogemiller	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Jude	Merriam	Renneke	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 863: A bill for an act relating to horse racing; authorizing the racing commission to issue an additional license for a racetrack in the seven-county metropolitan area to be used for standard-bred racing; amending Minnesota Statutes 1986, sections 240.06, by adding a subdivision; and 240.14, subdivision 1.

Senate File No. 863 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 30, 1987

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 863 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 863 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 44 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	McQuaid	Pogemiller
Anderson	DeCramer	Johnson, D.E.	Mehrrens	Renneke
Beckman	Dicklich	Johnson, D.J.	Merriam	Schmitz
Berg	Diessner	Jude	Metzen	Spear
Bernhagen	Frank	Knaak	Morse	Stumpf
Bertram	Frederick	Laidig	Novak	Taylor
Brataas	Frederickson, D.J.	Langseth	Pehler	Wegscheid
Cohen	Frederickson, D.R.	Lantry	Peterson, R.W.	Willet
Dahl	Freeman	Luther	Piper	

Those who voted in the negative were:

Belanger	Chmielewski	Larson	Peterson, D.C.	Storm
Berglin	Knutson	Marty	Ramstad	Vickerman
Brandl	Kroening	Olson	Reichgott	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 609, 1193, 1444, 305, 630, 931, 283, 1111 and 753.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 30, 1987

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 609: A bill for an act relating to government data practices; giving the department of energy and economic development access to certain employment data; amending Minnesota Statutes 1986, section 268.12, subdivision 12.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 854.

H.F. No. 1193: A bill for an act relating to independent school district No. 206, Alexandria; providing for elections of the school board.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1051, now on the Calendar.

H.F. No. 1444: A bill for an act relating to towns; providing procedures for their organization and dissolution; amending Minnesota Statutes 1986, sections 365.45; 368.47; and 379.01.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1322, now on General Orders.

H.F. No. 305: A bill for an act relating to the city of Mankato; authorizing location of certain polling places more than 3,000 feet outside precinct boundaries.

Referred to the Committee on Elections and Ethics.

H.F. No. 630: A bill for an act relating to health; allowing health maintenance organizations to adjust premiums based on actual health services utilization; amending Minnesota Statutes 1986, sections 62D.04, subdivision 1; 62D.08, subdivision 3; and 62D.10, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 582, now on General Orders.

H.F. No. 931: A bill for an act relating to public guardianship; modifying standards and procedures for the appointment of public guardians for mentally retarded persons; providing for powers and duties of public guardians; amending Minnesota Statutes 1986, sections 252.291, subdivision 3; 252A.01; 252A.02, subdivisions 2, 4, 6, 7, 8, 11, 12, and by adding subdivisions; 252A.03, subdivisions 2 and 3; 252A.04, subdivisions 1 and 3; 252A.05; 252A.06; 252A.07, subdivisions 1 and 3; 252A.14; 252A.16; 252A.17; 252A.19, subdivisions 1, 2, and 3, and by adding a subdivision; 252A.20, subdivision 1; 252A.21, subdivision 2; 253B.03, subdivisions 1 and 6; and 525.56, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 252A; repealing Minnesota Statutes 1986, sections 252A.08; 252A.10; 252A.11; 252A.13; 252A.15; and 252A.18.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 868, now on General Orders.

H.F. No. 283: A bill for an act relating to elections; requiring confidentiality of certain matters before the ethical practices board; raising certain campaign contribution disclosure limits; changing the method of calculat-

ing certain campaign expenditure limits; amending Minnesota Statutes 1986, sections 10A.02, subdivision 11; 10A.12, subdivision 5; 10A.20, subdivisions 3 and 5; 10A.25, subdivisions 2 and 7; 10A.255; and Laws 1980, chapter 362, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 210A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 100, now on General Orders.

H.F. No. 1111: A bill for an act relating to crimes; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed an aggravated felony against the person as a member of an organized gang; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from lawful custody; amending Minnesota Statutes 1986, sections 260.125, subdivision 3; and 609.485, subdivisions 2 and 4.

Referred to the Committee on Judiciary.

H.F. No. 753: A bill for an act relating to education; providing aids to education, aids to libraries, appropriations to the state academies for the deaf and blind, and the department of education; changing secondary pupil unit weighting; establishing a formula equity allowance; changing the calculation of special education aid; increasing the community education formula; changing the capital expenditure formula; changing the secondary vocational funding formula; increasing desegregation levies and appropriating desegregation aid; appropriating money; amending Minnesota Statutes 1986, sections 43A.08, subdivisions 1 and 1a; 43A.18, subdivision 4; 118.12; 118.13; 118.14; 120.03, subdivision 1; 120.0752, by adding a subdivision; 120.17, subdivisions 1, 2, 3, 3a, 3b, 5, 7a, 12, and by adding subdivisions; 121.609, subdivision 4; 121.612, subdivisions 3, 5, and by adding subdivisions; 121.87, subdivision 1, and by adding a subdivision; 121.88, subdivision 2, and by adding a subdivision; 121.935, subdivision 6; 121.936, subdivision 1; 122.541, subdivision 2; 123.36, subdivision 13; 123.39, subdivision 1, and by adding a subdivision; 123.58, subdivisions 6 and 8a; 123.705, subdivision 1; 124.05, subdivision 1; 124.17, subdivisions 1 and 1a; 124.195, subdivision 9; 124.2138, subdivision 4, and by adding a subdivision; 124.2162, by adding a subdivision; 124.223; 124.225, subdivisions 1, 4b, 7b, 8a, 8i, 10, and by adding a subdivision; 124.245, subdivisions 1, 3, and by adding subdivisions; 124.246, subdivision 2; 124.247, subdivision 3; 124.252, subdivision 3; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.272, subdivision 1; 124.273, subdivision 1b, and by adding subdivisions; 124.32; 124.481; 124.524, by adding a subdivision; 124.573; 124.574, subdivisions 2b, 3, 4, and by adding subdivisions; 124.646, subdivision 1; 124A.01; 124A.02, subdivisions 7, 8, 9, 16, and by adding subdivisions; 124A.03, subdivisions 1a, 3, and by adding a subdivision; 124A.033, subdivision 2; 124A.036, by adding a subdivision; 124A.06; 124A.08, subdivisions 1, 3a, and 5; 124A.10, subdivision 1, and by adding a subdivision; 124A.12, subdivision 1; 124A.14, subdivision 4; 125.03, subdivision 5; 125.05, subdivision 1; 125.185, subdivision 4; 125.611, subdivisions 10, 11, 12, and 13; 126.02, subdivision 2; 126.48, by adding a subdivision; 126.56, subdivisions 3 and 6; 126.65; 126.66, subdivisions 1, 6, and by adding subdivisions; 126.67, subdivisions 1, 1a, 2a, 3a, 6, and 9; 126.81, subdivision 2; 129B.041, subdivisions 1 and 3; 134.10; 136D.27; 136D.71; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5, 6e, 8c, 9, 11a, 11c, and by adding subdivisions; Laws 1984, chapter 463, article 6, section 15, subdivision 1; Laws 1986,

First Special Session chapter 1, article 5, section 9; proposing coding for new law in Minnesota Statutes, chapters 43A; 121; 122; 123; 124A; 125; 126; 128A; 129B; and 134; repealing Minnesota Statutes 1986, sections 120.17, subdivision 13; 123.937; 124.05, subdivision 2; 124.185; 124.2161; 124.2162; 124.2163; 124.225, subdivision 1a; 124.273, subdivision 2b; 124.275; 124A.20; 125.611, subdivisions 8 and 9; 129B.01; 129B.02; 129B.04; 129B.041, subdivision 4; 129B.05; 129B.17; 129B.20; 129B.21; 129B.35; 129B.37; and 275.125, subdivision 5d.

Mr. Luther moved that H.F. No. 753 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 775: A bill for an act relating to education; providing for model programs in adult vocational occupational literacy training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136C.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 15 and 16, delete "*is established*"

Page 1, line 17, delete "*. The council shall consist*" and insert "*consists*"

Page 2, line 5, delete "*shall*" and insert "*must*"

Page 2, line 20, delete "*shall*" and insert "*may*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

H.F. No. 1159: A bill for an act relating to retirement; public pension plan or fund assets; prohibiting certain transfers or uses of assets; proposing coding for new law in Minnesota Statutes, chapter 356.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

STATEWIDE PUBLIC SAFETY PENSION PLAN CHANGES

Section 1. Minnesota Statutes 1986, section 69.80, is amended to read:
69.80 [AUTHORIZED ADMINISTRATIVE EXPENSES.]

Notwithstanding any provision of law to the contrary, the payment of the following necessary, reasonable and direct expenses of maintaining, protecting and administering the special fund, when provided for in the bylaws of the association and approved by the board of trustees, shall constitute

authorized administrative expenses of a police, salaried firefighters' or volunteer firefighters' relief association organized under any law of this state:

(a) office expense including but not limited to rent, utilities, equipment, supplies, postage, periodical subscriptions, furniture, fixtures, and salaries of administrative personnel;

(b) salaries ~~and itemized expenses~~ of the president, secretary, and treasurer of the association, or their designees, *and any other official of the relief association to whom a salary is payable under bylaws or articles of incorporation in effect on January 1, 1986, and their itemized expenses* incurred as a result of fulfilling their responsibilities as administrators of the special fund;

(c) tuition, registration fees, organizational dues, and other authorized expenses of the officers or members of the board of trustees incurred in attending educational conferences, seminars, or classes relating to the administration of the relief association;

(d) audit, actuarial, medical, legal, and investment and performance evaluation expenses;

(e) reimbursement to the officers and members of the board of trustees, or their designees, for reasonable and necessary expenses actually paid and incurred in the performance of their duties as officers or members of the board; and

(f) premiums on fiduciary liability insurance and official bonds for the officers, members of the board of trustees, and employees of the relief association.

Any other expenses of the relief association shall be paid from the general fund of the association, if one exists. If a relief association has only one fund, that fund shall be deemed to be the special fund for purposes of this section. If a relief association has a special fund and a general fund, and any expense of the relief association is directly related to the purposes for which both funds were established, the payment of that expense shall be apportioned between the two funds on the basis of the benefits derived by each fund.

Sec. 2. Minnesota Statutes 1986, section 352.01, subdivision 2B, is amended to read:

Subd. 2B. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of state employee:

(1) elective state officers;

(2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board or the state board for community colleges, as the case may be;

(3) employees who are eligible to membership in the state teachers retirement association except employees of the department of education who have elected or may elect to be covered by the Minnesota state retirement system instead of the teachers retirement association;

(4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;

(5) officers and enlisted personnel in the national guard and the naval militia and such as are assigned to permanent peacetime duty who pursuant to federal law are or are required to be members of a federal retirement system;

(6) election officers;

(7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) all courts and court employees, referees, receivers, jurors, and notaries public, except employees of the appellate courts and referees and adjusters employed by the department of labor and industry;

(10) patient and inmate help in state charitable, penal and correctional institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) operators and drivers employed pursuant to section 16.07, subdivision 4;

(15) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service therefor is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full time secretary;

(16) state troopers;

(17) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of the same year; and persons employed at any time or times by the state fair administration for special events held on the fairgrounds;

(18) emergency employees in the classified service except emergency employees who within the same pay period become provisional or probationary employees on other than a temporary basis, shall be deemed "state employees" retroactively to the beginning of the pay period;

(19) persons described in section 352B.01, subdivision 2, clauses (b) and (c) formerly defined as state police officers;

(20) all temporary employees in the classified service, all temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period and all seasonal help in the classified service employed by the department of revenue;

(21) trainees paid under budget classification number 41, and other

trainee employees, except those listed in subdivision 2A, clause (10);

(22) persons whose compensation is paid on a fee basis;

(23) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(24) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(25) chaplains and nuns who have taken a vow of poverty as members of a religious order;

(26) labor service employees employed as a laborer 1 on an hourly basis;

(27) examination monitors employed by departments, agencies, commissions, and boards for the purpose of conducting examinations required by law;

(28) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;

(29) persons appointed to serve as members of fact finding commissions, adjustment panels, arbitrators, or labor referees under the provisions of chapter 179;

(30) temporary employees employed for limited periods of time under any state or federal program for the purpose of training or rehabilitation including persons employed for limited periods of time from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(31) full-time students employed by the Minnesota historical society who are employed intermittently during part of the year and full time during the summer months;

(32) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, the members of which board are appointed by the metropolitan council;

(33) persons employed in positions designated by the department of employee relations as student workers;

(34) any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days following appointment that coverage is desired;

(35) members of trades employed by the metropolitan waste control commission with trade union pension plan coverage pursuant to a collective bargaining agreement first employed after June 1, 1977; and

(36) persons employed in subsidized on-the-job training, work experience or public service employment as enrollees under the federal Comprehensive Employment and Training Act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer

contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution; and

(37) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund.

Sec. 3. Minnesota Statutes 1986, section 352.85, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; RETIREMENT ANNUITY.] Any person who is employed by the department of military affairs *other than as a full-time firefighter*, who is covered by the general employee retirement plan of the Minnesota state retirement system as provided in section 352.01, subdivision 23, who is ordered to active duty pursuant to section 190.08, subdivision 3, who elects this special retirement coverage pursuant to subdivision 4, who is required to retire from federal military status at the age of 60 years by applicable federal laws or regulations and who terminates employment as a state employee upon attaining that age shall be entitled, upon application, to a retirement annuity computed in accordance with section 352.115, subdivisions 2 and 3, without any reduction for early retirement pursuant to section 352.116, subdivision 1.

Sec. 4. Minnesota Statutes 1986, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employee":

- (a) Elected or appointed officers and employees of elected officers.
- (b) District court reporters.
- (c) Officers and employees of the public employees retirement association.
- (d) Employees of the League of Minnesota Cities.
- (e) Officers and employees of public hospitals, owned or operated by or an integral part of, any governmental subdivision or governmental subdivisions.
- (f) Employees of a school district who receive separate salaries for driving their own buses.
- (g) Employees of the Association of Minnesota Counties.
- (h) Employees of the Metropolitan Inter-County Association.
- (i) Employees of the Minnesota Municipal Utilities Association.
- (j) Employees of the metropolitan airports commission if employment initially commences on or after July 1, 1979.
- (k) Employees of the Minneapolis employees retirement fund, if employment initially commences on or after July 1, 1979.
- (l) Employees of the Range Association of Municipalities and Schools.
- (m) Employees of the soil and water conservation districts.
- (n) Employees of a county historical society who are county employees.

(o) Employees of an economic development authority created under sections 458C.01 to 458C.23.

(p) Employees of the department of military affairs of the state of Minnesota who are full-time firefighters.

Sec. 5. Minnesota Statutes 1986, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of "public employee":

(a) Persons employed for professional services where such service is incidental to regular professional duties.

(b) Election officers.

(c) Independent contractors and their employees.

(d) Patient and inmate help in governmental subdivision charitable, penal and correctional institutions.

(e) Members of boards, commissions, bands and others who serve the governmental subdivision intermittently.

(f) Employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of \$325 in any one calendar month, the department heads must then report all such employees for membership and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service.

(g) Part-time employees who receive monthly compensation not exceeding \$325, and part-time employees and elected officials whose annual compensation is stipulated in advance to be not more than \$3,900 per year, except that members shall continue their membership until termination of public service.

(h) Persons who first occupy an elected office after March 1, 1978, the compensation for which does not exceed \$325 per month.

(i) Emergency employees who are employed by reason of work caused by fire, flood, storm or similar disaster.

(j) Employees who by virtue of their employment are required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, except as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that this clause shall not prevent a person from contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time.

(k) Police matrons employed in a police department of any city who are transferred to the jurisdiction of a joint city and county detention and corrections authority.

(l) Chaplains and nuns who have taken a vow of poverty as members of

a religious order.

(m) Full-time students who are enrolled and are regularly attending classes at an accredited school, college or university; provided, no person employed full time by a governmental subdivision shall be exempt under this paragraph.

(n) Resident physicians, medical interns and pharmacist interns who are serving in public hospitals.

(o) Appointed or elected officers, paid entirely on a fee basis, and who were not members on June 30, 1971.

(p) Nothing in Laws 1973, chapter 753 shall be interpreted to impair or revoke any option exercised under Laws 1963, chapter 793.

(q) Persons employed in subsidized on-the-job training, work experience or public service employment as enrollees under the federal Comprehensive Employment and Training Act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Training and Employment Act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contributions in addition to the required employee contribution.

(r) Town, city or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$325 per month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.

(s) A person holding a part time adult supplementary vocational technical school license who renders part time teaching service in a vocational technical school if (1) the service is incidental to the person's regular nonteaching occupation; and (2) the applicable vocational technical school stipulates annually in advance that the part time teaching service will not exceed 300 hours in a fiscal year; and (3) the part time teaching service actually does not exceed 300 hours in a fiscal year.

(t) A person exempt from licensure pursuant to section 125.031.

(u) *A volunteer firefighter as defined in section 24.*

Sec. 6. Minnesota Statutes 1986, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] "Salary" means the periodical compensation of any public employee, before deductions for deferred compensation or supplemental retirement plans, and also means "wages" and includes net income from fees. Fees paid to district court reporters shall not be considered a salary. Lump sum annual leave payments and severance payments shall not be deemed to be salary. Prior to the time that all sick leave has been used, amounts paid to an employee pursuant to a disability insurance policy

or program where the employer paid the premiums shall be considered salary, and after all sick leave has been used, the payment shall not be considered salary. Workers' compensation payments shall not be considered salary. *Compensation paid to a volunteer firefighter as defined in section 24 may not be considered as salary.*

Sec. 7. Minnesota Statutes 1986, section 353.64, subdivision 1, is amended to read:

Subdivision 1. Any person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall as long as the person remains in either position, be deemed to continue membership in the fund. Any person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978 by virtue of being a police officer as defined by this section on that date shall be entitled, if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, to continue membership in the fund whether or not that person has the power of arrest by warrant after that date. Any other employee serving on a full-time basis as a police officer or firefighter on or after July 1, 1961, shall become a member of the public employees police and fire fund. Any employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer. Any employee serving on less than a full-time basis as a firefighter, other than a volunteer firefighter, shall become a member of the public employees police and fire fund only after a resolution is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter. *A volunteer firefighter as defined in section 24 and any police officer or salaried firefighter who by virtue of that employment is required to contribute to any other pension, relief, or retirement fund established for the benefit of officers or employees of a governmental subdivision other than a volunteer firefighters relief association to which sections 69.771 to 69.776 apply shall not be a member of this fund.*

Sec. 8. Minnesota Statutes 1986, section 353.64, is amended by adding a subdivision to read:

Subd. 8. [PENSION COVERAGE FOR CERTAIN STATE MILITARY AFFAIRS DEPARTMENT FIREFIGHTERS.] A person who is employed as a full-time firefighter on or after the first day of the first payroll period after the effective date of this section by the department of military affairs of the state of Minnesota and who is not eligible for coverage under the agreement signed between the state and the secretary of the federal Department of Health and Human Services making the provisions of the federal Old Age, Survivors, and Disability Insurance Act applicable to state employees because the person's position is excluded from application under United States Code, title 42, sections 418(d)(5)(A) and 418(d)(8)(D) and section 355.07, is a member of the public employees police and fire fund and is considered to be a firefighter within the meaning of this section. The state department of military affairs shall make the employee contribution deduction from the salary of each full-time military affairs department firefighter as required by section 353.65, subdivision 2, shall make the employer contribution with respect to each firefighter as required

by section 353.65, subdivision 3, and shall meet the employer recording and reporting requirements in section 353.65, subdivision 4.

Sec. 9. Minnesota Statutes 1986, section 353.656, subdivision 3, is amended to read:

Subd. 3. [NONDUTY DISABILITY BENEFIT.] ~~After June 30, 1973,~~ Any member who becomes disabled after not less than five years of allowable service, before reaching the age of 55, because of sickness or injury occurring while not on duty as a police officer or firefighter, and by reason ~~thereof of that sickness or injury~~ the member is unable to perform duties as a police officer or firefighter, shall be entitled to receive a disability benefit. The benefit shall be in the same amount and paid in the same manner as if the member were 55 years of age at the date of disability and the benefit were paid pursuant to section 353.651. ~~Should~~ *If a disability under this clause occur* ~~occur~~ *subdivision occurs* after five but in less than ten years of allowable service, the disability benefit shall be the same as though the member had at least ten years service. *For any member who is employed as a full-time firefighter by the department of military affairs of the state of Minnesota, allowable service as a full-time state military affairs department firefighter credited by the Minnesota state retirement system may be used in meeting the minimum allowable service requirement of this subdivision.*

Sec. 10. Minnesota Statutes 1986, section 353.657, subdivision 2a, is amended to read:

Subd. 2a. [DEATH WHILE ELIGIBLE SURVIVOR BENEFIT.] If a member who has attained the age of at least 50 years and has credit for not less than ten years allowable service dies before public service has terminated, or if an employee who has filed a valid application for an annuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, *a death while eligible survivor benefit. The benefit shall be in lieu of a refund with interest provided in section 353.32, subdivision 1, or survivor benefits otherwise payable pursuant to subdivisions 1 and 2. The benefit must be an annuity equal to the 100 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in sections 353.651, subdivisions 2 and 3, and 353.30, subdivision 3. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment shall accrue beyond the end of the month in which entitlement to such annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of such deceased member. Any member may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter. For a member who is employed as a full-time firefighter by the department of military affairs of the state of Minnesota, allowable service as a full-time state military affairs department firefighter credited by the Minnesota state retirement system may be used in meeting*

the minimum allowable service requirement of this subdivision.

Sec. 11. [353B.01] [LOCAL GOVERNMENT CORRECTIONAL SERVICE RETIREMENT PLAN.]

Subdivision 1. [PLAN ADMINISTRATION; FUND.] The public employees local government correctional service retirement plan is a separate plan administered by the public employees retirement association. The association shall maintain a special fund known as the public employees local government correctional service retirement fund.

Subd. 2. [REVENUE SOURCES.] Member contributions under section 15, subdivision 1 or 3, and employer contributions under section 15, subdivision 1 or 3, and other amounts authorized by law, including any investment income or invested fund assets, must be deposited in the fund.

Subd. 3. [INVESTMENT.] The public employees local government correctional service retirement fund participates in the Minnesota postretirement investment fund. The amounts provided in section 353.271 must be deposited in that fund. The balance of any assets of the fund must be deposited in the Minnesota combined investment fund as provided in section 11A.14, if applicable, or otherwise under section 11A.23.

Subd. 4. [COLLECTION OF CONTRIBUTIONS.] The collection of member and employer contributions are governed by section 353.27, subdivisions 4, 7, 8, 9, 10, 11, 12, and 13.

Subd. 5. [FUND DISBURSEMENT RESTRICTED.] The public employees local government correctional service retirement fund and its share of participation in the Minnesota postretirement investment fund may be disbursed only for the purposes provided for in this chapter. The proportional share of the expenses of the association and any benefits provided in this chapter, other than benefits payable from the Minnesota postretirement investment fund, must be paid from the correctional service retirement fund. Retirement annuities, disability benefits, survivorship benefits, and any refunds of accumulated deductions may be paid only from the correctional service retirement fund after those needs have been certified by the executive director and the amounts withdrawn from the share of participation in the Minnesota postretirement fund under section 11A.18. The amounts necessary to make the payments from the correctional service retirement fund and the participation in the Minnesota postretirement investment fund are annually appropriated from those funds for those purposes.

Sec. 12. [353B.02] [CORRECTIONAL SERVICE EMPLOYEES.]

A local government correctional service employee is a person who:

(1) meets the definition of "essential employee" in section 179A.03, subdivision 7, excluding state employees, University of Minnesota employees, firefighters, peace officers subject to licensure under sections 626.84 to 626.855, employees of hospitals other than state hospitals, confidential employees, supervisory employees other than supervisory employees of correctional officers at correctional facilities or city or county jails, principals, and assistant principals;

(2) is employed by Dakota county, Hennepin county, Ramsey county, St. Louis county, or Washington county, if the county elects to participate under section 14; and

(3) is a public employee within the meaning of section 353.01, subdi-

visions 2 and 2a.

Sec. 13. [353B.03] [CORRECTIONAL SERVICE PLAN COVERAGE.]

Subdivision 1. [INITIAL COVERAGE.] A person who is a local government correctional service employee on June 30, 1988, is a member of the local government correctional service retirement plan and shall begin contributing to the plan on July 1, 1988.

Subd. 2. [SUBSEQUENT COVERAGE.] A person who becomes a local government correctional service employee after June 30, 1988, is a member of the local government correctional service retirement plan and shall contribute to the plan.

Subd. 3. [TRANSFER OF PRIOR COVERAGE.] A person described in subdivision 1 may transfer service from the public employees retirement association plan or the public employees police and fire fund to the correctional service retirement plan. The actuary retained by the legislative commission on pensions and retirement shall calculate the present value of the annuity for all service in the association and the present value of the retirement annuity for the same amount of service if covered under the correctional service retirement plan. To transfer coverage, the employee shall elect to transfer all public employees retirement association service and pay the difference between the present value in the association and the present value in the correctional service retirement plan. A decision to transfer coverage and payment of the difference must be made on or before June 30, 1989. No transfer of coverage back to the association is permitted.

Subd. 4. [RECOGNITION OF PRIOR SERVICE.] A member of the correctional service retirement plan who elects to purchase service pursuant to subdivision 3 and who had ten or more years of allowable service in the public employees retirement association before the purchase of service is considered to have met all ten years of allowable service eligibility requirements for survivor and retirement annuities payable from the correctional service retirement plan. In calculating the retirement annuity or survivor annuity, only the actual years of allowable service purchased pursuant to subdivision 3 may be used in addition to service as a local government correctional service employee credited after July 1, 1988.

Sec. 14. [353B.04] [LOCAL GOVERNMENT EMPLOYING UNIT PARTICIPATION OPTION.]

Dakota county, Hennepin county, Ramsey county, St. Louis county, or Washington county may elect to provide its correctional employees with retirement coverage by the local government correctional service retirement plan in lieu of retirement coverage by the public employees retirement association or the public employees police and fire fund. The election must be made on a form provided by the executive director of the public employees retirement association and, once made, is irrevocable for all local government correctional service employees employed by the county.

Sec. 15. [353B.05] [CORRECTIONAL SERVICE PLAN CONTRIBUTIONS.]

Subdivision 1. [MEMBER CONTRIBUTIONS.] Beginning with the first full pay period after July 1, 1988, after the effective date of the election to provide retirement coverage by the local governmental unit, or after becoming a local government correctional service employee, whichever is

later, in lieu of employee contributions payable under section 353.27, subdivision 2, a local government correctional service employee shall make an employee contribution in an amount equal to five percent of salary.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after July 1, 1988, after the effective date of the election to provide retirement coverage by the local governmental unit, or after becoming a local government correctional service employee, whichever is later, in lieu of employer contributions payable under section 353.27, subdivision 3, the employer shall contribute for a local government correctional service employee an amount equal to five percent of salary.

Subd. 3. [ADJUSTMENT IN CONTRIBUTION RATES.] Beginning with the first full pay period after the actuarial valuation of the local government correctional service retirement plan prepared by the actuary retained by the legislative commission on pensions and retirement is filed with the executive director of the public employees retirement association, the member contribution rate is a percentage that equals one-half of the calculated total actuarial requirement of the plan, and the employer contribution rate is the balance of the calculated total actuarial requirement of the plan.

Sec. 16. [353B.06] [CORRECTIONAL SERVICE PLAN RETIREMENT ANNUITY.]

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] After separation from public employment, an employee covered under section 12 who has attained the age of at least 55 years and has credit for not less than ten years of coverage in the local government correctional service plan is entitled, upon application, to a normal retirement annuity. In lieu of a normal retirement annuity, a retiring employee may elect to receive the optional annuity provided in section 353.30, subdivision 3.

Subd. 2. [AVERAGE SALARY BASE.] In calculating the annuity under subdivision 3, "average salary" means an amount equivalent to the average of the highest salary earned as a local government correctional employee upon which employee contributions were paid for any five successive years of allowable service.

Subd. 3. [ANNUITY AMOUNT.] The average salary as defined in subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and 2.5 percent for each additional year of allowable service, determines the amount of the normal annuity. If a person has earned allowable service in the public employees retirement association or the public employees police and fire fund for performing services other than those of a local government correctional employee, the annuity representing such service must be computed in accordance with the coordinated formula under sections 353.29 and 353.30 or section 353.651, whichever applies.

Subd. 4. [ACCRUAL AND DURATION.] The annuity under this section begins to accrue as provided in section 353.29, subdivision 7, and must be paid for an additional 84 full calendar months or to the first of the month following the month in which the employee becomes age 65, whichever occurs first. After a recipient has received the annuity calculated under this formula for 84 full calendar months or to the first of the month following the month in which the employee becomes age 65, whichever occurs first, the benefit must be recomputed in accordance with the coordinated formula in sections 353.29 and 353.30, except that if this amount,

when added to the social security benefit based on state service the employee is eligible to receive at that time, is less than the benefit payable under subdivision 3, the retired employee must receive an amount payable under subdivision 3. When an annuity is reduced under this subdivision, any percentage of adjustments that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity.

Subd. 5. [MULTIPLE SERVICE LIMITATION.] A former employee who has both regular and local government correctional service must, if qualified, receive an annuity based on both periods of service, but no period of service may be used more than once in calculating the annuity.

Sec. 17. [353B.07] [AUGMENTATION IN CERTAIN CASES.]

Unless prior service has been transferred or unless a combined service annuity under section 356.30 has been elected, an employee who becomes a local government correctional employee after being a member of the public employees retirement association or the public employees police and fire fund is covered under section 353.71, subdivision 2, with respect to that prior service.

Sec. 18. [353B.08] [DISABILITY BENEFITS.]

Subdivision 1. [DUTY DISABILITY QUALIFICATION REQUIREMENTS.] A local government correctional employee who is less than 55 years of age and who becomes disabled and physically unfit to perform the duties of the position as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty that renders the employee physically or mentally unable to perform the employee's duties, is entitled to a disability benefit based on covered service only in an amount equal to 45 percent of the average salary defined in section 16, subdivision 2, plus an additional 2.5 percent for each year of covered service in excess of 20 years.

Subd. 2. [NONDUTY DISABILITY QUALIFICATION REQUIREMENTS.] A local government correctional employee who after not less than five years of covered service, before reaching the age of 55, becomes disabled and physically unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, is entitled to a disability benefit based on covered service. The disability benefit must be computed in the same manner as an annuity under section 16, subdivision 3, and as though the employee had at least ten years of covered correctional service.

Subd. 3. [OPTIONAL ANNUITY.] A disabled local government correctional employee may elect the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity must be made before the commencement of payment of the disability benefit and is effective on the date on which the disability benefit begins to accrue as provided in section 353.33, subdivision 2. Upon becoming effective, the optional annuity begins to accrue on the same date as provided for the disability benefit.

Subd. 4. [DISABILITY BENEFIT APPLICATION.] A claim or demand for a disability benefit must be initiated by written application in the manner and form prescribed by the executive director, filed in the office of the association, showing compliance with the statutory conditions qualifying the applicant for a disability benefit. A member or former member

who became disabled during a period of membership may file an application for disability benefits within three years following termination of local government correctional service, but not after that time has elapsed. This benefit begins to accrue the day following the commencement of disability, 90 days preceding the filing of the application, or, if annual or sick leave is paid for more than the 90-day period, from the date salary ceased, whichever is latest. No payment may accrue beyond the end of the month in which entitlement has terminated. If the disabilitant dies before negotiating the check for the month in which death occurs, payment must be made to the optional annuitant or beneficiary.

Subd. 5. [DISABILITY BENEFIT TERMINATION.] *The disability benefit paid to a disabled local government correctional employee terminates at the end of the month in which the employee reaches age 62. If the disabled local government correctional employee is still disabled when the employee reaches age 62, the employee is deemed to be a retired employee and, if the employee had elected an optional annuity under subdivision 3, must receive an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 3, the employee may elect either to receive a normal retirement annuity computed in the manner provided in section 16 or to receive an optional annuity as provided in section 353.30, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made before attaining the age of 62 years. The reduction for retirement prior to age 65 as provided in section 353.30, subdivisions 1 and 1c, is not applicable.*

Subd. 6. [RESUMPTION OF EMPLOYMENT.] *Should a disabled employee resume a gainful occupation from which earnings are less than salary received at the date of disability or the salary currently paid for similar positions, or should the employee be entitled to receive workers' compensation benefits, the disability benefit must be continued in an amount that, when added to such earnings and workers' compensation benefits, does not exceed the salary received at the date of disability or the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater.*

Sec. 19. [353B.09] [SURVIVING SPOUSE OPTIONAL ANNUITY.]

If a member or former member of the local government correctional service retirement plan has attained the age of at least 50 years and has credit for not less than 30 years of allowable service, regardless of age attained, dies before the annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in section 353.32, subdivision 1, an annuity equal to the 100 percent joint and survivor annuity for which the member could have qualified had the member terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity must be computed on the coordinated formula as provided in sections 353.29, subdivisions 2 and 3, and 353.30, subdivisions 1, 1a, 1b, and 1c. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment may accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to any

excess of the accumulated contributions that were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. A member may specify in writing that this subdivision does not apply and that payment must be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 20. [353B.10] [SCOPE AND APPLICATION.]

The general provisions of chapter 353 apply to the local government correctional service retirement plan except where otherwise specifically provided in sections 11 to 20.

Sec. 21. Minnesota Statutes 1986, section 356.20, subdivision 2, is amended to read:

Subd. 2. [COVERED PUBLIC PENSION FUNDS.] (1) State employees retirement fund.

- (2) Public employees retirement fund.
- (3) Teachers retirement fund.
- (4) State patrol retirement fund.
- (5) Minneapolis teachers retirement fund association.
- (6) St. Paul teachers retirement fund association.
- (7) Duluth teachers retirement fund association.
- (8) Minneapolis employees retirement fund.
- (9) University of Minnesota faculty retirement plan.
- (10) University of Minnesota faculty supplemental retirement plan.
- (11) Judges retirement fund.
- (12) Any police or firefighter's relief association enumerated in section 69.77, subdivision 1a or 69.771, subdivision 1.
- (13) Public employees police and fire fund.
- (14) Minnesota state retirement system correctional officers retirement plan.
- (15) *Public employees local government correctional service retirement plan.*

Sec. 22. Minnesota Statutes 1986, section 356.30, subdivision 3, is amended to read:

Subd. 3. [COVERED FUNDS.] The provisions of this section shall apply to the following retirement funds:

- (1) state employees retirement fund established pursuant to chapter 352;
- (2) correctional employees retirement program, established pursuant to chapter 352;
- (3) unclassified employees retirement plan, established pursuant to chapter 352D;
- (4) state patrol retirement fund, established pursuant to chapter 352B;

- (5) legislators' retirement plan, established pursuant to chapter 3A;
- (6) elective state officers' retirement plan, established pursuant to chapter 352C;
- (7) public employees retirement association, established pursuant to chapter 353;
- (8) public employees police and fire fund, established pursuant to chapter 353;
- (9) teachers retirement fund, established pursuant to chapter 354;
- (10) Minneapolis employees retirement fund, established pursuant to chapter 422A;
- (11) Minneapolis teachers retirement fund association, established pursuant to chapter 354A;
- (12) St. Paul teachers retirement fund association, established pursuant to chapter 354A;
- (13) Duluth teachers retirement fund association, established pursuant to chapter 354A;
- (14) *public employees local government correctional service retirement plan established by sections 11 to 21.*

Sec. 23. Minnesota Statutes 1986, section 356.32, subdivision 2, is amended to read:

Subd. 2. [COVERED FUNDS.] The provisions of this section shall apply to the following retirement funds:

- (1) state employees retirement fund, established pursuant to chapter 352;
- (2) correctional employees retirement program, established pursuant to chapter 352;
- (3) state patrol retirement fund, established pursuant to chapter 352B;
- (4) public employees retirement fund, established pursuant to chapter 353;
- (5) public employees police and fire fund, established pursuant to chapter 353;
- (6) teachers retirement fund, established pursuant to chapter 354;
- (7) Minneapolis employees retirement fund, established pursuant to chapter 422A;
- (8) Duluth teachers retirement fund association, established pursuant to chapter 354A;
- (9) Minneapolis teachers retirement fund association, established pursuant to chapter 354A;
- (10) St. Paul teachers retirement fund association, established pursuant to chapter 354A;
- (11) *public employees local government correctional service retirement plan established by sections 11 to 21.*

Sec. 24. Minnesota Statutes 1986, section 424A.001, is amended by adding a subdivision to read:

Subd. 8. [VOLUNTEER FIREFIGHTER.] "Volunteer firefighter" means a person who is not scheduled to serve on a full-time basis, who serves on call for emergency duty as a regular active member of a municipal fire department or an independent nonprofit firefighting corporation, and who receives no compensation for that service or whose compensation for that service is not based on or is not a multiple of any rate of compensation being paid that person by the municipal fire department or independent nonprofit firefighting corporation for duty other than on call emergency duty.

Sec. 25. Minnesota Statutes 1986, section 424A.02, subdivision 9, is amended to read:

Subd. 9. [LIMITATION ON ANCILLARY BENEFITS.] Any relief association, including any volunteer firefighters relief association governed by section 69.77 or any volunteer firefighters division of a relief association governed by chapter 424, may only pay ancillary benefits which would constitute an authorized disbursement as specified in section 424A.05 subject to the following limitations:

(a) With respect to a relief association in which governing bylaws provide for a lump sum service pension to a retiring member, no ancillary benefit may be paid to any former member or paid to any person on behalf of any former member after the former member (1) terminates active service with the fire department and active membership in the relief association; and (2) commences receipt of a service pension as authorized pursuant to this section; and

(b) With respect to any relief association, no ancillary benefit paid or payable to any member, to any former member, or to any person on behalf of any member or former member, may exceed in amount the total earned service pension of the member or former member. The total earned service pension shall be calculated using the service pension amount specified in the bylaws of the relief association and the years of service credited to the member or former member. The years of service shall be determined as of (1) the date the member or former member became entitled to the ancillary benefit; or (2) the date the member or former member died entitling a survivor or the estate of the member or former member to an ancillary benefit. The ancillary benefit shall be calculated (1) without regard to whether the member or former member had attained the minimum amount of service and membership credit specified in the governing bylaws; and (2) without regard to the percentage amounts specified in subdivision 2; except that the bylaws of any relief association may provide for the payment of a survivor benefit in an amount not to exceed five times the yearly service pension amount specified in the bylaws on behalf of any member who dies before having performed five years of active service in the fire department with which the relief association is affiliated.

Sec. 26. [EFFECTIVE DATE.]

Sections 2 to 7 are effective the first day of the first full pay period beginning after final enactment. Sections 11 to 21 are effective January 1, 1988. The remaining sections are effective the day following final enactment.

ARTICLE 2

VARIOUS NONSTATEWIDE PUBLIC SAFETY
PENSION PLAN CHANGES

Section 1. Minnesota Statutes 1986, section 424.04, is amended to read:
424.04 [MEMBERS.]

Subdivision 1. [PAID FIREFIGHTERS.] Every paid firefighter, as defined in section 424.03, shall be eligible to apply for membership in the relief association in the city in which the person is employed within the time and in the manner hereinafter set forth. Any firefighter desiring to become a member shall, not later than 90 days from the time when the person is regularly entered on the payrolls of the fire department, make written application for membership in the relief association on forms supplied by the association, accompanied by one or more physician's certificates as required by the bylaws of the association. After the application has been filed, the board of examiners of the association shall make a thorough investigation thereof and file their report with the secretary of the association. An application shall be acted upon by the association within six months from the date applicant was entered on the payroll of the fire department. ~~No paid firefighter who is more than 35 years of age when the application of the person is filed shall become a member of the relief association, except that this age limitation shall not apply on application for reinstatement in the association.~~

Subd. 2. [VOLUNTEER FIREFIGHTERS.] Every volunteer firefighter shall be eligible to apply for membership in the relief association and shall make written application for membership in the relief association on forms supplied by the association not later than 90 days from the date on which the person commenced service as a volunteer firefighter. No application from a person who is ineligible for membership pursuant to section 424A.01, subdivision 1 or 2 or who is excluded as constituting an unwarranted health risk pursuant to section 424A.01, subdivision 4 shall be approved by the association. The application shall be acted upon by the association within six months from the date on which the person commenced service as a volunteer firefighter. ~~No volunteer firefighter who is more than 35 years of age when appointed to serve in any capacity performing any firefighting duties with a fire department shall become a member of the relief association, except that this age limitation shall not apply on any application for reinstatement in the association.~~

Sec. 2. Laws 1949, chapter 406, section 5, subdivision 1, as amended by Laws 1953, chapter 127, section 5, subdivision 1, Laws 1969, chapter 560, section 1, and Laws 1983, chapter 88, section 8, is amended to read:

Subdivision 1. [PERSONS MINNEAPOLIS POLICE; PERSONS ENTITLED TO RECEIVE.] The association shall grant pensions payable from the ~~police~~ *police* pension fund in monthly installments, in the manner and for the following purposes:

(1) Any active member ~~of the age of 50 years or more, and any deferred pensioner who performs~~ *has performed* duty as a member of the police department of the city for ~~20~~ *five* years or more, upon ~~his~~ written application after retiring from ~~such~~ *such* duty, ~~shall and reaching at least age 50 is entitled to be paid monthly during his lifetime a for life a service pension equal to 32 units and an additional unit for each year of such service in excess of 20 years, but after completion of the 25th year of service the member shall~~

receive 40 units thereafter.

(2) Any active member who performs duty as a member of the police department of the city for 20 years or more who retires from such duty before he attains the age of 50 years, upon his written application after reaching the age of 50 years shall be paid monthly during his lifetime a pension equal to 32 units and an additional unit for each year of such service in excess of 20 years, but after completion of the 25th year of service the member shall receive 40 units thereafter eight units. For full years of service beyond five years, the service pension increases to a maximum of 40 units, as follows:

Sixth through 20th years _____ 1.6 units per year

21st through 24th years _____ 1.0 units per year

25th year _____ 4.0 units.

Fractional years of service may not be used in computing pensions.

(3) To (2) Any active member who shall, after ten five years' service but with less than 20 years' service with the police department of the city, become becomes superannuated so as to be permanently unable to perform his assigned duties, there shall be paid monthly during his lifetime for life a pension equal to 12 two units for ten five years of service and an additional two units for each completed full year of such service over ten five years and less than 20 years.

(4) To (3) Any active member not eligible for a service pension who, while a member of the police department of the city, becomes diseased or sustains an injury while in the service which permanently unfits him the member for the performance of police duties, there shall be paid monthly during his lifetime for life a pension equal to 32 units while so disabled.

Sec. 3. Laws 1949, chapter 406, section 5, subdivision 3, as amended by Laws 1953, chapter 127, section 5, subdivision 2, and Laws 1983, chapter 88, section 9, is amended to read:

Subd. 2. [PAYMENTS, MEMBER SEPARATED FROM THE SERVICE MINNEAPOLIS POLICE; REFUNDS PROHIBITED.] If an active member of the police department of the city is separated from the service after having completed not less than five years of service, under such circumstances that no pension benefits are payable to him or to his widow or to his children, the association shall return to him the sum of \$500, with an additional \$100 for each completed year of service in excess of five. In the event the member is reinstated to police duty all moneys paid him shall be returned to the pension fund within six months from the date of the reinstatement. Failure to do so relieves the association from any liability as to prior years of service credit as to reinstatement date. In case of the death of the member any such sums shall be paid to his heirs, executors, or administrators No refund of contributions may be made upon separation from service; provided, however, that if an active member dies leaving no surviving spouse or children the member's heirs, executors, or administrators are entitled to a refund of \$100 for each completed year of service.

Sec. 4. Laws 1949, chapter 406, section 6, subdivision 1, as amended by Laws 1953, chapter 127, section 6, and Laws 1967, chapter 820, section 1, is amended to read:

Subdivision 1. [MINNEAPOLIS POLICE SURVIVOR BENEFITS; PERSONS TO WHOM GRANTED.] The association shall grant pensions or benefits payable from the ~~police~~ ~~men's~~ ~~police~~ pension fund to any member or to any ~~widow~~ surviving spouse or to any child under 18 years of age or any member from the time and for the following purposes:

When a service pensioner, disability pensioner, or deferred pensioner, or an active member of a relief association dies, leaving

(1) a ~~widow~~ surviving spouse, who was ~~his~~ a legally married wife spouse, residing with ~~him~~ the decedent, and who was married while or prior to the time ~~he~~ the decedent was on the payroll of the police department; and who, in case the deceased member was a service or deferred pensioner, was legally married to the member at least one year before ~~his~~ retirement from the police department; or

(2) a child or children, who were living while the deceased was on the payroll of the police department or born within nine months after the decedent was withdrawn from ~~such~~ the payroll, the ~~widow~~ surviving spouse and child, or children, shall be entitled to a pension, or pensions, as follows:

(a) To the ~~widow~~ surviving spouse of a deceased active member or disabilitant, a pension of 18 units per month for life. If the surviving spouse remarries, the pension ceases as of the date of the remarriage.

(b) To the surviving spouse of a deceased deferred or retired member, a pension of ~~18~~ 4.5 units per month for ~~her~~ natural life; ~~but~~, plus an additional nine-tenths of one unit per month for every year of service of the decedent beyond five years to a maximum of 18 units. If ~~she~~ the surviving spouse ~~remarry~~ remarries the pension ~~shall cease~~ ceases as of the date of the remarriage.

~~(b)~~ (c) To each child of a deceased active member or disabilitant, a pension of six units per month until the child reaches the age of 18 years; or in the case of a child in full-time attendance during the normal school year, in a school approved by the board of directors, until the child receives a bachelor's degree or attains the age of 22 years, whichever occurs first.

(d) To each child of a deceased deferred or retired member, a pension of 1.5 units per month plus three-tenths of one unit per month for every year of service of the decedent beyond five years to a maximum of six units until the child reaches the age of 18 years; or, in the case of a child in full-time attendance during the normal school year in a school approved by the board of directors, until the child receives a bachelor's degree or attains the age of 22 years, whichever is first.

The total pensions hereunder for the ~~widow~~ surviving spouse and children of a deceased member shall not exceed 32 units per month.

Sec. 5. Laws 1980, chapter 607, article 15, section 9, is amended to read:

Sec. 9. [MINNEAPOLIS POLICE AND FIRE; HEALTH AND WELFARE BENEFIT.] Notwithstanding any law to the contrary, any person who, after July 1, 1980, retires on a service pension with at least 20 years of service or a permanent disability benefit from the Minneapolis police relief association or the Minneapolis firefighters relief association shall be entitled on January 1, 1981, or upon the date of retirement, whichever occurs later, to receive a monthly health and welfare benefit unless the city of Minneapolis elects to retain the local relief association by the adoption

of a municipal resolution pursuant to section 4, subdivision 1. The monthly health and welfare benefit shall be an amount equal to one unit as defined pursuant to Laws 1963, Chapter 315, Section 1, Subdivision 3, for the Minneapolis police relief association, or Minnesota Statutes, Section 69.45, for the Minneapolis firefighters relief association, whichever is applicable. The monthly health and welfare benefit shall be paid to the retired member unless the retired member designates in writing that the amount be paid to an insurance carrier to defray the cost of any health or welfare related insurance coverage.

Sec. 6. Laws 1949, chapter 406, section 4, subdivisions 2 and 3, as amended by Laws 1953, chapter 127, section 4; Laws 1965, chapter 534, section 1; Laws 1967, chapter 825, section 1; Laws 1969, chapter 258, section 1; Laws 1973, chapter 272, section 1; Laws 1975, chapter 428, section 1; and Laws 1983, chapter 88, section 7, is amended to read:

Sec. 7. [MINNEAPOLIS, CITY OF; POLICEMEN'S PENSIONS.]

The policemen's pension fund shall be used only for the payment of:

- (a) Service, disability or dependency pensions;
- (b) Salaries of the secretary of the association in an amount not to exceed 30 percent of the base salary of a top-grade patrolman and of the president of the association in an amount not to exceed ten percent of the base salary of a top-grade patrolman;
- (c) Expenses of officers and employees of the association in connection with the protection of the fund;
- (d) All expenses of operating and maintaining the association;
- (e) Hospital and medical insurance for pensioners *who have completed 20 years or more of service or permanent disabilities and widows surviving spouses of deceased active members, disabilities, or service pensioners who have completed 20 years or more of service* of one unit per month, such one unit to be added to the pension otherwise provided for herein; provided that a pensioner or *widow surviving spouse* may in writing authorize a deduction from their pension for an insurance plan adopted by the association;
- (f) Health and welfare benefits of one unit per month in addition to other benefits for members who retire after July 1, 1980, *and have completed 20 years or more of service or members who are permanent disabilities*; and
- (g) Other expenses authorized by law.

Sec. 7. Laws 1967, chapter 678, section 2, as amended by Laws 1971, chapter 807, section 2, and Laws 1983, chapter 74, section 1, is amended to read:

Sec. 2. [HIBBING POLICE; SURVIVING SPOUSES, CHILDREN; AMOUNT OF PENSION.] Notwithstanding any other provision of law or charter, pensions may be paid by the police relief association of the city of Hibbing to any surviving spouse or child under ~~16~~ 18 years of age of any pensioned and retired member of the police department, and to any surviving spouse or child under ~~16~~ 18 years of age of any member who dies while in the service of the police department of the city. The surviving spouse or child shall receive not more than the sums herein provided.

~~\$250 per month to the surviving spouse, and \$15 per month to each child under 16 years of age. Survivor benefits shall be the following percentages of the average salary of the deceased member during the last six months of employment by the police department:~~

- ~~(1) surviving spouse, 30 percent;~~
- ~~(2) surviving child under 18, 10 percent;~~
- ~~(3) maximum family benefit, 50 percent.~~

Where a surviving spouse and children reside together the money herein required to be paid to the children shall be paid to the surviving spouse for the support of the children; ~~but that money paid to the surviving spouse for the surviving spouse and children shall not exceed \$280 per month in all.~~ In the event of the death of both parents leaving a minor child or children under the age of ~~16~~ 18 years of age, entitled to a pension, the sums as may be necessary for the care, maintenance and education of the child or children may be paid to the legal guardian thereof, but not to exceed ~~the sum of \$280 per month to the children of any one police officer maximum family benefit.~~ In the event that surviving spouse remarries, he or she shall receive no further benefits under this law. The fund shall not be used for any other purpose than the payment of service, disability or dependency pensions, as herein provided, and for the relief of a sick, injured and disabled police officer. The word "member", as used in this act, shall include policewomen, police matrons and assistant police matrons.

Sec. 8. Laws 1977, chapter 169, section 1, subdivision 1a, as amended by Laws 1982, chapter 443, section 1, is amended to read:

Subd. 1a. [HIBBING, CITY OF; FIREFIGHTERS; SERVICE PENSIONS; INCREASE IN CERTAIN PENSIONS.] The Hibbing firefighters relief association shall pay to any retired fireman who retired prior to September 1, 1972, ~~\$200~~ \$300 per month in addition to any service pension payable pursuant to subdivision 1.

Sec. 9. Laws 1971, chapter 614, section 1, subdivision 2, as amended by Laws 1982, chapter 443, section 2, is amended to read:

Subd. 2. [HIBBING FIRE; DEPENDENCY PENSIONS.] When a pensioned and retired or active member of the association dies leaving

(1) ~~A widow surviving spouse who was his the member's~~ legally married ~~wife spouse, residing with him the member, and who was married to him the member while or prior to the time he the member was on the payroll of the fire department; and who, in case the deceased member was a service pensioner, was legally married to the member at least three years before his retirement from the fire department; or~~

(2) A child or children who were living while the deceased was on the payroll of the fire department, or born within nine months after the decedent was withdrawn from the payroll of the fire department, the ~~widow surviving spouse~~ and the child or children shall be entitled to a pension or pensions ~~based upon the following percentages of the average salary of the deceased member during the last six months of employment by the fire department,~~ as follows:

(a) ~~To the widow surviving spouse, not to exceed the sum of \$250~~ 30 percent of average salary per month, as the bylaws of the association provide, for ~~her natural~~ life which amount may be applicable to ~~widows~~

surviving spouses already receiving pension payments before the effective date of the most recent amendment ~~hereto~~ which affects the amount if the bylaws should so provide; ~~provided, that~~. If ~~she~~ *the surviving spouse* shall remarry then the pension shall cease and terminate as of the date of ~~her~~ remarriage.

(b) To the child or children, if their ~~mother~~ *other parent* be living, a pension of ~~not to exceed \$25~~ *ten percent of average salary* per month for each child up to the time each child reaches the age of 18 years; provided, the total pensions hereunder for the ~~widow~~ *surviving spouse* and children of the deceased member shall not exceed ~~the sum of \$280~~ *50 percent of average salary* per month;

(c) A child or children of a deceased member receiving a pension or pensions hereunder shall, after the death of their ~~mother~~ *other parent*, be entitled to receive a pension or pensions in such amount as the board of trustees of the association shall deem necessary to properly support the child or children until they reach the age of 18 years; but the total amount of the pension or pensions hereunder for any child or children shall not exceed ~~the sum of \$280~~ *50 percent of average salary* per month.

Sec. 10. Laws 1967, chapter 751, section 2, is amended to read:

Sec. 2. [WEST ST. PAUL POLICE; SERVICE PENSION.]

Subdivision 1. [PENSION AMOUNT.] Notwithstanding Minnesota Statutes, Section 423.384, the service pension of a member of the ~~police~~ *police relief association* of the city of West St. Paul who is qualified for a pension in accordance with Section 423.384 *at the time of retirement* shall be one-half of the regular salary of a top grade ~~patrolman~~ *patrol officer* at the time the member retires.

Subd. 2. [SALARY DEFINED.] "Regular salary of a top grade patrol officer" includes the highest amount of longevity pay which is payable to a top grade patrol officer.

Subd. 3. [POSTRETIREMENT ADJUSTMENTS.] *Service pensions must be adjusted in accordance with Minnesota Statutes, section 423A.01, subdivision 4.*

Sec. 11. [DISSOLUTION OF CLIFTON VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; TRANSFER OF ASSETS AND SERVICE CREDIT.]

Notwithstanding the provisions of Minnesota Statutes, section 424A.02, subdivisions 11 and 12, if the Clifton independent nonprofit firefighting corporation disbands and the Clifton volunteer firefighters relief association established as provided in Minnesota Statutes, chapter 424A, is dissolved, the assets of the Clifton volunteer firefighters relief association must be transferred to any volunteer firefighters relief association governed by Minnesota Statutes, chapter 424A, applicable to the township of Duluth, county of St. Louis. Upon the transfer of assets, the receiving volunteer firefighters relief association is the successor in interest for all claims for and against the Clifton volunteer firefighters relief association, except any claim against the relief association, the Clifton independent nonprofit firefighting corporation, or any person connected with either in a fiduciary capacity, based on any acts that were not done in good faith and that constituted a breach of the obligation as a fiduciary. As a successor in interest, the receiving volunteer firefighters relief association may assert

any applicable defense in any judicial proceeding that the Clifton volunteer firefighters relief association or the Clifton independent nonprofit firefighting corporation would have otherwise been entitled to assert.

Upon transfer of the assets of the Clifton volunteer firefighters relief association, a person with credit for service in the Clifton volunteer firefighters relief association must receive an equal amount of service credit in the receiving volunteer firefighters relief association.

Sec. 12. [MANKATO POLICE; ESCALATION OF CERTAIN BENEFITS.]

Notwithstanding Minnesota Statutes, section 423.384, or any other law, the Mankato police benefit association may amend its articles or bylaws to provide for computation of postretirement increases for retired members for whom there exists no equivalent rank in the public safety department, by the same percentage increase granted retired first class patrol officers in any year. The Mankato city council shall ratify the amendment as required by section 69.77, subdivision 2i, but the council may forego the actuarial valuation or estimate required by that subdivision.

Sec. 13. [MILLERVILLE FIREFIGHTERS RELIEF ASSOCIATION; PRIOR SERVICE IN SERVICE PENSION COMPUTATIONS.]

Notwithstanding any provision of Minnesota Statutes, sections 69.771 to 69.776 or chapter 424A to the contrary, the Millerville firefighters relief association may amend its bylaws to allow computation of service pensions utilizing a member's period of service as an active member of the municipal fire department during the period prior to incorporation of the relief association.

Sec. 14. [VIRGINIA FIREFIGHTERS' RELIEF ASSOCIATION; SURVIVING SPOUSES' BENEFITS.]

Notwithstanding any law to the contrary, the survivor benefit payable to a surviving spouse of a deceased member of the Virginia firefighters' relief association is increased by \$100 per month.

Sec. 15. [SAVINGS CLAUSE.]

Nothing in sections 2 to 6 impairs or diminishes the benefits paid to members, spouses, or children of a member of the Minneapolis police relief association or the entitlement that members, spouses, or children had to benefits before the effective date of sections 2 to 6.

Sec. 16. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Sections 2 to 6 and 15 are effective upon approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021. Sections 7 to 9 are effective upon approval by the Hibbing city council and compliance with Minnesota Statutes, section 645.021. Section 10 is effective as approved by the governing body of the city of West St. Paul and if there is compliance with Minnesota Statutes, section 645.021, and the increase in service pensions payable due to section 10 is initially payable on January 1, 1988, and is applicable to any member of the West St. Paul police relief association who retired on or after February 1, 1985. Section 11 is effective upon approval by the Clifton independent nonprofit firefighting corporation and the approval of the governing body of the township of Duluth and compliance with Minnesota Statutes, section 645.021. Section 12 is effective upon approval by the Mankato city council and compliance with Minnesota

Statutes, section 645.021. Section 13 is effective upon approval by the governing body of the city of Millerville and compliance with Minnesota Statutes, section 645.021. Section 14 is effective upon approval by the Virginia city council and compliance with Minnesota Statutes, section 645.021.

ARTICLE 3

MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION BENEFIT MODIFICATION AUTHORIZATION

Section 1. [MINNEAPOLIS TEACHERS RESTRUCTURING OF RETIREMENT BENEFITS; POSTRETIREMENT ADJUSTMENT MECHANISM.]

(a) In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the Minneapolis teachers retirement fund association to amend its articles of incorporation by repealing article IX, subsection (18), authorizing lump sum postretirement adjustments payable to retirees or beneficiaries.

(b) In accordance with Minnesota Statutes, section 354A.12, subdivision 4, if the repeal authorized by paragraph (a) occurs, approval is granted for the Minneapolis teachers retirement fund association to amend or make an addition to its articles of incorporation as provided in paragraphs (c) to (g).

(c) Article IX, subsection (11), authorizing formula retirement annuity benefits, may be amended to authorize all teachers who retired before June 1, 1985, other than persons receiving a money purchase annuity under article IX, subsection (3), receiving a C death benefit under article IX, subsection (4), item C, or receiving a total disability benefit under article IX, subsection (5), to receive as of the first day of the month following the effective date of the amendment a recomputed annuity determined according to the 1975 revised formula annuity without regard to the 30-year service limitation applicable to teachers who retired after May 1, 1974, and before June 1, 1985.

(d) Article IX, subsection (14) D, providing an annual automatic annuity increase of 1-1/2 percent to all annuitants who have been receiving an annuity for at least 24 months and who have attained the age of 65 may be amended to increase the annual automatic increase annuity to two percent per fiscal year on January 1, or July 1, whichever applies, and to extend eligibility for that increase annuity to all annuitants who have been receiving an annuity for at least 12 months, irrespective of the attained age of the annuitant.

(e) Article IX, subsection (14), may be amended by adding a provision authorizing an increase in the annuity of any annuitant who retired on or before July 1, 1986, in the amount of four percent of the annuity the member is otherwise eligible to receive on July 1, 1987, including any other increases granted as of that date under articles of incorporation amendments authorized by the section but excluding the annual automatic increase annuity payable under article IX, subsection (14), item D, on July 1, 1987, for each full year that the member has been retired and receiving an annuity, to a maximum of 20 percent.

(f) Article IX, subsection (14), may be amended by adding a provision authorizing payment, as of July 1, 1987, of an increase in a normal re-

irement annuity, joint and survivor annuity or term certain optional annuity of retired teachers of the positive dollar amount difference between a minimum normal retirement annuity equal to \$25 per month for each full year of teaching service, to a maximum of 30 years, and the amount of the normal retirement annuity, joint and survivor annuity or term certain optional annuity payable on June 1, 1987, to retired teachers who were members of the basic program, who ceased active teaching service in the city public schools, who are receiving a normal retirement annuity, and who have not withdrawn a portion of required member deposits upon applying for the normal retirement annuity. If the difference is not a positive dollar amount, no increase is payable and no reduction may be imposed. For persons to whom a remainder portion of a joint and survivor annuity or a term certain optional annuity is payable, a proportional increase is payable.

(g) Article IX may be amended by adding a new subsection providing for an investment related postretirement adjustment mechanism. An annual postretirement may be paid if there is any excess investment income. The determination must be made by the board of trustees in consultation with the actuary retained by the legislative commission on pensions and retirement. The fund has excess investment income if the time weighted total rate of return earned by the fund over the most recent three year fiscal year period has exceeded the rate of eight percent or the applicable postretirement interest rate assumption specified in Minnesota Statutes, section 356.215, subdivision 4d, whichever is greater. In determining the total rate of return, the board shall use the formula or formulas established by the state board of investment under Minnesota Statutes, section 11A.04, clause (11), and in effect on January 1, 1987. The amount by which the excess investment income exceeds the minimum interest rate must be expressed as a percentage and carried to four decimal places. An annual postretirement adjustment is payable to a person who is receiving an annuity under article IX, subsection (8), (9), or (11), or article XI, subsection (5), who is receiving a death benefit under article IX, subsection (4), or who is receiving a joint and survivor annuity or term certain optional annuity under article IX, subsection (2), clause (b) or (c), and who has received the annuity or benefit in the person's own right or in combination with the initial recipient of the annuity for at least 12 months as of the determination date. The determination date is June 30, and determinations must be made as soon as practicable after that date. The board of trustees shall determine the percentage amount of the postretirement adjustment payable, but the percentage amount may not exceed the amount by which the excess investment income exceeds the minimum interest rate. The board of trustees shall include in the provision criteria to govern the exercise of its discretion in determining the instances under which an annual postretirement adjustment of less than the full determined percentage is payable. The annual postretirement adjustment is payable on January 1 following the determination date and is payable for the duration of the annuity or benefit.

Sec. 2. [WITHDRAWAL OF AUTHORITY.]

The authority for the amendment of article IX of the articles of incorporation of the Minneapolis teachers retirement fund association adding subsection (18) to provide a lump sum postretirement adjustment to certain annuitants and survivor benefit recipients under Laws 1981, chapter 159, section 1, clause (1), is withdrawn.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 4

AUTHORIZATION OF PURCHASES OF PRIOR SERVICE

Section 1. [PURCHASE OF PRIOR SERVICE CREDIT AUTHORIZATION.]

Subdivision 1. [PURCHASE ELIGIBILITY.] Notwithstanding the limitations in Minnesota Statutes, section 353.36, subdivision 2, a person whose employment with the Roseau county highway department began in September 1961, but for whom no salary deductions were taken out for the public employees retirement association until June 1965, may purchase credit for the prior public service for which salary deductions were omitted by paying to the association. Eligibility to make the purchase of prior service credit expires on January 1, 1988.

Subd. 2. [PURCHASE PAYMENT AMOUNT.] For any person eligible to purchase credit for prior service as provided in subdivision 1, there must be paid to the public employees retirement association an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity that would be obtained by virtue of the purchase of the additional service credit, using the interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the applicable mortality table adopted for the public employees retirement association and assuming continuous future service in the Minnesota state retirement system until, and retirement at, the age at which the minimum requirements of the retirement association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased, for the retirement association, and a future salary history that includes annual salary increases at the rate specified in Minnesota Statutes, section 356.215, subdivision 4d. The person requesting the purchase of prior service must establish in the records of the retirement fund or association proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the retirement association.

Subd. 3. [PAYMENT; CREDITING SERVICE.] Payment must be made in one lump sum, unless the executive director of the retirement association agrees to accept payment in installments over a period not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service may be credited to the account of the person only after receipt of full payment by the executive director.

Subd. 4. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment must be made by the person entitled to purchase prior service; however, the current or former employer of the person may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect for the retirement fund during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 2. [ELECTED OFFICIAL PRIOR CONTRIBUTIONS.]

Subdivision 1. [ELIGIBILITY.] A member of the public employees retirement association or public employees police and fire fund who has service before becoming a member as an elected official on which salary deductions were not taken for the fund may make payment of an amount representing prior member and employer contributions.

Subd. 2. [PAYMENT AMOUNT.] The amount of the payment representing prior member and employer contributions authorized by this section must be based on the member's annualized salary rate at the time the member applies to make the purchase. The amount must be determined by applying the member contribution percentage and the employer contribution percentage to the base annualized salary rate for each year of prior uncredited service. The member contribution percentage is four percent, and the employer contribution percentage is four percent.

Subd. 3. [SOURCE AND TIMING OF PAYMENT.] The member shall pay the amount representing prior member and employer contributions. At the discretion of the current or a former governmental subdivision employer of the member, the governmental subdivision may pay the amount representing the employer contribution. The payment must be made in a lump sum, within the later of one year of the effective date of this section or of one year of the person becoming a member of the public employees retirement association or of the public employees police and fire fund, whichever applies.

Subd. 4. [CREDITING OF PAYMENT.] The payment authorized by this section must be credited to the member's account in the Minnesota individual retirement plan established by article 5.

Subd. 5. [EXTENT OF SERVICE CREDIT.] The service associated with a payment of the amount representing prior member and employer contributions may not be credited for any purpose under Minnesota Statutes, chapter 353, other than for purposes of a member meeting the minimum service requirement for vesting for a retirement annuity under Minnesota Statutes, section 353.29, subdivision 1, 353.30, subdivision 1, 353.651, subdivision 1, or 356.30; or a survivor benefit under Minnesota Statutes, section 353.31, subdivision 1, 353.32, subdivision 1a, or 353.657, subdivision 2a; or a disability benefit under Minnesota Statutes, section 353.33, subdivision 1, or 353.656, subdivision 1 or 3, if the person has prior service credit in the public employees retirement association or the public employees police and fire fund. No service associated with a payment under this section may be used for benefit computation or benefit accrual purposes.

Sec. 3. [PURCHASE OF PRIOR SERVICE BY CERTAIN EMPLOYEES.]

Notwithstanding any other law, a person who was employed by the University of Minnesota hospitals pharmacy department and was a member of the Minnesota state retirement system from October 2, 1967, to March 31, 1968, and who was appointed to a faculty position in the University of Minnesota pharmacy department and became a member of the retirement plan for university faculty members on April 1, 1968, and who on September 23, 1974, returned to state service and to membership in the Minnesota state retirement system as an employee of the department of human services may withdraw his account balance from the retirement plan for university faculty members and may purchase service credit in the Minnesota state retirement system for the time spent as a university faculty member. A person covered by this section may purchase that service credit by paying to the Minnesota state retirement system, by January 1, 1988,

an amount equal to all employee, employer, and additional employer contributions at the rates in effect when the service as a faculty member was rendered plus interest at the rate of six percent a year from the year of purchase to the date payment is made.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 3 are effective the day following final enactment. Section 2 is effective July 1, 1987.

ARTICLE 5

MINNESOTA INDIVIDUAL RETIREMENT PLAN

Section 1. [353A.01] [PARTICIPATION IN MINNESOTA INDIVIDUAL RETIREMENT PLAN.]

The public employees retirement association may participate in the Minnesota individual retirement plan established by sections 16 to 25.

Sec. 2. [353A.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] Unless the context or subject matter clearly indicates otherwise, for purposes of this chapter, the following words and phrases have the meaning given in this section.

Subd. 2. [MINNESOTA INDIVIDUAL RETIREMENT PLAN.] "Minnesota individual retirement plan" means the program established by this chapter and sections 16 to 25.

Subd. 3. [REGULAR FUND.] "Regular fund" means the public employees retirement fund assets established by chapter 353.

Subd. 4. [COVERED EMPLOYMENT.] "Covered employment" means employment as:

(1) an employee of the hospital subsidiary corporation of a public corporation for delivery of health care and related services governed by chapter 246A;

(2) an employee of the league of Minnesota cities;

(3) an employee of the association of Minnesota counties;

(4) an elected governmental subdivision official; and

(5) an employee of a public ambulance service, or a privately operated ambulance service substantially supported with public funding, electing participation who is engaged in basic or advanced life support emergency medical services.

Subd. 5. [COVERED SERVICE.] "Covered service" means the regular provision of basic or advanced life support emergency medical services by a volunteer or largely uncompensated member of a public or privately operated ambulance service electing participation.

Subd. 6. [EXECUTIVE DIRECTOR.] "Executive director" means the executive director of the public employees retirement association appointed under section 353.03, subdivision 3a.

Subd. 7. [INELIGIBLE SERVICE.] "Ineligible service" means service by emergency medical service personnel who are covered by another public pension plan because of the emergency medical services employment or because of the provision of emergency medical services and service by

first response emergency medical service personnel.

Sec. 3. [353A.03] [COVERED PERSONS.]

The following persons are covered by and are members of the Minnesota individual retirement plan administered by the public employees retirement association:

(1) a person who was first employed in covered employment after June 30, 1987;

(2) a person who renders covered service on or after July 1, 1987; and

(3) a person who was first employed in covered employment before July 1, 1987, who had less than ten years of service as of the day following final enactment, and who transferred retirement coverage to the plan under section 4.

Sec. 4. [353A.04] [COVERAGE TRANSFER.]

Subdivision 1. [AUTHORITY FOR TRANSFER.] (a) A person who was first employed in covered employment prior to July 1, 1987, who had less than ten years of service as of the day following final enactment, may elect to transfer retirement coverage to the Minnesota individual retirement plan administered by the public employees retirement association.

(b) If a retirement coverage transfer is elected, the person's member contributions plus interest at the rate of five percent from the date that the contribution was made to the date of transfer and an equal dollar amount representing the matching employer contributions plus interest must be transferred from the public employees retirement fund to the plan. The employer contribution transfer may not include any amount representing an employer additional contribution or an employer contribution intended for the amortization of an unfunded actuarial accrued liability.

Subd. 2. [TRANSFER LIMITATION.] The coverage transfer election may first be exercised on January 1, 1988, and must be exercised before January 1, 1989.

Sec. 5. [353A.05] [CONTRIBUTIONS.]

Subdivision 1. [MEMBER CONTRIBUTIONS.] (a) No member contributions are required by persons in covered employment by or rendering covered service to a public or private ambulance service. Persons in covered employment by a public or private ambulance service may elect annually to make a member contribution, and the amount of the member contribution may not exceed the ambulance service employer contribution.

(b) All other persons in covered employment shall make a member contribution in an amount equal to four percent of the salary of the person. The contribution must be made by payroll deduction each pay period.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] (a) The ambulance service contribution for persons rendering covered service to a public or private ambulance service must be a set dollar or portion of a dollar amount per unit. The amount per unit must be set periodically by the ambulance service in a uniform manner. The ambulance service may assign a unit value for the various types of ambulance service covered service.

(b) The ambulance service contribution for persons in covered employment by a public or private ambulance service must be a fixed percentage of salary. The percentage may be revised periodically and applied uniformly.

(c) The employer of all other persons in covered employment shall make an employer contribution in an amount equal to four percent of the salary of each person in covered employment.

Subd. 3. [MANNER OF EMPLOYER CONTRIBUTIONS.] (a) Ambulance service contributions may be made from any source of funds or revenue available to the ambulance service. Contributions must be remitted monthly.

(b) The employer of all other persons in covered employment shall make employer contributions from any available revenue sources. The employer contribution must be made each pay period.

Sec. 6. [353A.06] [ADMINISTRATION.]

Subdivision 1. [APPLICABLE LAW.] The provisions of this chapter and sections 16 to 25 must be administered by the public employees retirement association. The provisions of chapter 353 govern in all instances where not inconsistent with the provisions of this chapter and sections 16 to 25.

Subd. 2. [SUPPLEMENTAL FUND TRANSACTIONS.] If the redemption or purchase of shares from the supplemental fund is required to be made, the executive director shall make it.

Subd. 3. [SUPPLEMENTAL FUND PROSPECTUS.] The executive director shall annually distribute the prospectus of the supplemental fund prepared by the state board of investment, when received from the state board, to each person in covered employment or rendering covered service.

Subd. 4. [APPLICATIONS.] Payment of annuities, benefits, or withdrawals may be made only after receipt of an application signed by the person entitled to receive the annuity, benefit, or withdrawal or by the authorized representative of that person. The application may be made only on a form prescribed by the executive director.

Sec. 7. [353A.07] [TAX QUALIFICATION.]

The public employees retirement association shall adopt rules required for administration of the plan. The proposed rule must be formulated and adopted in accordance with applicable restrictions and standards of the Internal Revenue Code and rulings and regulations of the Internal Revenue Service in order to assure the tax exempt status of the plan as a qualified pension plan. Contributions by ambulance service personnel and by private ambulance service operators may be accepted only after the determination of plan qualification by the Internal Revenue Service.

Sec. 8. [353A.08] [NOT CONSIDERED A LOCAL PLAN.]

The plan may not be considered a local governmental pension plan or fund for purposes of section 356.25 or a supplemental pension plan for purposes of section 356.24.

Sec. 9. [354B.01] [PARTICIPATION IN MINNESOTA INDIVIDUAL RETIREMENT PLAN.]

The teachers retirement association may participate in the Minnesota individual retirement plan established by sections 16 to 25.

Sec. 10. [354B.02] [DEFINITIONS.]

Subdivision 1. [GENERAL.] Unless the context or subject matter clearly indicates otherwise, for purposes of this chapter, the following words and

phrases have the meaning given in this section.

Subd. 2. [MINNESOTA INDIVIDUAL RETIREMENT PLAN.] "Minnesota individual retirement plan" means the program established by this chapter and sections 16 to 25.

Subd. 3. [REGULAR FUND.] "Regular fund" means the teachers retirement fund assets established by chapter 354.

Subd. 4. [COVERED EMPLOYMENT.] "Covered employment" means employment as:

(1) an employee of the state university system in a position included in the definition of teacher under section 354.05, subdivision 2, other than that of an administrator covered by or eligible for coverage in the Minnesota state retirement system unclassified employees retirement plan; and

(2) an employee of the community college system in a position included in the definition of teacher under section 354.05, subdivision 2.

Subd. 5. [EXECUTIVE DIRECTOR.] "Executive director" means the executive director of the teachers retirement association appointed under section 354.06, subdivision 2.

Sec. 11. [354B.03] [COVERED PERSONS.]

The following persons are covered by and are members of the Minnesota individual retirement plan administered by the teachers retirement association:

(1) a person who was first employed in covered employment after June 30, 1987; or

(2) a person who was first employed in covered employment before July 1, 1987, who had less than ten years of service as of the day following final enactment, and who transferred retirement coverage to the plan under section 12.

Sec. 12. [354B.04] [COVERAGE TRANSFER.]

Subdivision 1. [AUTHORITY FOR TRANSFER.] (a) A person who was first employed in covered employment prior to July 1, 1987, and who had less than ten years of service as of the day following final enactment, may elect to transfer retirement coverage to the Minnesota individual retirement plan administered by the teachers retirement association.

(b) If a retirement coverage transfer is elected, the person's member contributions plus interest at the rate of five percent from the date that the contribution was made to the date of transfer and an equal dollar amount representing the matching employer contributions plus interest must be transferred from the teachers retirement fund or the state employees retirement fund to the plan. The employer contribution transfer may not include any amount representing an employer additional contribution or an employer contribution intended for the amortization of an unfunded actuarial accrued liability.

Subd. 2. [TRANSFER LIMITATION.] The coverage transfer election may first be exercised on January 1, 1988, and must be exercised before January 1, 1989.

Sec. 13. [354B.05] [CONTRIBUTIONS.]

Subdivision 1. [MEMBER CONTRIBUTIONS.] Persons in covered em-

ployment shall make a member contribution in an amount equal to four and one-half percent of the salary of the person. The contribution must be made by payroll deduction each pay period.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make an employer contribution in an amount equal to four and one-half percent of the salary of the person in covered employment.

Subd. 3. [MANNER OF EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make employer contributions from any available revenue sources. The employer contribution must be made each pay period.

Sec. 14. [354B.06] [ADMINISTRATION.]

Subdivision 1. [APPLICABLE LAW.] This chapter and sections 16 to 25 must be administered by the teachers retirement association. Chapter 354 governs in all instances where not inconsistent with this chapter and sections 16 to 25.

Subd. 2. [SUPPLEMENTAL FUND TRANSACTIONS.] If the redemption or purchase of shares from the supplemental fund is required to be made, the executive director shall make it.

Subd. 3. [SUPPLEMENTAL FUND PROSPECTUS.] The executive director shall annually distribute the prospectus of the supplemental fund prepared by the state board of investment, when received from the state board, to each person in covered employment.

Subd. 4. [APPLICATIONS.] Payment of annuities, benefits, or withdrawals may be made only after receipt of an application signed by the person entitled to receive the annuity, benefit, or withdrawal or by the authorized representative of that person. The application may be made only on a form prescribed by the executive director.

Sec. 15. [356A.01] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] Unless the context or subject matter clearly indicates otherwise, each of the following words and phrases have the meaning given in the following subdivisions.

Subd. 2. [PLAN.] "Plan" means the Minnesota individual retirement plan governed by this chapter.

Subd. 3. [EXECUTIVE DIRECTOR.] "Executive director" means the executive director of the public employees retirement association or of the teachers retirement association, whichever applies.

Subd. 4. [SUPPLEMENTAL FUND.] "Supplemental fund" means the investment fund established and governed by section 11A.17.

Subd. 5. [EMPLOYEE SHARES.] "Employee shares" means any shares in the supplemental fund that were purchased with employee contributions as specified in section 5, subdivision 1, or section 13, subdivision 1.

Subd. 6. [EMPLOYER SHARES.] "Employer shares" means any shares in the supplemental fund that were purchased with employer contributions as specified in section 5, subdivision 2, or section 13, subdivision 2.

Subd. 7. [TOTAL SHARES.] "Total shares" means all of the employee shares and the employer shares credited to a participant in a defined

contribution plan.

Subd. 8. [VALUE.] "Value" means the cash value at the end of the month following receipt of an application for a withdrawal, a retirement annuity, a disability benefit, a death benefit, or a change in investment option, or, if no application is required for a transaction, the cash value at the end of the month in which the event which necessitated the transfer occurs.

Subd. 9. [BENEFICIARY.] "Beneficiary" means the natural person designated by an active member, former member, or retired member as the person to whom a death benefit as provided in section 20 is payable in the event of the death of the member.

Subd. 10. [SPOUSE.] "Spouse" means the person who was legally married to the active member, former member, or retired member at the time of the death of the member.

Subd. 11. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit as having an equal actuarial present value as another annuity or benefit, or as having an equal present value as the cash value of the total shares, or applicable portion of the shares, to the credit of the active member, former member, or retired member, determined as of a given date, with any actuarial present value based on the appropriate mortality table and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Subd. 12. [TOTAL AND PERMANENT DISABILITY.] "Total and permanent disability" means the inability to engage in any substantial gainful employment by reason of any medically determinable physical or mental impairment that can be expected to be of long, continued, and indefinite duration, and that occurs during active employment or during a leave of absence with or without pay.

Subd. 13. [LONG, CONTINUED, AND INDEFINITE DURATION.] "Long, continued, and indefinite duration" means a period of disability that has been or is expected to be for a period of at least one year or a disability that is expected to result in death.

Subd. 14. [REMAINING SURVIVING RELATIVE IN PRIORITY.] "Remaining surviving relative in priority" means the following persons in the following order:

(1) the child or children of a surviving spouse if the surviving spouse has died;

(2) the parents of the surviving spouse if the member has not designated a beneficiary, the surviving spouse has died, and any surviving children have died or there is no surviving child;

(3) the surviving spouse of the deceased member if the member has designated a beneficiary and the designated beneficiary has died;

(4) the parents of the deceased member if the member has designated a beneficiary, the designated beneficiary has died, the surviving spouse has died, and any surviving children have died or there is no surviving child;

(5) the estate of the surviving spouse if the member has not designated a beneficiary, the surviving spouse has died, any surviving children have died, and the parents of the surviving spouse have died; and

(6) the estate of the deceased member if the member has designated a beneficiary, the designated beneficiary has died, the surviving spouse has died, any surviving children have died, and the parents of the deceased member have died.

Sec. 16. [356A.02] [INVESTMENT OPTIONS.]

Subdivision 1. [INITIAL OPTION.] A member of the plan may elect to purchase shares in one or a combination of the available accounts of the supplemental fund as provided in section 11A.17. The election must be made on forms provided by the executive director. If a combination of available accounts is elected, the portion of contributions to be used to purchase shares in each account must be specified. If no option is chosen, the total contributions must be used to purchase shares in the income share account.

Subd. 2. [ELECTION FOR PROSPECTIVE CONTRIBUTIONS.] A member of the plan may elect a choice of options for the subsequent purchases of shares. The election may be made no more frequently than twice in any calendar year. The election must be made in writing on a form provided by the executive director. After an election is made, and until a different election is made, the executive director shall purchase shares in the supplemental fund as indicated by the member. A change in the choice of investment option is effective as of the first day of the first pay period occurring 30 days after the receipt of the request for a change.

Subd. 3. [ELECTION FOR PRIOR CONTRIBUTIONS.] A member of the plan may elect a choice of options for the purchase of shares for prior contributions. If a change in election involves less than the total amount of prior contributions, the change must involve a minimum amount of \$1,000 for a transfer of options and a minimum amount of \$1,000 to remain in the previously selected investment option. A change in investment accounts may only involve a transfer from one account or several accounts to a single account. The transfer of amounts after a change in investment options for a member is effective as soon as the cash flow to an investment account as determined by the executive director of the state board of investment practically permits the transfer, but not later than the date occurring six months after the requested change.

Sec. 17. [356A.03] [CONTRIBUTIONS.]

The purchase of investment account shares for a member of the plan must be made from the member contributions and employer contributions under section 5 or 13.

Sec. 18. [356A.04] [RETIREMENT ANNUITY.]

Subdivision 1. [ELIGIBILITY.] A member of the plan who has attained the age of at least 58 years, has terminated covered employment, and has applied for a retirement annuity is entitled to retirement annuity as provided in subdivision 2.

Subd. 2. [ANNUITY AMOUNT.] The amount of the retirement annuity must be that equal monthly amount, payable for the life of the person, with an actuarially determined present value that is the actuarial equivalent of the cash value of the total shares to the credit of the member upon retirement based on the age of the retiring member.

Subd. 3. [ALTERNATIVE ANNUITY.] Instead of the retirement annuity under subdivision 2, a retiring member may elect an alternative annuity.

The alternative annuity must consist of a lump sum payment and a monthly annuity payable for the life of the person. The lump sum payment must be equal to one-half of the cash value of the total shares to the credit of the retiring member. The monthly annuity must be that equal monthly amount with an actuarially determined present value that is the actuarial equivalent of the cash value of the shares to the credit of the member remaining after the lump sum payment and based on the age of the retiring member.

Subd. 4. [OPTIONAL ANNUITY.] Instead of the retirement annuity under subdivision 2 or the alternative annuity under subdivision 3, a retiring member may elect an optional annuity. The optional annuity must be in the form of a joint and last survivor annuity with the spouse of the retiring member with an actuarially determined present value that is the actuarial equivalent of the cash value of the total shares, or of the shares remaining after the lump sum alternative annuity payment, whichever applies, to the credit of the member and based on the age of the retiring member and the age of the spouse of the retiring member.

Subd. 5. [APPLICATION.] The application for a retirement annuity, alternative annuity, or optional annuity must be on a form prescribed by the executive director.

Subd. 6. [ACCRUAL DATE.] A retirement annuity, alternative annuity, or optional annuity begins to accrue on the first day of the month occurring after the application is received or after covered employment is terminated.

Sec. 19. [356A.05] [DISABILITY BENEFITS.]

Subdivision 1. [ELIGIBILITY.] A member of the plan who has become totally and permanently disabled is entitled to receive a disability benefit.

Subd. 2. [DISABILITY BENEFIT AMOUNT.] A disabled member has the option to receive one of the following amounts:

- (1) the cash value of the total shares to the credit of the disabled member;*
- (2) a retirement annuity as provided in section 18, subdivision 2;*
- (3) an alternative annuity as provided in section 18, subdivision 3; or*
- (4) an optional annuity as provided in section 18, subdivision 4.*

A disability benefit paid in the form of a retirement annuity, alternative annuity, or optional annuity payable must be based on the person's age when the benefit amount begins to accrue.

Subd. 3. [NO OFFSET FOR OTHER BENEFITS.] A disability benefit may not be reduced by any amounts received or receivable from the workers' compensation program.

Subd. 4. [APPLICATION.] The application for a disability benefit must be on a form prescribed by the executive director.

Subd. 5. [ACCRUAL DATE.] A disability benefit begins to accrue on the first day of the month occurring after the date of disability or after the date of application, whichever is later.

Subd. 6. [VALUATION OF SHARES.] The cash value of shares for use in calculating any disability benefit must be determined as of the end of the month occurring after the authorization of payment of the benefit.

Subd. 7. [DISABLED PERSON RETURN TO SERVICE.] Upon a return to covered employment or covered service by a person who is receiving a

disability benefit in the form of an annuity, the benefit terminates and the person resumes membership in the plan. Upon termination of the benefit the balance of the required reserves to the credit of the person in the Minnesota postretirement investment fund supporting the disability benefit in the form of an annuity must be transferred back to the defined contribution plan and credited to the person in the supplemental fund. No amount of disability benefits may be repaid or be required to be repaid.

Sec. 20. [356A.06] [DEATH BENEFITS.]

Subdivision 1. [ELIGIBILITY.] A person who is the designated beneficiary of a deceased active, retired, or former member of the plan, if no beneficiary is designated or remains, or who is the remaining surviving relative in priority, if no designated beneficiary or surviving spouse remains, is entitled, upon application, to receive the death benefit. If no designated beneficiary, surviving spouse, or remaining surviving relative in priority is entitled to receive a death benefit, the estate of the deceased member of the plan is entitled, upon application, to receive the death benefit.

Subd. 2. [DEATH BENEFIT; BENEFICIARY.] The death benefit payable to a beneficiary is the cash value of the total shares to the credit of the deceased member.

Subd. 3. [DEATH BENEFIT; SURVIVING SPOUSE.] The death benefit payable to a surviving spouse must be one of the following amounts:

- (1) the cash value of the total shares to the credit of the deceased member;
- (2) a retirement annuity as provided in section 18, subdivision 2, beginning on or after attaining the age of 58 years; or
- (3) an alternative annuity as provided in section 18, subdivision 3, with the lump sum benefit portion payable immediately and the annuity portion beginning on or after attaining the age of 58 years.

Subd. 4. [DEATH BENEFIT; RELATIVE IN PRIORITY.] The death benefit payable to a surviving relative of the deceased member in priority must be the cash value of the total shares to the credit of the deceased member if no benefit as provided in subdivision 2 or 3 has been paid or is payable or the amount of the remaining required reserves for the death benefit provided in subdivision 3 if a surviving spouse benefit ceased upon the death of the surviving spouse. If more than one surviving relative in priority exists, the death benefit as provided in this subdivision is payable in equal shares.

Subd. 5. [APPLICATION.] The application for a death benefit must be on a form prescribed by the executive director.

Subd. 6. [ACCRUAL DATE.] A death benefit begins to accrue on the first day of the month occurring after the date on which the event resulting in eligibility occurs.

Subd. 7. [VALUATION OF SHARES; REQUIRED RESERVES.] The cash value of shares for use in calculating any death benefit must be determined as of the end of the month occurring after the date of death of the deceased member. The amount of required reserves remaining on the death of a retired member or surviving spouse is the balance of the present value of the retirement annuity of the person as of the most recent regularly occurring determination of present value of annuities and ben-

efits payable from the Minnesota postretirement investment fund as provided in section 11A.18 remaining after subtracting the amount of annuities payable since that regularly occurring determination.

Sec. 21. [356A.07] [POSTRETIREMENT ADJUSTMENTS.]

Subdivision 1. [TRANSFER OF REQUIRED RESERVES.] The required reserves for retirement annuities, disability benefits, and death benefits that are payable other than in the form of a lump sum payment as provided in this chapter must be transferred to the Minnesota postretirement investment fund as of the date of retirement. The required reserves must equal the cash value of the shares to the credit of the retired member, disabled member, or deceased member, on which any annuity or benefit payable other than in the form of a lump sum payment is based.

Subd. 2. [ADJUSTMENTS.] Annuity and benefit payments must be adjusted as provided in section 11A.18.

Sec. 22. [356A.08] [WITHDRAWAL OPTIONS.]

Subdivision 1. [RESTRICTION.] A withdrawal option is restricted to a person who was a member of the plan, who terminated covered employment or covered service, and who has allowed the minimum waiting period of 30 days following termination to elapse.

Subd. 2. [WITHDRAWAL.] A person who was a member of the plan, who terminated covered employment or covered service, and who has allowed the minimum waiting period of 30 days following termination without reemployment in covered employment to elapse may, upon application, withdraw all or a portion of the cash value of the total shares to the credit of the former member instead of leaving those shares on deposit in the supplemental fund for a retirement annuity.

Subd. 3. [REFUND REPAYMENT.] A person who resumes covered employment and who has taken a withdrawal benefit as provided in subdivision 2 may repay the withdrawal benefit and restore any available rights provided by this chapter. The amount to be repaid is an amount equal to the cash value of the total share that was withdrawn plus interest at the rate of 6.5 percent a year compounded annually from the date on which the withdrawal was taken until the date on which the withdrawal amount is repaid. Repayment must be made in a single lump sum payment.

Sec. 23. [356A.09] [UNCOLLECTED AMOUNTS.]

If no beneficiary, surviving spouse, remaining surviving relative in priority, or estate has made application for a death benefit within ten years from the date of death of the member of the plan, or if a former member of the contribution plan does not make application for a retirement annuity before the date on which the person would attain the age of 71 years or the date occurring five years from the termination of covered service, whichever is later, the cash value of the total shares to the credit of the deceased member or the former member, whichever is applicable, cancels to the credit of the administering retirement plan.

Sec. 24. [356A.10] [SINGLE INSTALLMENT PAYMENTS.]

A retirement annuity disability benefit or survivor benefit payable monthly from the plan may be paid by a single installment at the beginning of a calendar year for the monthly annuities or benefits which accrued in the previous year. Single installment payments are payable when requested by

the recipient and approved by the executive director.

Sec. 25. [356A.11] [ADMINISTRATIVE EXPENSES.]

Two percent of the dollar amount of a member contribution and two percent of the dollar amount of an employer contribution paid to the plan must be deducted before the purchase of investment shares to defray the administrative expenses of the plan. The administrative expense deduction must be credited to the administering defined benefit retirement fund.

Sec. 26. [EFFECTIVE DATE.]

Sections 1 to 25 are effective June 30, 1987.

ARTICLE 6

PUBLIC PENSION PLAN ASSET USE LIMITATION

Section 1. [356.615] [LIMITATION ON USE OF PUBLIC PENSION PLAN ASSETS.]

(a) Money held by or credited to a public pension plan as assets, including employer and employee contributions, state aid, appropriations from the state or a governmental subdivision, and accrued earnings on investments, constitutes a dedicated fund. The dedicated fund must be used exclusively to pay retirement annuities, service pensions, disability benefits, survivor benefits, refunds of contributions or other benefits provided under the benefit plan document or documents governing the public pension plan, and to pay reasonable administrative expenses approved by the governing board of the public pension plan or by another appropriate authority. No assets of a public pension plan may be loaned or transferred to the state or a governmental subdivision or be used to amortize an unfunded actuarial accrued liability in another public pension plan, whether or not the plan providing the assets consolidates or has consolidated with the plan receiving the assets. Nothing in this section prohibits a public pension plan or the state board of investment from investing the assets of a plan as authorized by law, including the investment of the assets of public pension plans by the state board of investment in a commingled investment fund.

(b) A public pension plan for purposes of this section means a pension plan or fund specified in section 356.20, subdivision 2, or 356.30, subdivision 3, or a retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained, or supported by a governmental subdivision or public body whose revenues are derived from taxation, fees, assessments, or other public sources.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 7

VARIOUS MISCELLANEOUS RETIREMENT MODIFICATIONS

Section 1. [PENSION SALARY AND SERVICE CREDIT FOR CERTAIN PERSONS.]

Subdivision 1. [ENTITLEMENT.] A person who was an employee of Ramsey county and a member of the public employees retirement association, who suffered an illness or injury entitling the person to workers' compensation benefits during the five successive years before the date on

which the person would have attained normal retirement age under Minnesota Statutes 1986, section 353.29, subdivision 1, or 353.30, subdivision 1a, who was granted an authorized leave of absence by Ramsey county, and who retired between June 26, 1986, and January 1, 1987, is entitled to additional credit from the public employees retirement association for additional salary under subdivision 2 and additional service under subdivision 3 and to a recalculation by the public employees retirement association of the retirement annuity under subdivision 4.

Subd. 2. [CREDIT FOR ADDITIONAL SALARY.] The additional salary for the period of the authorized leave of absence is the portion or multiple of the average salary on which deductions were made during the last six months of public service preceding the authorized leave of absence.

Subd. 3. [CREDIT FOR ADDITIONAL ALLOWABLE SERVICE.] The additional allowable service is any period of authorized leave of absence resulting from the qualifying injury or illness, not to exceed 30 months, for which the person made payments to the public employees retirement association under Minnesota Statutes 1986, section 353.01, subdivision 16, paragraph (3).

Subd. 4. [RETIREMENT ANNUITY RECALCULATION.] If the person obtains credit for additional salary and allowable service, the public employees retirement association shall recalculate the person's retirement annuity on the basis of any greater final average salary and the additional service and shall pay any difference between the old annuity and the recalculated annuity retroactively to the date of the person's retirement. Any retroactive amounts must be paid as soon as practicable.

Sec. 2. [POSTRETIREMENT ADJUSTMENT FOR CERTAIN RETIRED TEACHER.]

Subdivision 1. [RETIREMENT EFFECTIVE DATE.] In order to determine the effective date of retirement for the purposes of paying postretirement adjustments under Minnesota Statutes, section 11A.18, an annuitant from the teachers retirement association who terminated employment with the Roseau school district on June 30, 1982, and whose application for retirement was postmarked July 1, 1982, shall be deemed to have retired effective July 1, 1982.

Subd. 2. [APPROPRIATION.] \$20,320.35 is appropriated from the teachers retirement fund to the Minnesota postretirement investment fund to make a retroactive payment on July 1, 1987, of the adjustments an annuitant described in subdivision 1 would have received from January 1, 1984, to July 31, 1987, and to fund the reserves necessary to support an adjusted benefit for the annuitant for the future.

Subd. 3. [ADMINISTRATIVE HEARING.] The teachers retirement association shall hold an administrative hearing under Minnesota Statutes, sections 14.57 to 14.62, to determine the date on which the annuitant described in subdivision 1 mailed the application for retirement to the teachers retirement administration. The hearing must be held within 60 days of the effective date of this section.

Subd. 4. [EFFECT OF HEARING.] Subdivisions 1 and 2 are effective if the administrative hearing required by subdivision 3 results in a finding of fact that the annuitant described in subdivision 1 mailed the application for retirement to the teachers retirement association on or before June 30, 1982.

Sec. 3. [ALBANY COMMUNITY HOSPITAL EMPLOYEES.]

Subdivision 1. [REFUND OF CONTRIBUTIONS.] A member of the public employees retirement association who was employed by the Albany community hospital on the date the hospital was taken over by a private corporation or organization is entitled upon application to be paid a refund of accumulated employee and employer contributions made by or on behalf of the employee to the association, plus interest on those contributions at the rate of six percent a year. If an employee has previously received a refund of employee contributions, only the accumulated employer contributions plus interest may be refunded. No employer additional contributions may be refunded. A refund of contributions may be made only to a federal income tax qualified individual retirement account established by or on behalf of the person.

Subd. 2. [DEFERRED ANNUITY.] If an employee described in subdivision 1 had at least five years of allowable service credit, the employee may elect to receive, in lieu of the refund, a deferred annuity under Minnesota Statutes, section 353.34, subdivision 3, notwithstanding the length of service requirements contained in that subdivision. An employee eligible for a deferred annuity who has previously received a refund of employee contributions may reinstate the employee's eligibility for a deferred annuity by repaying the amount refunded, including any interest received, to the association, and any deferred annuities augmentation may be computed only from the date of the refund repayment.

Subd. 3. [DEADLINE.] Refunds must be paid or options must be exercised and repayments of refunds made by July 1, 1988.

Sec. 4. [CANBY COMMUNITY HOSPITAL EMPLOYEES.]

Subdivision 1. [REFUND OF CONTRIBUTIONS.] A member of the public employees retirement association who was employed by the Canby community hospital district No. 1 on the date the hospital was taken over by a private corporation or organization and whose public employment was thus terminated, may, by filing a valid application, elect to be paid a refund of accumulated employee and employer contributions made by or on behalf of the employee to the association, plus interest on those contributions at the rate of six percent a year. If an employee has previously received a refund of employee contributions, only the accumulated employer contributions plus interest may be refunded. No employer additional contributions may be refunded. A refund of contributions may be made only to a federal income tax qualified individual retirement account established by or on behalf of the person.

Subd. 2. [DEADLINE.] Refunds must be paid within 90 days of exercise of the option. Options must be exercised by July 1, 1988.

Sec. 5. [STEARNS COUNTY HISTORICAL SOCIETY EMPLOYEE.]

Notwithstanding the amendment of section 353.01, subdivision 2a, by Laws 1986, chapter 458, section 11, which excluded county historical society employees not employed by the county from membership in the public employees retirement association, an employee of the Stearns county historical society who was born on April 2, 1923, and who was a society employee on March 26, 1986, may elect to retain membership in and retirement coverage by the public employees retirement association. Notice of intent to retain membership must be given to the association within 60

days after the effective date of this section. Any contributions refunded under Laws 1986, chapter 458, section 33, on behalf of the employee must be repaid with interest at the rate of 6.5 percent a year, compounded annually, to the association within the 60-day period.

Sec. 6. [ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION BYLAW AMENDMENT.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the St. Paul teachers retirement fund association to amend its bylaws as follows:

(1) article IV of the bylaws, section 4, paragraph 1, clause (a), governing the payment of service and deferred pensions, may be amended by removing any limitation on employment as a retired member in any capacity by the city of St. Paul; and

(2) article IV of the bylaws, section 4, paragraph 1, governing the payment of service and deferred pensions, may be amended by adding clause (c) to provide that any person who was on a leave of absence from independent school district No. 625 on January 1, 1987, who was employed by the city of St. Paul while on that leave before January 1, 1987, and who applied for, but withdrew, an application for retirement with the fund association before January 1, 1987, is considered to have filed a valid application for retirement on January 1, 1987, in the form of the previously filed application and is eligible to be paid a retirement allowance retroactive to January 1, 1987.

Sec. 7. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to retirement; modifying various statewide public safety pension plan provisions; modifying various nonstatewide public safety pension plan provisions; authorizing modifications in Minneapolis teacher retirement fund association benefit plan; authorizing various purchases of prior service credit; establishing a Minnesota individual retirement plan; limiting the uses of public pension plan assets; authorizing various miscellaneous retirement benefit modifications; amending Minnesota Statutes 1986, sections 69.80; 352.01, subdivision 2B; 352.85, subdivision 1; 353.01, subdivisions 2a, 2b and 10; 353.64, subdivision 1, and by adding a subdivision; 353.656, subdivision 3; 353.657, subdivision 2a; 356.20, subdivision 2; 356.30, subdivision 3; 356.32, subdivision 2; 424.04; 424A.001, by adding a subdivision; and 424A.02, subdivision 9; Laws 1949, chapter 406, section 4, subdivisions 2 and 3, as amended, section 5, subdivisions 1 and 3, as amended, and section 6, subdivision 1, as amended; Laws 1967, chapter 678, section 2, as amended, chapter 751, section 2; Laws 1971, chapter 614, section 1, subdivision 2, as amended; Laws 1977, chapter 169, section 1, subdivision 1a, as amended; and Laws 1980, chapter 607, article 15, section 9; proposing coding for new law in Minnesota Statutes, chapter 356; proposing coding for new law as Minnesota Statutes, chapters 353A; 353B; 354B; and 356A."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1083: A bill for an act relating to government liability; authorizing municipal insurers to settle tort claims; clarifying that instrumentalities of municipalities incorporated as nonprofit corporations may be included in the self insurance pool; amending Minnesota Statutes 1986, sections 466.06; 466.08; and 471.98, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 170: A bill for an act relating to firearms; allowing ammunition manufacturers to possess machine guns for ammunition testing purposes; permitting certain licensed dealers and manufacturers to own or possess machine guns and short-barreled shotguns for certain purposes; amending Minnesota Statutes 1986, section 609.67, subdivisions 3 and 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 854: A bill for an act relating to government data practices; giving the department of energy and economic development access to certain employment data; amending Minnesota Statutes 1986, section 268.12, subdivision 12.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, strike "shall be" and insert "are"

Page 1, line 15, strike "not on individuals"

Page 1, line 16, strike "shall" and insert "may"

Page 1, line 17, strike "pursuant to" and strike "This" and insert "These"

Page 1, line 18, strike "private"

Page 2, line 32, delete "Minnesota"

Page 2, line 33, delete "or its successor agency for its internal use only"

Page 2, line 34, delete "shall" and insert "may" and delete "but not private data on"

Page 2, line 35, delete "individuals" and delete "subdivisions 9 and 12" and insert "subdivision 9, for its internal use only; when received by the department of energy and economic development, the data remain nonpublic data"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 261: A bill for an act relating to liquor laws; eliminating vicarious criminal liability for the employer of an individual who violates a liquor law; reenacting certain amendments to the dram shop act; providing for

liability of professional review organizations; amending Minnesota Statutes 1986, sections 145.63; 340A.501; and 340A.801, subdivision 1; repealing Minnesota Statutes 1986, section 340A.801, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 12, insert:

“Sec. 4. [EFFECT OF OTHER AMENDMENTS TO CHAPTER 340A.]

Notwithstanding Minnesota Statutes, section 645.26, subdivision 3, if a law amending Minnesota Statutes 1986, chapter 340A, is enacted by the 1987 legislature, the law prevails over article I, section 1, of this act, regardless of its date of final enactment.”

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 141: A bill for an act relating to liability; authorizing the elimination or limitation of a director's personal liability to a cooperative association or its members; exempting certain directors, members, and agents of nonprofit corporations from civil liability; exempting certain members of hospital district boards from certain civil liability; amending Minnesota Statutes 1986, sections 317.201; and 447.32, by adding a subdivision; and proposing coding for new law in Minnesota Statutes, chapter 308.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, delete “*Except as otherwise provided in this section,*”

Page 2, line 15, after the comma, insert “*or who serves without compensation as a fire chief of a nonprofit firefighting corporation or municipal volunteer fire department,*”

Page 2, line 18, delete “*or*” and after “*agent*” insert “*or fire chief*”

Page 2, line 33, delete “*shall be construed to limit*” and insert “*limits*”

Page 2, line 36, before the period, insert “*, nor the liability of a municipality arising out of the performance of firefighting or related activities*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 801: A bill for an act relating to waters; changing the posting and publication of notice requirements for aeration operations by a permittee of the commissioner of natural resources; providing an exclusion from government tort liability; amending Minnesota Statutes 1986, sections 3.736, subdivision 3; and 378.22, subdivisions 2 and 3, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 4, before the period, insert "*provided that there has been compliance with the posting requirements of section 378.22, subdivision 2*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 787: A bill for an act relating to human services; providing for eligibility requirements for receiving medical assistance and general assistance medical care; allowing recovery of benefits paid after death of recipient; requiring assignment of benefits; providing services for pregnant women; allowing certain agencies to collect personal property by affidavit; appropriating money; amending Minnesota Statutes 1986, sections 256B.02, subdivision 8; 256B.06, subdivision 1, and by adding a subdivision; 256B.15; 256B.17, subdivisions 4 and 5; 256B.35, subdivisions 1 and 2; 256D.03, subdivision 3, and by adding a subdivision; and 524.3-1201; repealing Minnesota Statutes 1986, sections 256B.07; and 256D.051, subdivision 12.

Reports the same back with the recommendation that the bill be amended as follows:

Page 13, line 27, after the period, insert "*A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly-owned property at any time during the marriage.*"

Page 13, lines 33 to 36, delete the new language

Pages 16 and 17, delete section 11

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, line 8, delete everything before "appropriating"

Page 1, line 12, after the semicolon, insert "and"

Page 1, line 13, delete "and 524.3-1201;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

H.F. No. 1207: A bill for an act relating to real property; altering certain redemption periods; amending Minnesota Statutes 1986, section 580.23, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 1253: A bill for an act relating to human services; providing training of welfare fraud prosecutors and investigators; providing staff for fraud control functions; defining amounts of assistance indirectly paid;

providing for joint trials; changing the date of payment of certain periodic support to the assistance unit; regulating certain property transfers; providing for incorrect assistance amounts recovered; appropriating money; amending Minnesota Statutes 1986, sections 256.98; 256D.05; and 393.07, subdivision 10.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1470: A bill for an act relating to elections; changing precinct caucus dates and procedures; changing the date of the state primary; amending Minnesota Statutes 1986, sections 202A.14, subdivision 1; 202A.18, subdivision 2; 204B.21, subdivision 1; 204B.33; and 204D.03, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 7, strike "half" and insert "quarter"

Page 2, line 8, after the period, insert "*Election of delegates and alternates may begin one-half hour after the convening of the caucus.*"

Pages 2 and 3, delete sections 3 to 5

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete "primary;"

Page 1, line 5, after the first semicolon, insert "and" and delete the second semicolon and insert a period

Page 1, delete lines 6 and 7

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

H.F. No. 234: A bill for an act relating to employment; establishing unpaid leave of absences for new parents; setting conditions on return from leave; creating a cause of action; prohibiting cost of parental leave from increasing unemployment insurance experience rating; amending Minnesota Statutes 1986, section 268.06, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [181.93] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 1 to 6, the following terms have the meanings given to them in this section.

Subd. 2. [EMPLOYEE.] "Employee" means a person who performs services for hire, whether full time or part time, for an employer, unless the services are performed by an independent contractor.

Subd. 3. [EMPLOYER.] "Employer" means a person or entity which employs 21 or more individuals at a single site to perform a service for hire and includes individual, corporation, partnership, association, non-profit organization, group of persons, state, county, town, city, school district, or other governmental subdivision.

Sec. 2. [181.94] [PARENTING LEAVE.]

Subdivision 1. [ONE-YEAR LEAVE; BIRTH OR ADOPTION.] An employer must grant an unpaid leave of absence to an employee who is a natural or adoptive parent in conjunction with the birth or adoption of a child. The length of the leave is determined by the employee, but may not exceed six weeks. The length of an additional leave may be negotiated between the employee and employer.

Subd. 2. [30-DAY LEAVE; MISCARRIAGE; DEATH.] An employer must grant an unpaid leave of absence of up to 30 days to an employee who is a prospective or new parent in conjunction with a miscarriage or stillbirth during the pregnancy or neonatal death within 90 days of birth.

Subd. 3. [START OF LEAVE.] The employee's leave, with at least four weeks advance notice, begins at a time requested by that employee. The employer may adopt reasonable policies governing the timing of requests for unpaid leave. The leave may not begin more than six weeks after the birth or adoption.

Subd. 4. [NO EMPLOYER RETRIBUTION.] An employer may not penalize an employee for requesting or obtaining a leave of absence as provided by this section.

Subd. 5. [CONTINUED INSURANCE.] The employer must continue to make coverage available to the employee, while on leave of absence, under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents. Nothing in this section requires the employer to pay the costs of the insurance or health care while the employee is on leave of absence.

Sec. 3. [181.95] [REINSTATEMENT AFTER LEAVE.]

Subdivision 1. [COMPARABLE POSITION.] An employee returning from a leave of absence is entitled to return to employment in the employee's former position or in a position of like status, hours, and pay. An employee returning from a leave of absence longer than one month must notify a supervisor at least two weeks prior to return from leave.

Subd. 2. [PAY; BENEFITS; ON RETURN.] An employee returning from a leave of absence must be returned to work at the same rate of pay the employee had been receiving when the leave commenced, plus any automatic adjustments in the employee's pay scale that occurred during the leave period. The employee returning from a leave retains all accrued preleave benefits of employment and seniority, as if there had been no interruption in service. If, during the leave, the employer experiences a layoff and the employee would have lost a position had the employee not been on leave, pursuant to the good faith operation of a bona fide layoff and recall system, including a system under a collective bargaining agreement, the employee is not entitled to reinstatement in the former or com-

parable position. In such circumstances, the employee retains all rights under the collective bargaining agreement as if the employee had not taken the leave.

Subd. 3. [PART-TIME RETURN.] An employee, by agreement with the employer, may return to work part time during the leave period without forfeiting the right to return to employment at the end of the leave period, as provided in sections 1 to 6.

Sec. 4. [181.96] [USE OF SICK LEAVE.]

An employee may use sick leave benefits for absences due to the illness of a minor or dependent child on the same terms that the employee may use sick leave benefits for the employee's own illness.

Sec. 5. [187.97] [RELATIONSHIP TO OTHER LEAVE.]

The length of leave provided by this law may be reduced by any period of paid parental or disability leave provided by the employer, so that the total leave does not exceed 52 weeks.

Nothing in sections 1 to 5 prevents any employer from providing parental leave benefits in addition to those provided in sections 1 to 5.

Sec. 6. [181.97] [INDIVIDUAL REMEDIES.]

In addition to any remedies otherwise provided by law, a person injured by a violation of sections 1 to 5 may bring a civil action to recover any and all damages recoverable at law, together with costs and disbursements, including reasonable attorney's fees, and may receive injunctive and other equitable relief as determined by a court."

Delete the title and insert:

"A bill for an act relating to employment; establishing unpaid leave of absences for new parents; setting conditions on return from leave; creating a cause of action; proposing coding for new law in Minnesota Statutes, chapter 181."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 286: A bill for an act relating to witnesses; removing the presumption against the competency of certain witnesses; amending Minnesota Statutes 1986, section 595.02, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete lines 2 to 8 and insert:

~~"(f) Persons of unsound mind, and persons intoxicated at the time of their production for examination, and children under ten years of age, if any of them are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined, are not competent witnesses. A child describing any act of sexual contact or penetration performed on or with the child by another may use language appropriate for a child of that age."~~

Page 5, after line 5, insert:

"(1) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 232: A bill for an act relating to crimes; making certain victims rights provisions applicable to victims of certain ordinance violations; providing for plea agreement notification to a larger group of victims; permitting victims to submit an impact statement to the court; providing the data classification of a request for notice of prisoner release; amending Minnesota Statutes 1986, sections 611A.01; 611A.03, subdivision 3; 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, delete "loss or" and insert "bodily"

Page 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1986, section 611A.02, is amended to read:

611A.02 [VICTIM SERVICE NOTIFICATION OF VICTIM SERVICES AND VICTIMS' RIGHTS.]

Subdivision 1. [VICTIM SERVICES.] The commissioner of corrections, in cooperation with the executive director of the crime victims reparations board, shall develop a plan to provide victims with information concerning victim services in the geographic area where the crime occurred. This information shall include, but need not be limited to, information about available victim crisis centers, programs for victims of sexual assault, victim witness programs, elderly victims projects, victim assistance hotlines, incest abuse programs, and domestic violence shelters and programs.

The plan shall take into account the fact that some counties currently have informational service systems and victim or witness services or programs.

This plan shall be presented to the appropriate standing committees of the legislature no later than February 1, 1984.

Subd. 2. [VICTIMS' RIGHTS.] (a) The commissioner of public safety, in consultation with the crime victim and witness advisory council, must develop a notice of the rights of crime victims. The notice must include a form for the preparation of a preliminary written victim impact summary. A preliminary victim impact summary is a concise statement of the immediate and expected damage to the victim as a result of the crime. A victim desiring to file a preliminary victim impact summary must file the summary with the investigating officer no more than five days after the victim receives the notice from a peace officer. If a preliminary victim impact statement is filed with the investigating officer, it must be sent to the prosecutor with other investigative materials. If a prosecutor has received a preliminary victim impact summary, the prosecutor must present

the summary to the court. This subdivision does not relieve a probation officer of the notice requirements imposed by section 609.115, subdivision 1c.

(b) The notice of the rights of crime victims must be distributed by a peace officer to each victim, as defined in section 611A.01, when the peace officer takes a formal statement from the victim. A peace officer is not obligated to distribute the notice if a victim does not make a formal statement. The notice must inform a victim of:

(1) the victim's right to request restitution under section 611A.04;

(2) the victim's right to be notified of any plea negotiations under section 611A.03; and

(3) the victim's right to be present at sentencing, and to object orally or in writing to a proposed agreement or disposition."

Page 2, line 15, delete "WRITTEN"

Page 2, line 18, after the period, insert "If the victim requests, the prosecutor must orally present the statement to the court."

Page 2, line 25, delete everything after "(3)"

Page 2, line 26, delete "or disposition, and the" and insert "a" and delete "objections, if any," and insert "reaction"

Page 2, delete lines 28 to 31

Page 3, line 9, delete "classified as"

Page 3, line 10, delete "provided" and insert "defined"

Page 3, line 11, delete everything after "12" and insert a period

Page 3, line 12, delete everything before "The"

Page 3, after line 16, insert:

"Sec. 5. [REPEALER.]

Minnesota Statutes 1986, section 611A.03, subdivision 3, is repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective January 1, 1988."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to crimes; expanding the definition of crime for victims' rights provisions to include ordinance violations resulting in bodily harm; expanding crimes that entitle victim to notice of plea agreement; granting right to victim to submit an impact statement to the court; requiring officers to give victims a notice of their rights; requiring prosecutors to present to the court a written victim impact summary prepared by the victim; ensuring privacy of victim's request for notice of prisoner release; amending Minnesota Statutes 1986, sections 611A.01; 611A.02; and 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1986, section 611A.03, subdivision 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1472: A bill for an act relating to traffic regulations; requiring certain persons convicted of DWI or a DWI-related offense to undergo chemical use assessment; imposing an assessment on persons convicted of DWI for the purpose of financing these assessments; appropriating money; amending Minnesota Statutes 1986, sections 169.121, by adding a subdivision; 169.124; 169.125; and 169.126.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.121, subdivision 5, is amended to read:

Subd. 5. The court may stay imposition or execution of any sentence authorized by subdivision 3 or 4, except the revocation of the driver's license, on the condition that the convicted person submit to treatment by a public or private institution or a facility providing rehabilitation for chemical dependency licensed by the department of human services *in accordance with the recommendation of the chemical use assessment required under section 169.126*. A stay of imposition or execution shall be in the manner provided in section 609.135. The court shall report to the commissioner of public safety any stay of imposition or execution of sentence granted under the provisions of this section.

Sec. 2. Minnesota Statutes 1986, section 169.121, is amended by adding a subdivision to read:

Subd. 5a. [CHEMICAL DEPENDENCY ASSESSMENT CHARGE.] When a court sentences a person convicted of an offense enumerated in section 169.126, subdivision 1, it shall impose a chemical dependency assessment charge of \$75. This section applies when the sentence is executed, stayed, or suspended. The court may not waive payment or authorize payment of the assessment charge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment charge would create undue hardship for the convicted person or that person's immediate family.

The court shall collect and forward to the commissioner of finance the total amount of the chemical dependency assessment charge and the commissioner shall credit the money to the drinking and driving repeat offense prevention account created in section 9.

The chemical dependency assessment charge required under this section is in addition to the surcharge required by section 609.101.

Sec. 3. Minnesota Statutes 1986, section 169.124, is amended to read:

169.124 [ALCOHOL SAFETY PROGRAM.]

Subdivision 1. [COUNTY BOARD.] ~~The county board of every county having a population of more than 10,000 shall and the county board of every county having a population of less than 10,000 may~~ establish an alcohol safety program designed to provide alcohol problem screening and chemical use assessment and evaluation of persons convicted of ~~one of the offenses an offense~~ enumerated in section 169.126, subdivision 1.

Subd. 2. [PRELIMINARY SCREENING.] ~~The A preliminary alcohol problem assessment screening shall be conducted, under the direction of the court and, by such persons or agencies as the court deems qualified to provide the alcohol problem assessment screening and assessment screening report as described in section 169.126. The alcohol problem assessment screening may be conducted by court services probation officers having with the required knowledge and skills in the assessment screening of alcohol problems, by alcoholism counselors, by persons conducting court sponsored driver improvement clinics if in the judgment of the court such persons they have the required knowledge and skills in the assessment of alcohol problems, by appropriate staff members of public or private alcohol treatment programs and agencies or mental health clinics, by court approved volunteer workers such as members of alcoholics anonymous, or by such other qualified persons as approved by the court may direct. The commissioner of public safety shall provide the courts with information and assistance in establishing alcohol problem assessment screening programs suited to the needs of the area served by each court. The commissioner shall consult with the alcohol and other drug abuse section in the department of human services and with local community mental health boards in providing such this information and assistance to the courts. The commissioner of public safety shall promulgate rules and standards, consistent with this subdivision, for reimbursement under the provisions of subdivision 3. The promulgation adoption of such rules and standards shall is not be subject to chapter 14.~~

Subd. 3. [COST.] The cost of alcohol problem assessment screening outlined in this section shall be borne by the county. Upon application by the county to the commissioner of public safety, the commissioner shall reimburse the county up to 50 percent of the cost of each alcohol problem assessment screening not to exceed \$25 in each case. Payments shall be made annually and prorated if insufficient funds are appropriated.

Sec. 4. Minnesota Statutes 1986, section 169.125, is amended to read:
169.125 [COUNTY COOPERATION.]

County boards may enter into an agreement to establish a regional alcohol problem assessment alcohol safety program. County boards may contract with other counties and agencies for alcohol problem screening and chemical use assessment services.

Sec. 5. Minnesota Statutes 1986, section 169.126, subdivision 1, is amended to read:

Subdivision 1. [SCREENING REQUIREMENT.] An alcohol problem assessment screening shall be conducted in counties of more than 10,000 population and an assessment a screening report submitted to the court by the county agency administering the alcohol safety counseling program when:

(a) The defendant is convicted of an offense described in section 169.121 or 169.129; or

(b) The defendant is arrested for committing an offense described in section 169.121 or 169.129, is not convicted therefor, but is convicted of another offense arising out of the circumstances surrounding such the arrest.

Sec. 6. Minnesota Statutes 1986, section 169.126, subdivision 2, is amended to read:

Subd. 2. [EVALUATION REPORT.] The assessment screening report shall contain an evaluation of the convicted defendant concerning the defendant's prior traffic record, characteristics and history of alcohol problems, and amenability to rehabilitation through the alcohol safety program. The assessment screening report shall include a recommendation as to a treatment or rehabilitation program for the defendant. The assessment screening report shall be classified as private data on individuals as defined in section 13.02, subdivision 12.

Sec. 7. Minnesota Statutes 1986, section 169.126, subdivision 3, is amended to read:

Subd. 3. [REPORT PREPARATION.] The assessment screening report required by this section shall be prepared by a person knowledgeable in diagnosis of chemical dependency.

Sec. 8. Minnesota Statutes 1986, section 169.126, subdivision 4, is amended to read:

Subd. 4. [CHEMICAL USE ASSESSMENT.] ~~The court shall give due consideration to the agency's assessment report~~ (a) *Except as otherwise provided in paragraph (d), when an alcohol problem screening shows that the defendant has an identifiable chemical use problem, the court shall require the defendant to undergo a comprehensive chemical use assessment conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An assessor providing a chemical use assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the court may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An appointment for the defendant to undergo the chemical use assessment shall be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week after the defendant's court appearance. The comprehensive chemical use assessment must be completed no later than two weeks after the appointment date.*

(b) *The chemical use assessment report must include a recommended level of care for the defendant in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3.*

(c) *The state shall reimburse the county for the entire cost of each chemical use assessment and report at a rate established by the department of human services up to a maximum of \$100 in each case. The county may not be reimbursed for the cost of any chemical use assessment or report not completed within the time limit provided in this subdivision. Reimbursement to the county must be made from the special account established in section 9.*

(d) *If the preliminary alcohol problem screening is conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3, consists of a comprehensive chemical use assessment of the defendant, and complies with the chemical use assessment report requirements of paragraph (b), it is a chemical use assessment for the purposes of this section and the court may not require*

the defendant to undergo a second chemical use assessment under paragraph (a). The state shall reimburse counties for the cost of alcohol problem screenings that qualify as chemical use assessments under this paragraph in the manner provided in paragraph (c) in lieu of the reimbursement provisions of section 169.124, subdivision 3.

Sec. 9. Minnesota Statutes 1986, section 169.126, is amended by adding a subdivision to read:

Subd. 4a. [DRINKING AND DRIVING REPEAT OFFENSE PREVENTION ACCOUNT.] A special account is established in the state treasury known as the drinking and driving repeat offense prevention account. Money credited to the account is appropriated continuously to the commissioner of public safety and shall be spent by the commissioner to reimburse counties for the entire cost of each chemical use assessment and report completed within the time limit provided under subdivision 4, up to a maximum of \$100 in each case.

Sec. 10. Minnesota Statutes 1986, section 169.126, is amended by adding a subdivision to read:

Subd. 4b. [EVALUATION.] The commissioner of public safety shall, with the assistance of the department of human services and the state planning agency, monitor and evaluate the implementation and effects of the alcohol safety programs required in sections 169.124 to 169.126 and shall submit a written report to the legislature by January 1, 1989, containing the commissioner's findings and recommendations.

Sec. 11. Minnesota Statutes 1986, section 169.126, subdivision 6, is amended to read:

Subd. 6. [APPLICABILITY.] This section shall not apply to persons who are not residents of the state of Minnesota at the time of the offense and at the time of the alcohol problem assessment screening.

Sec. 12. Minnesota Statutes 1986, section 260.193, subdivision 8, is amended to read:

Subd. 8. If the juvenile court finds that the child is a juvenile major highway or water traffic offender, it may make any one or more of the following dispositions of the case:

(a) Reprimand the child and counsel with the child and the parents;

(b) Continue the case for a reasonable period under such conditions governing the child's use and operation of any motor vehicles or boat as the court may set;

(c) Require the child to attend a driver improvement school if one is available within the county;

(d) Recommend to the department of public safety suspension of the child's driver's license as provided in section 171.16;

(e) If the child is found to have committed two moving highway traffic violations or to have contributed to a highway accident involving death, injury, or physical damage in excess of \$100, the court may recommend to the commissioner of public safety or to the licensing authority of another state the cancellation of the child's license until the child reaches the age of 18 years, and the commissioner of public safety is hereby authorized to cancel the license without hearing. At any time before the termination of

the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety, or to the licensing authority of another state, that the child's license be returned, and the commissioner of public safety is authorized to return the license;

(f) Place the child under the supervision of a probation officer in the child's own home under conditions prescribed by the court including reasonable rules relating to operation and use of motor vehicles or boats directed to the correction of the child's driving habits;

(g) Require the child to pay a fine of up to \$700. The court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(h) If the court finds that the child committed an offense described in section 169.121, the court shall order that an alcohol problem screening be conducted and a screening report submitted to the court in the manner prescribed in section 169.126. Except as otherwise provided in section 169.126, subdivision 4, paragraph (d), if the alcohol problem screening shows that the child has an identifiable chemical use problem, the court shall require the child to undergo a comprehensive chemical use assessment in accordance with section 169.126, subdivision 4. If the chemical use assessment recommends a level of care for the child, the court may require that level of care in its disposition order. In addition, the court may require any child ordered to undergo a chemical use assessment to pay a chemical dependency assessment charge of \$75. The court shall forward the assessment charge to the commissioner of finance to be credited to the special account created in section 9. The state shall reimburse counties for the total cost of the chemical use assessment in the manner provided in section 169.126, subdivision 4.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, section 169.126, subdivision 5, is repealed."

Delete the title and insert:

"A bill for an act relating to traffic regulations; requiring certain persons convicted of DWI or a DWI-related offense and certain juveniles adjudicated for a DWI offense to undergo chemical use assessment; imposing a chemical dependency assessment charge on persons convicted of DWI or a DWI-related offense, and juveniles adjudicated for a DWI offense for the purpose of financing these chemical use assessments; appropriating money; amending Minnesota Statutes 1986, sections 169.121, subdivision 5, and by adding a subdivision; 169.124; 169.125; 169.126, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; and 260.193, subdivision 8; repealing Minnesota Statutes 1986, section 169.126, subdivision 5."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 706: A bill for an act relating to juveniles; clarifying certain recent changes to the juvenile court act; clarifying the hearing and records procedures of the juvenile court; providing for the enforcement of juvenile court restitution orders; permitting administrative docketing of certain unpaid county reimbursements; clarifying certain crime victim notification and protection laws; amending Minnesota Statutes 1986, sections 260.155,

subdivisions 1 and 1a; 260.156; 260.161; 260.185, by adding a subdivision; 548.091, subdivision 1; 595.02, subdivision 4; 609.115, subdivision 1; 609.3471; 611A.031; and 611A.035; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1986, sections 609.115, subdivisions 1b and 1c; and 636.08.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 11 to 14, reinstate the stricken language and delete the new language

Page 2, lines 31 and 32, delete "*as provided in rules 3, 39, and 40 of the Rules of Procedure for Juvenile Court*"

Page 2, line 35, delete "*about*"

Page 4, line 4, after "*or*" insert "*to an adult court or juvenile court*"

Page 5, line 20, delete everything after "*accident*"

Page 5, delete lines 21 to 25

Page 5, line 26, delete "*that school*"

Page 6, lines 17 and 18, delete "*or not*"

Pages 8 and 9, delete section 8

Page 10, line 1, delete "*any offense listed in section 611A.03, subdivision 3*" and insert "*a violation of sections 609.185, 609.19, 609.195, 609.20, 609.205, 609.221, 609.222, 609.223, 609.224, 609.24, 609.245, 609.25, 609.255, 609.342, 609.343, 609.344, 609.345, 609.365, 609.498, 609.561, and 609.687*"

Page 10, line 6, delete "*their*" and insert "*his or her*"

Pages 10 and 11, delete section 12

Page 11, line 14, delete everything after the first comma and insert "*section 636.08, is repealed.*"

Page 11, delete line 15

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, delete "609.115,"

Page 1, lines 13, delete "subdivision 1;"

Page 1, delete line 14

Page 1, line 15, delete "chapter 611A;"

Page 1, line 16, delete everything before "636.08" and insert "section"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1371: A bill for an act relating to courts; specifying certain locations for holding court in Ramsey county; proposing coding for new law in Minnesota Statutes, chapter 488A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [488A.185] [PLACE OF HOLDING COURT.]

The county of Ramsey shall provide suitable quarters, as determined by the court, for the holding of regular terms of court at two locations outside the city of Saint Paul and within the county of Ramsey. One location shall be in the city of New Brighton. The second location shall be in the city of Maplewood within a one mile radius of the intersection of White Bear Avenue and County Road D.

Sec. 2. [SUBURBAN COURT FUNCTIONS.]

When suitable facilities have been provided, but in no event later than four months from the effective date of this act, all court functions conducted at suburban court sites before December 31, 1986, must be resumed at suburban locations. However, implied consent hearings shall be resumed at all current suburban court locations not later than 30 days from the date of final enactment of this act.

Sec. 3. [REIMBURSEMENT; WHITE BEAR LAKE AND NORTH SAINT PAUL.]

When suburban court locations are reduced to two sites as specified in section 1, the cities of White Bear Lake and North Saint Paul will be reimbursed by the court for any additional expenses for police and prosecutorial expenses necessitated by the change in court locations.

Sec. 4. [SUBURBAN COURT REMOVAL.]

Notwithstanding the provisions of section 1, court may cease to be held at any of the locations named in this section upon adoption of a resolution by the city council of the cities of Maplewood, New Brighton, North Saint Paul and White Bear Lake and a majority vote of the judges in Ramsey County.

Sec. 5. [EFFECTIVE DATE.]

Unless otherwise specified, this act is effective the day following final enactment.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 534: A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, non-public, and protected nonpublic; clarifying issues relating to the administration of data; amending Minnesota Statutes 1986, sections 13.03, subdivision 3; 13.04, subdivision 2; 13.05, subdivision 4; 13.38; 13.39, subdivision 3; 13.41, subdivision 4; 13.43, by adding a subdivision; 13.46, subdivision 7, and by adding a subdivision; and 13.76; proposing coding for new law in Minnesota Statutes, chapter 13.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 7, delete the comma

Page 5, line 10, delete the second comma

Page 5, line 12, before "DATA" insert "PRIVATE" and delete "ON INDIVIDUALS"

Page 5, line 22, after the stricken "disease" insert "(a) Health data are private data on individuals." and delete "the provisions of"

Page 5, line 23, delete "is private data on individuals and"

Page 5, line 24, delete "shall" and insert "may" and delete "follows:" and insert "provided in this subdivision and section 13.04."

Page 5, line 25, delete "(a) By" and insert "(b)" and after "or" insert "a local" and after "health" insert "may disclose health data"

Page 5, line 27, delete "as defined by the commissioner through"

Page 5, line 28, delete "rule"

Page 5, line 29, delete the comma

Page 5, delete lines 31 to 35 and insert:

"(c) With the approval of the commissioner, health data may be disclosed to the extent necessary to assist the commissioner to locate or identify a case, carrier, or suspect case, to alert persons who may be threatened by illness as evidenced by epidemiologic data, to control or prevent the spread of serious disease, or to diminish an imminent threat to the public health."

Page 5, line 36, after the headnote, insert "Summary data derived from" and delete "on"

Page 6, line 1, delete "individuals" and delete "are confidential data on"

Page 6, line 2, delete "individuals, except that summary data"

Page 6, line 10, delete "this chapter or" and strike "other"

Pages 6 and 7, delete sections 6 and 7 and insert:

"Sec. 6. Minnesota Statutes 1986, section 13.43, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in this section, "personnel data" means data on individuals collected because the individual is or was an employee of or an applicant for employment by, performs services on a voluntary basis for, or acts as an independent contractor with a state agency, statewide system or political subdivision or is a member of an advisory board or commission. "Personnel data" includes data on individuals who apply for or are enrolled in employment and training programs funded with federal, state, or local resources unless the data are welfare data under section 13.46.

Sec. 7. Minnesota Statutes 1986, section 13.46, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIVE DATA.] Data on persons, including data on vendors of services and data on licensees, that is collected, maintained, used, or disseminated by the welfare system in an investigation, authorized by statute and relating to the enforcement of rules or law, is confidential data on individuals pursuant to section 13.02, subdivision 3, or protected

nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

(a) pursuant to section 13.05;

(b) pursuant to statute or valid court order;

(c) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense; or

(d) to provide the notices required and or permitted by sections ~~626.556, subdivisions 40b and 40d, and 626.557, subdivision 10a statute.~~

The data referred to in this subdivision shall be classified as public data upon its submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

Sec. 8. Minnesota Statutes 1986, section 13.46, subdivision 4, is amended to read:

Subd. 4. [LICENSING DATA.] (a) *As used in this subdivision:*

(1) *"licensing data" means all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration under the authority of the commissioner of human services, except for;*

(2) *"client" means a person who is receiving services from a licensee or from an applicant for licensure; and*

(3) *"personal and personal financial data about applicants and licensees under the family day care program and the family foster care program and data generated in the course of licensing investigations that are in response to a complaint of a rule or statutory violation; are public data. Personal and personal financial data on family day care program and family foster care program applicants and licensees are private data pursuant to section 13.02, subdivision 12." means social security numbers, identity of and letters of reference, insurance information, reports from the bureau of criminal apprehension, health examination reports, and social/home studies.*

(b) *Except as provided in paragraph (c), the following data are public: name, address, telephone number of licensees, licensed capacity, type of children preferred, variances granted, type of dwelling, name and relationship of other family members, previous license history, class of license, the nature and content of complaints after resolution when the information is not maintained in anticipation of legal action, record of informal resolutions of licensing violations, orders of hearing, findings of fact, and conclusions of law, and specifications of the final disciplinary action contained in the record of disciplinary action.*

(c) *The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.*

(d) *The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the li-*

censing agency for purposes of review or in anticipation of a contested matter. The names of reporters under sections 626.556 and 626.557 may be disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12.

(e) Data classified as private, confidential, or nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning the disciplinary action.

(f) Data generated in the course of licensing investigations that ~~are in response~~ relate to a ~~complaint~~ an alleged violation of a rule or statutory ~~violation~~ law are investigative data pursuant to under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 626.556, subdivision 2, are subject to the destruction provisions of section 626.556, subdivision 11."

Page 7, line 36, delete "classified as"

Page 8, line 1, delete "sample has been completed" and insert "rates are set"

Page 8, delete section 10 and insert:

"Sec. 11. Minnesota Statutes 1986, section 13.50, subdivision 1, is amended to read:

Subdivision 1. [CONFIDENTIAL OR PROTECTED NONPUBLIC DATA.] Estimated or appraised values of individual parcels of real property which are made by personnel of the state, its agencies and departments, or a political subdivision or by independent appraisers acting for the state, its agencies and departments, or a political subdivision for the purpose of selling or acquiring land through purchase or condemnation are classified as confidential data on individuals pursuant to section 13.02, subdivision 3 or protected nonpublic data."

Page 8, line 13, delete "is classified as" and insert "are"

Page 8, line 14, before the colon, insert "on individuals"

Page 8, line 15, delete the comma and insert a semicolon

Page 8, delete section 12

Page 8, line 34, delete "classified as" and before the colon, insert "data on individuals"

Pages 8 and 9, delete section 14

Page 9, line 19, delete "All"

Page 9, delete line 20 and insert "reveals the identity of a tenant who makes a complaint"

Page 9, line 22, delete "classified as" and before the period, insert "on individuals"

Page 9, line 28, after "confidential" insert "data on individuals" and after "private" insert "data on individuals"

Page 9, lines 30, 31, and 35, delete "all"

Page 10, after line 4, insert:

“Sec. 16. [241.441] [ACCESS BY OMBUDSMAN TO DATA.]

Notwithstanding section 13.42 or 13.85, the ombudsman has access to corrections and detention data and medical data maintained by an agency and classified as private data on individuals or confidential data on individuals when access to the data is necessary for the ombudsman to perform the powers under section 241.44.

Sec. 17. [EFFECTIVE DATE.]

Sections 6; 8, subdivision 4, paragraph (g); and 10 to 16 are effective the day following final enactment.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete “13.41.”

Page 1, line 9, delete “subdivision 4;” and delete “by adding a subdivision” and insert “subdivision 1”

Page 1, line 10, delete the first “subdivision” and insert “subdivisions 3, 4, and” and delete “13.76” and insert “13.50, subdivision 1”

Page 1, delete line 12 and insert “chapters 13 and 241.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 941: A bill for an act relating to crimes; prohibiting killing or injuring a police dog involved in law enforcement investigation or apprehension; prescribing penalties; amending Minnesota Statutes 1986, section 609.595, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

“Section 1. [609.596] [KILLING OR HARMING A POLICE DOG.]

Subdivision 1. [FELONY.] Whoever intentionally and without justification causes the death of a police dog when the dog is involved in law enforcement investigation or apprehension, or the dog is in the custody of or under the control of a peace officer, as defined in section 626.84, subdivision 1, paragraph (c), is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000.

Subd. 2. [GROSS MISDEMEANOR.] Whoever intentionally and without justification causes substantial or great bodily harm to a police dog when the dog is involved in law enforcement investigation or apprehension, or the dog is in the custody of or under the control of a peace officer, is guilty of a gross misdemeanor.”

Amend the title as follows:

Page 1, line 4, delete “amending” and insert “proposing coding for new law in”

Page 1, line 5, delete everything after “Statutes” and insert “, chapter

609.”

Page 1, delete line 6

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1521 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1521	1404				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1521 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1521 and insert the language after the enacting clause of S.F. No. 1404, the second engrossment; further, delete the title of H.F. No. 1521 and insert the title of S.F. No. 1404, the second engrossment.

And when so amended H.F. No. 1521 will be identical to S.F. No. 1404, and further recommends that H.F. No. 1521 be given its second reading and substituted for S.F. No. 1404, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1113 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1113	1452				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1113 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1113 and insert the language after the enacting clause of S.F. No. 1452, the first engrossment; further, delete the title of H.F. No. 1113 and insert the title of S.F. No. 1452, the first engrossment.

And when so amended H.F. No. 1113 will be identical to S.F. No. 1452, and further recommends that H.F. No. 1113 be given its second reading and substituted for S.F. No. 1452, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the

Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1312 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1312	1199				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1312 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1312 and insert the language after the enacting clause of S.F. No. 1199, the first engrossment; further, delete the title of H.F. No. 1312 and insert the title of S.F. No. 1199, the first engrossment.

And when so amended H.F. No. 1312 will be identical to S.F. No. 1199, and further recommends that H.F. No. 1312 be given its second reading and substituted for S.F. No. 1199, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 990 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
990	1321				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 990 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 990 and insert the language after the enacting clause of S.F. No. 1321, the first engrossment; further, delete the title of H.F. No. 990 and insert the title of S.F. No. 1321, the first engrossment.

And when so amended H.F. No. 990 will be identical to S.F. No. 1321, and further recommends that H.F. No. 990 be given its second reading and substituted for S.F. No. 1321, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1015 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1015	992				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1015 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1015 and insert the language after the enacting clause of S.F. No. 992, the first engrossment; further, delete the title of H.F. No. 1015 and insert the title of S.F. No. 992, the first engrossment.

And when so amended H.F. No. 1015 will be identical to S.F. No. 992, and further recommends that H.F. No. 1015 be given its second reading and substituted for S.F. No. 992, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 668 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				668	598

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 668 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 668 and insert the language after the enacting clause of S.F. No. 598, the second engrossment; further, delete the title of H.F. No. 668 and insert the title of S.F. No. 598, the second engrossment.

And when so amended H.F. No. 668 will be identical to S.F. No. 598, and further recommends that H.F. No. 668 be given its second reading and substituted for S.F. No. 598, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 674 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				674	947

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 674 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 674 and insert the language after the enacting clause of S.F. No. 947, the second engrossment; further, delete the title of H.F. No. 674 and insert the title of S.F. No. 947, the second engrossment.

And when so amended H.F. No. 674 will be identical to S.F. No. 947, and further recommends that H.F. No. 674 be given its second reading and substituted for S.F. No. 947, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1507 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				1507	1092

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1507 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1507 and insert the language after the enacting clause of S.F. No. 1092, the second engrossment; further, delete the title of H.F. No. 1507 and insert the title of S.F. No. 1092, the second engrossment.

And when so amended H.F. No. 1507 will be identical to S.F. No. 1092, and further recommends that H.F. No. 1507 be given its second reading and substituted for S.F. No. 1092, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the

Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1041 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1041	1478				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1041 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1041 and insert the language after the enacting clause of S.F. No. 1478, the first engrossment; further, delete the title of H.F. No. 1041 and insert the title of S.F. No. 1478, the first engrossment.

And when so amended H.F. No. 1041 will be identical to S.F. No. 1478, and further recommends that H.F. No. 1041 be given its second reading and substituted for S.F. No. 1478, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 463 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
463	1063				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 463 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 463 and insert the language after the enacting clause of S.F. No. 1063, the first engrossment; further, delete the title of H.F. No. 463 and insert the title of S.F. No. 1063, the first engrossment.

And when so amended H.F. No. 463 will be identical to S.F. No. 1063, and further recommends that H.F. No. 463 be given its second reading and substituted for S.F. No. 1063, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 856 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
856	921				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 856 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 856 and insert the language after the enacting clause of S.F. No. 921, the first engrossment; further, delete the title of H.F. No. 856 and insert the title of S.F. No. 921, the first engrossment.

And when so amended H.F. No. 856 will be identical to S.F. No. 921, and further recommends that H.F. No. 856 be given its second reading and substituted for S.F. No. 921, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1327 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1327	1243				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1327 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1327 and insert the language after the enacting clause of S.F. No. 1243, the first engrossment; further, delete the title of H.F. No. 1327 and insert the title of S.F. No. 1243, the first engrossment.

And when so amended H.F. No. 1327 will be identical to S.F. No. 1243, and further recommends that H.F. No. 1327 be given its second reading and substituted for S.F. No. 1243, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 872 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
872	1346				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1515, 854, 261, 801, 1516, 1470 and 232 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1159, 1083, 170, 141, 1207, 234, 286, 706, 1371, 534, 941, 1521, 1113, 1312, 990, 1015, 668, 674, 1507, 1041, 463, 856, 1327 and 872 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Luther moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1205. The motion prevailed.

Mr. Pehler moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1330. The motion prevailed.

Mr. Metzen moved that the name of Mr. Marty be added as a co-author to S.F. No. 1428. The motion prevailed.

Mr. Luther moved that the name of Mr. Freeman be added as a co-author to S.F. No. 1479. The motion prevailed.

Mr. Taylor introduced—

Senate Resolution No. 64: A Senate resolution expressing the need for future increases in funding of the sliding fee program for child care.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 830: A bill for an act relating to state energy contracts; imposing additional requirements on bidders for state energy efficiency installment purchase contracts; amending Minnesota Statutes 1986, section 16B.16, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrrens	Renneke
Anderson	Davis	Jude	Merriam	Samuelson
Beckman	DeCramer	Knaak	Moe, D.M.	Schmitz
Belanger	Dicklich	Knutson	Morse	Solon
Berg	Diessner	Kroening	Novak	Storm
Berglin	Frank	Laidig	Olson	Stumpf
Bernhagen	Frederick	Langseth	Pehler	Taylor
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	Waldorf
Brataas	Freeman	Lessard	Piper	Wegscheid
Chmielewski	Hughes	Luther	Ramstad	Willet
Cohen	Johnson, D.E.	Marty	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 823: A bill for an act relating to labor; prohibiting certain terminations; requiring notice of reasons for terminations; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 181.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Mehrrens	Renneke
Anderson	DeCramer	Knaak	Merriam	Schmitz
Beckman	Dicklich	Knutson	Moe, D.M.	Solon
Belanger	Diessner	Kroening	Morse	Spear
Berg	Frank	Laidig	Novak	Storm
Berglin	Frederick	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Taylor
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Vickerman
Brandl	Freeman	Lessard	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Luther	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	Marty	Ramstad	Willet
Dahl	Johnson, D.J.	McQuaid	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 225: A bill for an act relating to towns; providing for powers of town boards and board members; providing for elections; providing conditions for ownership of town cemetery lots; amending Minnesota Statutes 1986, sections 365.10; 365.27; 365.37; 365.51; 366.01, by adding a subdivision; 367.03; 367.33, subdivisions 1, 4, and 5; and 471.96; repealing Minnesota Statutes 1986, section 365.06.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, D.M.	Schmitz
Anderson	DeCramer	Kroening	Morse	Solon
Beckman	Dicklich	Laidig	Novak	Spear
Belanger	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Hughes	Marty	Pogemiller	Wegscheid
Brataas	Johnson, D.E.	McQuaid	Ramstad	Willet
Chmielewski	Johnson, D.J.	Mehrkens	Reichgott	
Cohen	Jude	Merriam	Renneke	
Dahl	Knaak	Metzen	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 183: A bill for an act relating to snowmobiles; authorizing certain operators possessing a motor vehicle operator's license to cross a highway; amending Minnesota Statutes 1986, section 84.872.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, D.M.	Solon
Anderson	DeCramer	Kroening	Morse	Spear
Beckman	Dicklich	Laidig	Novak	Storm
Belanger	Frank	Langseth	Olson	Stumpf
Berg	Frederick	Lantry	Pehler	Taylor
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Bertram	Freeman	Luther	Piper	Wegscheid
Brandl	Hughes	Marty	Ramstad	Willet
Brataas	Johnson, D.E.	McQuaid	Reichgott	
Chmielewski	Johnson, D.J.	Mehrkens	Renneke	
Cohen	Jude	Merriam	Samuelson	
Dahl	Knaak	Metzen	Schmitz	

So the bill passed and its title was agreed to.

S.F. No. 1031: A bill for an act relating to occupations and professions; creating the Minnesota task force on interior designers and decorators and providing for its duties.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 33 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Morse	Schmitz
Belanger	Dicklich	Knaak	Novak	Solon
Brataas	Diessner	Knutson	Peterson, D.C.	Spear
Chmielewski	Frederick	Langseth	Piper	Vickerman
Cohen	Frederickson, D.J.	Lessard	Pogemiller	Wegscheid
Dahl	Freeman	Luther	Reichgott	
Davis	Hughes	Metzen	Samuelson	

Those who voted in the negative were:

Anderson	Frank	Lantry	Moe, D.M.	Storm
Beckman	Frederickson, D.R.	Larson	Olson	Stumpf
Berglin	Johnson, D.E.	Marty	Pehler	Taylor
Bernhagen	Johnson, D.J.	McQuaid	Peterson, R.W.	Waldorf
Bertram	Kroening	Mehrkens	Ramstad	Willet
Brandl	Laidig	Merriam	Renneke	

So the bill failed to pass.

H.F. No. 29: A bill for an act relating to traffic regulations; requiring motor vehicle operators to use child passenger restraint system when transporting child under age of four; assessing court costs to violator under certain conditions; imposing penalty; amending Minnesota Statutes 1986, section 169.685, subdivision 5, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Moe, D.M.	Schmitz
Anderson	Dicklich	Kroening	Morse	Solon
Beckman	Diessner	Laidig	Novak	Spear
Belanger	Frank	Lantry	Olson	Storm
Berglin	Frederick	Larson	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Waldorf
Brandl	Frederickson, D.R.	Luther	Peterson, R.W.	Wegscheid
Brataas	Freeman	Marty	Piper	Willet
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	
Davis	Jude	Metzen	Samuelson	

Messrs. Bertram, Knutson, Stumpf and Vickerman voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 353: A bill for an act relating to metropolitan water management; authorizing metropolitan counties to adopt ground water plans; relating to notice procedures in certain counties; amending Minnesota Statutes 1986, sections 112.53, subdivision 2; 473.875; 473.876, by adding subdivisions; 473.878, subdivisions 3, 5, 6, 7, and 9; proposing coding for new law in Minnesota Statutes, chapter 473.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, D.M.	Schmitz
Anderson	DeCramer	Kroening	Morse	Solon
Beckman	Dicklich	Laidig	Novak	Spear
Belanger	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Ramstad	Willet
Chmielewski	Johnson, D.J.	Mehrkens	Reichgott	
Cohen	Jude	Merriam	Renneke	
Dahl	Knaak	Metzen	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 1237: A bill for an act relating to employment; requiring employers to notify employees of a lapse or discontinuance of employee health plans; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 181.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Samuelson
Anderson	DeCramer	Knutson	Moe, D.M.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Hughes	Marty	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Willet
Cohen	Johnson, D.J.	Mehrkens	Reichgott	
Dahl	Jude	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1183: A bill for an act relating to alcoholic beverages; authorizing the city of Minneapolis to issue an on-sale liquor license to the American Swedish Institute.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	DeCramer	Knaak	Moe, D.M.	Schmitz
Beckman	Dicklich	Knutson	Morse	Solon
Belanger	Diessner	Kroening	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Vickerman
Brandl	Freeman	Marty	Piper	Waldorf
Brataas	Hughes	McQuaid	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	Mehrkens	Ramstad	Willet
Dahl	Johnson, D.J.	Merriam	Reichgott	

Messrs. Chmielewski, Laidig, Larson and Renneke voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1072: A bill for an act relating to utilities; providing for initial and continuing education of public utilities commissioners; lengthening the time period for preparation for a hearing on territorial disputes; raising dollar limit on value of property that public utility may transfer without commission approval; amending Minnesota Statutes 1986, sections 216A.03, by adding subdivisions; 216B.43; and 216B.50, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Samuelson
Anderson	DeCramer	Knutson	Moe, D.M.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.I.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Hughes	Marty	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Willet
Cohen	Johnson, D.I.	Mehrkens	Reichgott	
Dahl	Jude	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 897: A bill for an act relating to liquor; requiring nondiscriminatory prices for sale to retailers; repealing the law requiring filing and maintenance of lists of wholesale prices; amending Minnesota Statutes 1986, section 340A.307, by adding a subdivision; repealing Minnesota Statutes 1986, section 340A.313.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Schmitz
Anderson	DeCramer	Knutson	Moe, D.M.	Solon
Beckman	Dicklich	Kroening	Morse	Spear
Belanger	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.I.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Hughes	Marty	Pogemiller	Willet
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	
Cohen	Johnson, D.I.	Mehrkens	Renneke	
Dahl	Jude	Merriam	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 1152: A bill for an act relating to alcoholic beverages; limiting imports by individuals; maximum volume for volume prices; purchases by delinquent licensees; restricting employment of minors in nonintoxicating liquor premises; providing for inspections; amending Minnesota Statutes 1986, sections 297C.09; 340A.302, subdivision 1; 340A.312, subdivision 2; 340A.318, subdivisions 1 and 3; and 340A.411, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Metzen	Samuelson
Anderson	Davis	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Hughes	Marty	Pogemiller	Wegscheid
Brataas	Johnson, D.E.	McQuaid	Ramstad	Willet
Chmielewski	Johnson, D.J.	Mehrkens	Reichgott	
Cohen	Jude	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1114: A bill for an act relating to liquor; limitations on rules of the commissioner of public safety; items which may be sold in exclusive liquor stores; regulating sales of fermented malt beverages; amending Minnesota Statutes 1986, sections 299A.02, subdivision 3; and 340A.101, subdivision 10; repealing Minnesota Statutes 1986, sections 34.119; 34.12; 34.13; and 34.14.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, D.M.	Samuelson
Anderson	Dicklich	Kroening	Moe, R.D.	Schmitz
Beckman	Diessner	Laidig	Morse	Solon
Belanger	Frank	Langseth	Novak	Spear
Benson	Frederick	Lantry	Olson	Storm
Berg	Frederickson, D.J.	Larson	Pehler	Stumpf
Berglin	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Bernhagen	Freeman	Luther	Peterson, R.W.	Vickerman
Bertram	Hughes	Marty	Piper	Waldorf
Brataas	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.J.	Mehrkens	Ramstad	Willet
Cohen	Jude	Merriam	Reichgott	
Dahl	Knaak	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 751: A bill for an act relating to financial institutions; authorizing the deposit of trust funds received by real estate brokers or salespersons in savings and loan associations and credit unions; amending Minnesota Statutes 1986, sections 51A.23, subdivision 1; 52.04; 82.17, subdivision 6; and 82.24, subdivisions 1, 2, and 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Reichgott
Anderson	Davis	Knaak	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R.D.	Schmitz
Benson	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederick	Lantry	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brandl	Freeman	Luther	Peterson, R.W.	Vickerman
Brataas	Hughes	Marty	Piper	Waldorf
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Cohen	Johnson, D.J.	Mehrkens	Ramstad	Willet

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1515 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1515: A bill for an act relating to higher education; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, the Mayo medical foundation, and the Minnesota job skills partnership board, with certain conditions; amending Minnesota Statutes 1986, sections 135A.03, subdivision 1; 136A.101, by adding a subdivision; 136A.111, by adding a subdivision; 136A.121, subdivisions 4 and 5; 136A.132, subdivisions 3, 6, and 7; 136A.233, subdivisions 1 and 2; 136A.85; 136A.86, subdivisions 1 and 2; 136A.87; 137.31, subdivision 3; and 645.445, subdivision 5; Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, section 136.09, subdivision 3.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1515 and that the rules of the Senate be so far suspended as to give S.F. No. 1515, now on Special Orders, its third reading and place it on its final passage. The motion prevailed.

Mr. Dahl moved to amend S.F. No. 1515 as follows:

Page 3, after line 21, insert:

“\$120,000 for fiscal year 1988 is for the board to provide staff assistance and support services for the task force, to accomplish the following: (1) establishment of work plan, agendas, and meetings; (2) provision of appropriate research and background materials; and (3) exchange of information about assessment tools and mechanisms among institutions, through conferences and dissemination of documents produced.”

Page 3, line 56, delete “\$300,000” and insert “\$240,000”

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 1515 as follows:

Page 9, line 38, delete "\$14,374,700" and insert "\$14,474,700" and delete "\$14,652,600" and insert "\$14,852,600"

Correct the subdivision and section totals and the summaries by fund accordingly

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

Mr. Benson moved to amend S.F. No. 1515 as follows:

Page 7, line 60, delete "390,981,000" and insert "377,681,000"

Page 8, delete line 31

Correct the subdivision and section totals and the summaries by fund accordingly

CALL OF THE SENATE

Mr. Waldorf imposed a call of the Senate for the balance of the proceedings on S.F. No. 1515. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 43, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Jude	Larson	Stumpf
Beckman	Davis	Knaak	Lessard	Willet
Benson	Frank	Knutson	Metzen	
Bernhagen	Frederick	Kroening	Ramstad	
Bertram	Frederickson, D.R.	Laidig	Storm	

Those who voted in the negative were:

Adkins	Diessner	Luther	Olson	Schmitz
Belanger	Frederickson, D.J.	Marty	Peterson, D.C.	Solon
Berglin	Freeman	McQuaid	Peterson, R.W.	Spear
Brandl	Gustafson	Mehrkens	Piper	Taylor
Chmielewski	Hughes	Merriam	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Moe, D.M.	Purfeerst	Waldorf
Dahl	Johnson, D.J.	Moe, R.D.	Reichgott	Wegscheid
DeCramer	Langseth	Morse	Renneke	
Dicklich	Lantry	Novak	Samuelson	

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

S.F. No. 1515 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Morse	Schmitz
Anderson	Dicklich	Kroening	Novak	Solon
Beckman	Diessner	Laidig	Olson	Spear
Belanger	Frederick	Langseth	Pehler	Storm
Benson	Frederickson, D.J.	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Freeman	Luther	Piper	Waldorf
Bertram	Gustafson	Marty	Pogemiller	Wegscheid
Brandl	Hughes	McQuaid	Purfeerst	Willet
Brataas	Johnson, D.E.	Mehrkens	Ramstad	
Chmielewski	Johnson, D.J.	Merriam	Reichgott	
Cohen	Jude	Metzen	Renneke	
Dahl	Knaak	Moe, R.D.	Samuelson	

Messrs. Davis and Frank voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R.W. moved that H.F. No. 753 be taken from the table. The motion prevailed.

H.F. No. 753: A bill for an act relating to education; providing aids to education, aids to libraries, appropriations to the state academies for the deaf and blind, and the department of education; changing secondary pupil unit weighting; establishing a formula equity allowance; changing the calculation of special education aid; increasing the community education formula; changing the capital expenditure formula; changing the secondary vocational funding formula; increasing desegregation levies and appropriating desegregation aid; appropriating money; amending Minnesota Statutes 1986, sections 43A.08, subdivisions 1 and 1a; 43A.18, subdivision 4; 118.12; 118.13; 118.14; 120.03, subdivision 1; 120.0752, by adding a subdivision; 120.17, subdivisions 1, 2, 3, 3a, 3b, 5, 7a, 12, and by adding subdivisions; 121.609, subdivision 4; 121.612, subdivisions 3, 5, and by adding subdivisions; 121.87, subdivision 1, and by adding a subdivision; 121.88, subdivision 2, and by adding a subdivision; 121.935, subdivision 6; 121.936, subdivision 1; 122.541, subdivision 2; 123.36, subdivision 13; 123.39, subdivision 1, and by adding a subdivision; 123.58, subdivisions 6 and 8a; 123.705, subdivision 1; 124.05, subdivision 1; 124.17, subdivisions 1 and 1a; 124.195, subdivision 9; 124.2138, subdivision 4, and by adding a subdivision; 124.2162, by adding a subdivision; 124.223; 124.225, subdivisions 1, 4b, 7b, 8a, 8i, 10, and by adding a subdivision; 124.245, subdivisions 1, 3, and by adding subdivisions; 124.246, subdivision 2; 124.247, subdivision 3; 124.252, subdivision 3; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.272, subdivision 1; 124.273, subdivision 1b, and by adding subdivisions; 124.32; 124.481; 124.524, by adding a subdivision; 124.573; 124.574, subdivisions 2b, 3, 4, and by adding subdivisions; 124.646, subdivision 1; 124A.01; 124A.02, subdivisions 7, 8, 9, 16, and by adding subdivisions; 124A.03, subdivisions 1a, 3, and by adding a subdivision; 124A.033, subdivision 2; 124A.036, by adding a subdivision; 124A.06; 124A.08, subdivisions 1, 3a, and 5; 124A.10, subdivision 1, and by adding a subdivision; 124A.12, subdivision 1; 124A.14, subdivision 4; 125.03, subdivision 5; 125.05, subdivision 1; 125.185, subdivision 4; 125.611, subdivisions 10, 11, 12, and 13; 126.02, subdivision 2; 126.48, by adding a subdivision; 126.56, subdivisions 3 and 6; 126.65; 126.66, subdivisions 1, 6, and by adding subdivisions; 126.67, subdivisions 1, 1a, 2a, 3a, 6, and 9; 126.81, subdivision 2; 129B.041, subdivisions 1 and 3; 134.10; 136D.27; 136D.71; 136D.74, subdivision 2; 136D.87;

275.125, subdivisions 5, 6e, 8c, 9, 11a, 11c, and by adding subdivisions; Laws 1984, chapter 463, article 6, section 15, subdivision 1; Laws 1986, First Special Session chapter 1, article 5, section 9; proposing coding for new law in Minnesota Statutes, chapters 43A; 121; 122; 123; 124A; 125; 126; 128A; 129B; and 134; repealing Minnesota Statutes 1986, sections 120.17, subdivision 13; 123.937; 124.05, subdivision 2; 124.185; 124.2161; 124.2162; 124.2163; 124.225, subdivision 1a; 124.273, subdivision 2b; 124.275; 124A.20; 125.611, subdivisions 8 and 9; 129B.01; 129B.02; 129B.04; 129B.041, subdivision 4; 129B.05; 129B.17; 129B.20; 129B.21; 129B.35; 129B.37; and 275.125, subdivision 5d.

SUSPENSION OF RULES

Mr. Peterson, R. W. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 753 and that the rules of the Senate be so far suspended as to give H.F. No. 753 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 753 was read the second time.

Mr. Peterson, R.W. moved to amend H.F. No. 753 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 753, and insert the language after the enacting clause, and the title, of S.F. No. 583, the second engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Mehrkens moved to amend H.F. No. 753, as amended by the Senate May 1, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 583.)

Page 2, line 34, delete "GENERAL EDUCATION" and insert "RETIREMENT"

Pages 2 to 19, delete sections 1 to 21 and insert:

"Section 1. Minnesota Statutes 1986, section 124A.02, is amended by adding a subdivision to read:

Subd. 5a. [BASIC FOUNDATION AID; 1987-1988 SCHOOL YEAR.] A district's basic foundation aid for the 1987-1988 school year equals its basic foundation aid, as defined in subdivision 5, plus the product of \$10 times its total pupil units for 1987-1988.

Sec. 2. Minnesota Statutes 1986, section 124A.02, subdivision 9, is amended to read:

*Subd. 9. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. ~~The formula allowance shall be \$1,585 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year.~~ The formula allowance shall be \$1,690 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year. The formula allowance is \$1,700 for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year. *The formula allowance is \$1,735 for the 1987 payable 1988 levies and for foundation aid for the 1988-1989 school year.**

Sec. 3. Minnesota Statutes 1986, section 124A.02, is amended by adding a subdivision to read:

Subd. 25. [TOTAL FOUNDATION REVENUE.] A district's "total foundation revenue" means the sum of the district's basic foundation revenue, tier revenue, and declining pupil unit revenue, but does not include the portion of the cost differential revenue attributable to the equity allowance, as defined in section 7.

Sec. 4. Minnesota Statutes 1986, section 124A.02, is amended by adding a subdivision to read:

Subd. 26. [STATEWIDE AVERAGE FOUNDATION REVENUE PER ACTUAL PUPIL UNIT.] (a) "Statewide average foundation revenue per actual pupil unit" means the sum of basic foundation revenue, tier revenue, and declining pupil unit revenue for all school districts, divided by the number of actual pupil units in all districts for that year. The tier revenue does not include the portion of the cost differential tier revenue attributable to the equity allowance, as defined in section 7.

(b) The commissioner shall compute the statewide average foundation revenue per actual pupil unit each school year and shall notify all districts of it before the districts' levies are required to be certified in the October immediately following the end of that school year. The commissioner shall use the latest available information in computing the statewide average foundation revenue under this subdivision, and must not adjust the amount after the levies are certified for a particular year.

Sec. 5. Minnesota Statutes 1986, section 124A.03, subdivision 1a, is amended to read:

Subd. 1a. [ESTABLISHMENT OF BASIC MAINTENANCE MILL RATE.] (a) The commissioner of revenue shall establish the basic maintenance mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The established basic maintenance mill rate shall be a rate, rounded up to the nearest tenth of a mill, which when applied to the adjusted assessed valuation of taxable property for each school district under subdivision 1 or 3, as applicable, raises the total amount specified in this section.

(b) The basic maintenance mill rate for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year shall be established at a rate that raises a total of \$702,000,000. The basic maintenance mill rate for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year shall be set at a rate that raises \$692,000,000. The basic maintenance mill rate for the 1987 payable 1988 levies and for foundation aid for the 1988-1989 school year must be set to raise \$707,000,000. The basic maintenance mill rate computed by the commissioner of revenue must not be recomputed due to changes or corrections made in a school district's adjusted assessed valuation after the mill rate has been certified to the department of education pursuant to paragraph (a).

Sec. 6. Minnesota Statutes 1986, section 124A.06, subdivision 1, is amended to read:

Subdivision 1. [COST DIFFERENTIAL TIER ALLOWANCE.] "Cost differential tier allowance" means the amount of revenue per actual pupil unit used to compute the cost differential tier aid for a school year and levy for use in the same school year. A district's cost differential tier allowance

shall be the sum of the sparsity allowance ~~and the~~, training and experience allowance, ~~and equity allowance~~.

Sec. 7. Minnesota Statutes 1986, section 124A.06, is amended by adding a subdivision to read:

Subd. 1c. [EQUITY ALLOWANCE.] A district's equity allowance shall be the greater of zero or the result of the following computation:

(a) Subtract the district's total foundation revenue per actual pupil unit from the statewide average foundation revenue per actual pupil unit.

(b) Subtract from the result in clause (a), the amount by which the district's net unappropriated operating fund balance per total pupil unit as of June 30 before the levy is certified exceeds \$550.

To be eligible for an equity allowance, a district must submit to the commissioner of education a plan for using the revenue provided by its equity allowance for improving and increasing academic opportunities for students.

Sec. 8. [APPROPRIATIONS.]

Subdivision 1. [TO DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [FOUNDATION AID.] For foundation aid there is appropriated:

\$874,419,300 _____1988,

\$915,556,100 _____1989.

The appropriation for aid for fiscal year 1988 includes \$121,712,400 for aid for fiscal year 1987 payable in fiscal year 1988 and \$752,706,900 for aid for fiscal year 1988 payable in fiscal year 1989.

The appropriation for aid for fiscal year 1989 includes \$127,737,400 for aid for fiscal year 1988 payable in fiscal year 1989 and \$787,818,700 for aid for fiscal year 1989 payable in fiscal year 1989.

Subd. 3. [TEACHER RETIREMENT AND FICA AID.] For teacher retirement and FICA aid there is appropriated:

\$235,255,000 _____1988,

\$237,749,400 _____1989.

The appropriation for aid for fiscal year 1988 includes \$33,975,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$201,280,000 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$35,520,000 for aid for fiscal year 1988 payable in fiscal year 1989 and \$202,299,400 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$236,800,000 for fiscal year 1988 and \$237,999,300 for fiscal year 1989.

Subd. 4. [SUMMER PROGRAMS.] For summer program aid according to Minnesota Statutes, section 124A.033, subdivision 3, there is appropriated:

\$8,177,800 _____1988,

\$8,736,600 _____1989.

The appropriation for fiscal year 1988 is for aid for programs in summer 1987. The appropriation for fiscal year 1989 is for aid for programs in summer 1988.

Subd. 5. [CANCELLATION.] Except as provided in Minnesota Statutes, section 124.14, subdivision 7, none of the amounts appropriated in subdivision 3 shall be expended for a purpose other than the purpose indicated."

Page 83, delete lines 4 to 7 and insert:

"Subd. 3. [ARTS EDUCATION AID.] For arts education aid according to Minnesota Statutes, section 124.275, there is appropriated:

\$1,048,700 _____1988,

\$1,071,200 _____1989."

Page 84, delete lines 1 to 36 and insert:

"Subd. 6. [CHEMICAL ABUSE PROGRAMS.] For aid for chemical abuse programs according to Minnesota Statutes, section 124.246, there is appropriated:

\$1,023,700 _____1988,

\$1,025,300 _____1989.

The appropriation for aid for fiscal year 1988 includes \$153,000 for aid for fiscal year 1987 payable in fiscal year 1988 and \$870,700 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$153,600 for aid for fiscal year 1988 payable in fiscal year 1989 and \$871,700 for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$1,024,300 for fiscal year 1988 and \$1,025,500 for fiscal year 1989.

Subd. 7. [GIFTED AND TALENTED AID.] For aid for gifted and talented education programs according to Minnesota Statutes, section 124.247, there is appropriated:

\$1,372,500 _____1988,

\$1,374,400 _____1989.

The appropriation for aid for fiscal year 1988 includes \$205,700 for aid for fiscal year 1987 payable in fiscal year 1988 and \$1,166,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$205,900 for aid for fiscal year 1988 payable in fiscal year 1989 and \$1,168,500 for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$1,372,700 for fiscal year 1988 and \$1,374,600 for fiscal year 1989.

Subd. 8. [INTERDISTRICT COOPERATION AID.] For aid for inter-district cooperation according to Minnesota Statutes, section 124.272, there is appropriated:

\$2,306,000 _____1988,

\$2,634,200 _____1989.

The appropriation for aid for fiscal year 1988 includes \$265,900 for aid for fiscal year 1987 payable in fiscal year 1988 and \$2,040,100 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$360,000 for aid for fiscal year 1988 payable in fiscal year 1989 and \$2,274,200 for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$2,400,100 for fiscal year 1988 and \$2,675,500 for fiscal year 1989."

Page 85, delete lines 1 to 6

Page 85, delete lines 26 to 30 and insert:

"Subd. 11. [PLANNING, EVALUATION, AND REPORTING PROCESS AID.] For aid for the planning, evaluation, and reporting process according to Minnesota Statutes, section 124.274, there is appropriated:

\$1,014,300 _____1988,

\$1,021,900 _____1989."

Page 86, delete lines 11 to 28 and insert:

"Subd. 13. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid according to Minnesota Statutes, section 124.573, there is appropriated:

\$19,549,600 _____1988,

\$20,717,100 _____1989.

The appropriation for aid for fiscal year 1988 includes \$2,972,300 for aid for fiscal year 1987 payable in fiscal year 1988 and \$16,577,300 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$2,925,300 for aid for fiscal year 1988 payable in fiscal year 1989 and \$17,791,800 for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$19,502,600 for fiscal year 1988 and \$20,931,500 for fiscal year 1989.

Subd. 14. [TOBACCO USE PREVENTION AID.] For tobacco use prevention aid according to Minnesota Statutes, section 124.252, there is appropriated from the public health fund:

\$632,900 _____1988,

\$659,600 _____1989."

Page 100, delete lines 20 to 36 and insert:

"Subd. 4. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units there is appropriated:

\$748,000 _____1988,

\$748,000 _____1989.

The appropriation for aid for fiscal year 1988 includes \$112,200 for aid for fiscal year 1987 payable in fiscal year 1988 and \$635,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$112,000 for

aid for fiscal year 1988 payable in fiscal year 1989 and \$635,800 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$748,000 for fiscal year 1988 and \$748,000 for fiscal year 1989.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$68,000 per ECSU for each fiscal year; however, the ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight shall each receive \$136,000 for each fiscal year for general operations."

Page 101, delete lines 1 to 3

Page 101, delete lines 8 to 14 and insert:

"Subd. 6. [REGIONAL MANAGEMENT INFORMATION CENTERS.] For regional management information centers there is appropriated:

\$3,410,700 ____1988,

\$3,410,700 ____1989.

Subd. 7. [COMPREHENSIVE ARTS PLANNING PROGRAM.] For grants for the comprehensive arts planning program according to Minnesota Statutes, section 129B.20, there is appropriated:

\$37,500 ____1988,

\$37,500 ____1989.

Subd. 8. [REGIONAL TECHNOLOGY COORDINATORS.] For regional technology coordinators according to Minnesota Statutes, section 129B.35, there is appropriated:

\$285,000 ____1989.

Subd. 9. [PROGRAMS OF EXCELLENCE.] For grants for programs of excellence according to Minnesota Statutes, section 126.60, there is appropriated:

\$15,800 ____1988,

\$15,800 ____1989.

Subd. 10. [PROGRAMS OF EXCELLENCE TRANSPORTATION.] For transportation for programs of excellence there is appropriated:

\$17,000 ____1988,

\$17,000 ____1989.

Subd. 11. [MASTERY LEARNING.] For grants for mastery learning according to Minnesota Statutes, section 129B.61, there is appropriated:

\$1,187,500 ____1988,

\$1,187,500 ____1989."

Renumber the subdivisions in sequence

Amend the title accordingly

CALL OF THE SENATE

Mr. Mehrkens imposed a call of the Senate for the balance of the proceedings on H.F. No. 753. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 23 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Johnson, D.E.	McQuaid	Solon
Beckman	Brataas	Knaak	Mehrkens	Storm
Belanger	Frank	Knutson	Olson	Taylor
Benson	Frederick	Kroening	Ramstad	
Berglin	Frederickson, D.R.	Larson	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Laidig	Moe, D.M.	Reichgott
Berg	Diessner	Langseth	Moe, R.D.	Schmitz
Brandl	Frederickson, D.J.	Lantry	Morse	Spear
Chmielewski	Freeman	Lessard	Pehler	Stumpf
Cohen	Gustafson	Luther	Peterson, D.C.	Vickerman
Dahl	Hughes	Marty	Peterson, R.W.	Wegscheid
Davis	Johnson, D.J.	Merriam	Piper	Willet
DeCramer	Jude	Metzen	Pogemiller	

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

Mr. Berg moved to amend H.F. No. 753, as amended by the Senate May 1, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 583.)

Page 73, line 20, delete "SCHOOL AND"

Page 73, line 22, delete "2,206,200" and insert "1,758,200" and delete "2,724,500" and insert "1,884,614"

Page 73, line 24, delete "15" and insert "10" and delete "21" and insert "10"

Page 74, line 16, delete "school and"

Page 75, line 19, delete "school and"

Page 76, line 10, strike "school" and delete "and"

Page 76, line 19, strike "school" and delete "and"

Page 76, line 25, strike "school and"

Page 77, line 9, before the colon, insert "at least"

Page 77, delete lines 10 to 13

Page 77, line 14, delete "9th" and insert "high school"

Page 77, line 15, delete "and 10th grade"

Page 77, line 16, delete everything after "pupils" and insert "of various ages"

Renumber the clauses in sequence

Page 77, line 25, strike "enrollment" and insert "*participation*"

Page 77, line 29, strike "and issues"

Page 78, delete lines 5 to 29

Reletter the paragraphs in sequence

Page 79, line 1, delete "HIGH SCHOOL" and insert "RESOURCE CENTER"

Page 79, line 2, delete "*high school*" and insert "*resource center*"

Page 79, line 10, strike "school" and delete "and"

Page 79, strike lines 12 to 14

Page 79, line 15, strike "(3)" and insert "(2)"

Page 79, line 20, strike "(4)" and insert "(3)"

Page 79, line 22, delete "(5)" and insert "(4)"

Renumber the paragraphs in sequence

Pages 79 and 80, delete section 11

Page 81, lines 5 and 7, strike "school" and delete "and"

Renumber the sections of article 5 in sequence

Amend the title as follows:

Page 1, line 42, delete "subdivisions" and insert "a subdivision"

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 42 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lessard	Pehler	Solon
Beckman	Frank	Luther	Peterson, D.C.	Spear
Berglin	Frederickson, D.J.	Marty	Peterson, R.W.	Stumpf
Brandl	Freeman	Merriam	Piper	Vickerman
Chmielewski	Hughes	Metzen	Pogemiller	Wegscheid
Cohen	Johnson, D.J.	Moe, D.M.	Purfeerst	Willet
Dahl	Jude	Moe, R.D.	Reichgott	
Davis	Kroening	Morse	Samuelson	
DeCramer	Lantry	Novak	Schmitz	

Those who voted in the negative were:

Anderson	Brataas	Knaak	McQuaid	Storm
Belanger	Frederick	Knutson	Mehrkens	Taylor
Benson	Frederickson, D.R.	Laidig	Olson	Waldorf
Berg	Gustafson	Langseth	Ramstad	
Bernhagen	Johnson, D.E.	Larson	Renneke	

The motion prevailed.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Johnson, D.E.	McQuaid	Storm
Anderson	Cohen	Knaak	Mehrkens	Taylor
Beckman	Frank	Knutson	Olson	Vickerman
Belanger	Frederick	Laidig	Ramstad	Waldorf
Benson	Frederickson, D.R.	Langseth	Renneke	
Berg	Gustafson	Larson	Samuelson	
Bernhagen	Hughes	Marty	Spear	

Those who voted in the negative were:

Berglin	Diessner	Lessard	Novak	Reichgott
Brandl	Frederickson, D.J.	Luther	Pehler	Schmitz
Chmielewski	Freeman	Merriam	Peterson, D.C.	Solon
Dahl	Johnson, D.J.	Metzen	Peterson, R.W.	Stumpf
Davis	Jude	Moe, D.M.	Piper	Wegscheid
DeCramer	Kroening	Moe, R.D.	Pogemiller	Willet
Dicklich	Lantry	Morse	Purfeerst	

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

Mr. Storm moved to amend H.F. No. 753, as amended by the Senate May 1, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 583.)

Pages 16 and 17, delete section 18

Page 18, line 5, delete "\$982,811,800" and insert "\$989,747,000"

Page 18, line 8, delete "\$982,152,300" and insert "\$989,087,500"

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Johnson, D.E.	McQuaid	Renneke
Belanger	Frank	Knaak	Mehrkens	Storm
Benson	Frederick	Knutson	Olson	Taylor
Bernhagen	Frederickson, D.R.	Laidig	Ramstad	Wegscheid
Brataas	Hughes	Larson	Reichgott	

Those who voted in the negative were:

Adkins	Davis	Lantry	Novak	Solon
Beckman	DeCramer	Lessard	Pehler	Spear
Berg	Dicklich	Luther	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.J.	Marty	Peterson, R.W.	Vickerman
Bertram	Freeman	Merriam	Piper	Waldorf
Brandl	Gustafson	Metzen	Pogemiller	Willet
Chmielewski	Johnson, D.J.	Moe, D.M.	Purfeerst	
Cohen	Jude	Moe, R.D.	Samuelson	
Dahl	Langseth	Morse	Schmitz	

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

Mr. Knutson moved to amend H.F. No. 753, as amended by the Senate May 1, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 583.)

Page 6, after line 18, insert:

"Subd. 4. [ADDITIONAL LEVY.] A district that does not receive general education aid under subdivision 3 may levy an amount equal to the

lesser of \$50 times the actual pupil units or the product of the general education mill rate times the adjusted assessed valuation of the district, minus the general education revenue of the district."

Renumber the subdivisions in sequence

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

Mr. Larson moved to amend H.F. No. 753, as amended by the Senate May 1, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 583.)

Page 57, after line 18, insert:

"Subd. 16. [SCHOOL BUS PURCHASE.] For a grant to independent school district No. 309, Pine Point, to purchase a school bus there is appropriated:

\$38,000 _____1988."

The motion prevailed. So the amendment was adopted.

H.F. No. 753 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 37 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lessard	Pehler	Schmitz
Berg	Diessner	Luther	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Merriam	Peterson, R.W.	Vickerman
Brandl	Gustafson	Metzen	Piper	Waldorf
Chmielewski	Hughes	Moe, D.M.	Pogemiller	Wegscheid
Dahl	Johnson, D.J.	Moe, R.D.	Purfeerst	
Davis	Jude	Morse	Reichgott	
DeCramer	Langseth	Novak	Samuelson	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	Larson	Renneke
Beckman	Cohen	Knaak	Marty	Solon
Belanger	Frank	Knutson	McQuaid	Spear
Benson	Frederick	Kroening	Mehrkens	Storm
Berglin	Frederickson, D.R.	Laidig	Olson	Taylor
Bernhagen	Freeman	Lantry	Ramstad	

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

Mr. Peterson, R.W. moved that S.F. No. 583, No. 2 on Special Orders, be stricken and laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1516 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1516: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting fees;

amending Minnesota Statutes 1986, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 27.041, subdivision 2; 28A.08; 32.075; 32.59; 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; 138.65; 138.91, by adding a subdivision; 309.531, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 332.33, subdivisions 3 and 4; amending Laws 1975, chapter 235, section 2, as amended.

SUSPENSION OF RULES

Mr. Langseth moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1516 and that the rules of the Senate be so far suspended as to give S.F. No. 1516, now on Special Orders, its third reading and place it on its final passage. The motion prevailed.

Mr. Frederick moved to amend S.F. No. 1516 as follows:

Delete pages 2 and 3 and insert:

"Special Revenue	4,310,400	4,660,400	8,970,800
Airports	10,910,800	11,707,000	22,617,800
M.S.A.S.	65,900,000	66,300,000	132,200,000
C.S.A.H.	206,400,000	207,500,000	413,900,000
Tr. Hwy.	697,624,900	695,109,000	1,392,733,900
Hwy. User	9,618,900	9,697,700	19,316,600
Transit Assistance	29,100,000	28,800,000	57,900,000
Motor Vehicle Transfer	868,800	868,800	1,737,600
Transfers to Other Direct	(1,483,700)	(1,518,600)	(3,002,300)
TOTAL	\$1,089,200	\$1,094,919,700	\$1,094,245,000
			\$2,190,253,900

APPROPRIATIONS

Available for the Year
Ending June 30
1988 1989

Sec. 2. TRANSPORTATION

Subdivision 1. Total

Appropriation	\$957,632,300	\$957,058,400
	1988	1989
Approved Complement -	4,651	4,648
General -	15	12
State Airports -	40	40
Trunk Highway -	4,580	4,580
Federal -	16	16

The appropriations in this section are from the trunk highway fund, except where another fund is named.

Summary by Fund

General	\$ 727,200	\$ 612,200
Airports	\$ 10,910,800	\$ 11,707,000
M.S.A.S.	\$ 65,900,000	\$ 66,300,000
C.S.A.H.	\$206,400,000	\$207,500,000
Trunk Highway	\$643,725,500	\$641,270,400
Transit Assistance	\$ 29,100,000	\$ 28,800,000
Motor Vehicle Transfer	\$ 868,800	\$ 868,800

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Highway Development	675,898,500	675,384,700
---------------------------------	-------------	-------------

Summary by Fund

M.S.A.S.	\$ 65,900,000	\$ 66,300,000
C.S.A.H.	\$206,400,000	\$207,500,000
Trunk Highway	\$436,529,700	\$433,515,900
Motor Vehicle Transfer	\$ 868,800	\$ 868,800

(a) Trunk Highway Development

1988	1989
\$425,709,100	\$424,709,100

Summary by Fund

Trunk Highway	\$424,840,300	\$423,840,300
Motor Vehicle Transfer	\$ 868,800	\$ 868,800

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

Federal Highway Aid

\$222,000,000	\$207,000,000
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Highway User Taxes

\$202,840,300	\$216,840,300
---------------	---------------

The commissioner of transportation shall notify the chair of the senate finance committee and chair of the house appropriations committee promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to land owners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

(b) County State Aids

\$206,400,000 \$207,500,000

This appropriation is from the county state-aid highway fund and is available until spent.

(c) Municipal State Aids

\$ 65,900,000 \$ 66,300,000

This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county”

Page 5, after line 12, insert:

“Subd. 5. Public Transportation

Assistance	29,100,000	28,800,000
	Summary by Fund	
Transit Assistance	\$29,100,000	\$28,800,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Nonmetropolitan Transit Assistance

\$ 5,800,000 \$ 5,800,000

	Summary by Fund	
Transit Assistance	\$ 5,800,000	\$ 5,800,000

(b) Metropolitan Transit Assistance

\$23,300,000 \$23,300,000

	Summary by Fund	
Transit Assistance	\$23,300,000	\$23,300,000

No more than \$1,080,000 the first year and \$1,085,000 the second year may be used for regional transit board administration.

At least \$11,000,000 must be spent for metro mobility service during the biennium ending June 30, 1987.”

Renumber the subdivisions in sequence

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 1516. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Jude	McQuaid	Taylor
Belanger	DeCramer	Knaak	Mehrkens	Vickerman
Benson	Frederick	Knutson	Olson	Wegscheid
Berg	Frederickson, D.R.	Laidig	Ramstad	
Bernhagen	Gustafson	Larson	Renneke	
Brataas	Johnson, D.E.	Lessard	Storm	

Those who voted in the negative were:

Adkins	Dahl	Kroening	Morse	Reichgott
Beckman	Dicklich	Langseth	Novak	Spear
Berglin	Diessner	Lantry	Pehler	Stumpf
Bertram	Frank	Marty	Peterson, D.C.	Waldorf
Brandl	Frederickson, D.J.	Merriam	Peterson, R.W.	Willet
Chmielewski	Hughes	Metzen	Pogemiller	
Cohen	Johnson, D.J.	Moe, R.D.	Purfeerst	

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

S.F. No. 1516 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Morse	Solon
Anderson	DeCramer	Kroening	Novak	Spear
Beckman	Diessner	Laidig	Pehler	Storm
Berg	Frank	Langseth	Peterson, D.C.	Stumpf
Berglin	Frederick	Lantry	Peterson, R.W.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Piper	Vickerman
Bertram	Frederickson, D.R.	Luther	Pogemiller	Waldorf
Brandl	Gustafson	Marty	Purfeerst	Wegscheid
Brataas	Hughes	Mehrkens	Ramstad	Willet
Chmielewski	Johnson, D.E.	Merriam	Reichgott	
Cohen	Johnson, D.J.	Metzen	Renneke	
Dahl	Jude	Moe, R.D.	Schmitz	

Those who voted in the negative were:

Belanger	Knutson	Larson	McQuaid	Olson
Benson				

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1: A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy

and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; providing a program for revitalization of the cities of St. Paul and Minneapolis; creating a program for funding economic development projects in the taconite tax relief area; permitting investment of earnings of the northeast Minnesota economic protection trust in venture capital enterprises; appropriating money; amending Minnesota Statutes 1986, sections 15.039, by adding a subdivision; 16A.80, subdivision 2a; 41A.01; 41A.02, subdivisions 3, 4, 6, 11, and by adding subdivisions; 41A.05, subdivisions 1 and 2; 41A.08; 116.16, subdivisions 2, 4, 5, 9, and by adding subdivisions; 116.18, subdivisions 2a and 3a; 116J.36, subdivisions 2, 3b, 3c, 8, 8a, and 11; 116J.37, subdivision 1, and by adding a subdivision; 116J.955, subdivisions 1 and 2; 116L.03, subdivision 2; 281.17; 298.292; 298.296, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; 462.398; and 462.445, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 41A; 93; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; repealing Minnesota Statutes 1986, sections 116.167; 116J.951; 116J.961; 116J.965; 116M.01; 116M.02; 116M.03; 116M.04; 116M.05; 116M.06; 116M.07; 116M.08; 116M.09; 116M.10; 116M.11; 116M.12; 116M.13; 472.11, subdivisions 3, 5, 6, 7, 8, and 9; 472.12, subdivisions 2, 3, and 4; 472.125; 472.13, subdivisions 2, 3, and 4; and Laws 1969, chapters 833 and 984.

Mr. Benson moved to amend S.F. No. 1 as follows:

Page 16, line 29, before "*The*" insert "*Upon approval by the board of regents of the University of Minnesota,*"

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

Mr. Storm moved to amend S.F. No. 1 as follows:

Page 14, line 15, after the semicolon, insert "*or*"

Page 14, delete lines 16 to 21

Page 14, line 22, delete "(3)" and insert "(2)"

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend S.F. No. 1 as follows:

Page 17, after line 2, insert:

"Sec. 7. [116P07] [RURAL CAPITAL SEED FUND PROGRAM.]

Subdivision 1. [TERMS.] For purposes of this section, the following terms have the meaning given them.

(a) "*Small business*" means a small business as defined in section 14.115, but does not include retail or services-related businesses, except for international export-related services, international export-related retail ventures, and advanced technology or computer-related ventures that will in-

crease the state's share of domestic or international markets.

(b) "Organization" means the venture capital organization selected by the corporation to establish and administer the capital seed funds.

Subd. 2. [ORGANIZATION.] The corporation may establish a rural capital seed fund program to promote economic development, encourage private investment, and create jobs in rural Minnesota by acquiring equity interests in small businesses located within the rural areas of the state. Organizations may submit applications to the corporation for the capital seed fund program. The application must:

- (1) demonstrate the experience of the applicant in raising venture capital;
- (2) describe the purposes of the proposed seed capital funds, including the types of businesses to receive investments and the type of investments to be made;
- (3) present a plan for establishing the proposed seed capital funds, including the amount of private investment sought, the strategy for obtaining the investments, and the persons or organizations who may manage the funds;
- (4) list private investment commitments obtained as of the date of the application; and
- (5) provide other and further information as the corporation may require.

Subd. 3. [PROGRAM AWARD.] The corporation may award the program to the venture capital organization applicant it determines to have the best qualifications to meet the program objectives and criteria provided for in this section. The corporation shall enter an agreement with the selected venture capital organization to establish capital seed funds. The agreement must include performance evaluation standards which the organization must meet in the administration and management of program funds. If the organization does not meet performance evaluation standards included in the agreement, the corporation may require that the organization use available funds to return the state's investment, together with interest accrued from the date of investment at the highest rate allowable by law. If sufficient funds are not available, the corporation may require the organization to liquidate sufficient investments to repay the state's investment with interest accrued. The corporation may use the returned funds to reinvest in another organization as provided in this section.

Subd. 4. [PROGRAM ADMINISTRATION.] The corporation shall divide the area of the state located outside of the metropolitan area defined in section 473F02, subdivision 2, into six regions. The organization shall establish and administer a capital seed fund in each of the six regions. The corporation shall provide an equal amount of state money for each fund. The organization shall use the state money provided for each fund to acquire equity interests in small businesses located within the fund's designated region.

Subd. 5. [PROGRAM CRITERIA.] The corporation must certify a capital seed fund before any money may be expended from the fund. Before a fund may be certified, the organization must demonstrate that at least \$3 of private investment has been committed to the proposed seed capital fund for every \$1 of state money appropriated to the fund.

Subd. 6. [INVESTMENT APPROVAL; LIABILITY.] The board shall establish an investment committee which consists of three members of the board who are knowledgeable in economic development and finance. The organization may not act on an investment proposal until it has received the evaluation and recommendations of the investment committee or until 45 days have elapsed since the proposal was submitted to the committee, whichever occurs first. An equity interest which the organization acquires with rural capital seed program funds may not include a general partnership interest or other interest involving general liability.

{ Subd. 7. [REPORT.] The organization shall submit an annual report to the corporation by December 1 of each year. The report shall include the policies and procedures of each seed capital fund; the amount of private investment in each fund; the number, type, and amounts of investments in small businesses; and the number of new jobs created as a result of the investment. The corporation shall include the organization's report in the annual report which the corporation is required to submit to the legislature under section 10.

Subd. 8. [FUND LIQUIDATIONS.] The organization shall liquidate the capital seed funds by January 1, 2000, and the state's investments, including the capital appreciation of the state's interest in each fund, must be deposited in the greater Minnesota fund."

Page 17, line 3, delete "116P07" and insert "116P08"

Page 17, line 21, delete "116P08" and insert "116P09"

Page 17, line 26, delete "116P09" and insert "116P10"

Page 17, line 36, delete "116P10" and insert "116P11"

Page 20, line 1, delete "15" and insert "16"

Renumber the sections in sequence

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

Mr. Johnson, D.E. moved to amend S.F. No. 1 as follows:

Page 5, after line 16, insert:

"Subd. 3. [INFORMATION ASSISTANCE.] The board shall prepare an available rural worker list of individuals residing in the rural areas of the state who are interested in contracting with businesses for light manufacturing or assembly work. The board shall prepare and make available application forms for individuals to request placement on the list. The board shall distribute and make available copies of the list to businesses seeking light manufacturing or assembly work assistance."

Renumber the subdivisions in sequence

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend S.F. No. 1 as follows:

Page 16, delete lines 9 to 16

Renumber the subdivisions in sequence

Page 17, line 25, delete "7" and insert "6"

Page 18, delete lines 28 to 36

Page 20, line 1, delete ", and"

Page 20, delete everything before the period

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

S.F. No. 1 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 47 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kroening	Novak	Solon
Beckman	Davis	Langseth	Pehler	Spear
Berg	DeCramer	Lantry	Peterson, D.C.	Stumpf
Berglin	Dicklich	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Diessner	Luther	Piper	Waldorf
Bertram	Frederickson, D.J.	Marty	Pogemiller	Wegscheid
Brandl	Freeman	Merriam	Purfeerst	Willet
Brataas	Gustafson	Metzen	Reichgott	
Chmielewski	Hughes	Moe, R.D.	Samuelson	
Cohen	Johnson, D.J.	Morse	Schmitz	

Those who voted in the negative were:

Anderson	Frederick	Knaak	McQuaid	Renneke
Belanger	Frederickson, D.R.	Knutson	Mehrkens	Storm
Benson	Johnson, D.E.	Laidig	Olson	Taylor
Frank	Jude	Larson	Ramstad	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 26 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 26: A bill for an act relating to workers' compensation; providing for the organization and powers of the state compensation insurance fund; amending Minnesota Statutes 1986, sections 11A.24, subdivision 4; 176A.02, subdivisions 1 and 2; and 176A.04.

Mr. Frederickson, D.R. moved to amend H.F. No. 26, the unofficial engrossment, as follows:

Page 3, line 5, before the period, insert “;

(h) assets of participating public retirement plans and funds may not be invested in guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies”

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

Mr. Frederick moved to amend H.F. No. 26, the unofficial engrossment, as follows:

Page 4, after line 31, insert:

“Sec. 5.

Notwithstanding any other law to the contrary, except for ex officio members, all members of the board of directors must be elected by the policyholders.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Johnson, D.E.	Olson	Vickerman
Belanger	Brataas	Knaak	Ramstad	
Benson	Frederick	Laidig	Renneke	
Berg	Frederickson, D.R.	Larson	Storm	
Bernhagen	Gustafson	McQuaid	Taylor	

Those who voted in the negative were:

Adkins	Dicklich	Langseth	Morse	Samuelson
Beckman	Diessner	Lantry	Novak	Solon
Berglin	Frank	Lessard	Peterson, D.C.	Spear
Chmielewski	Frederickson, D.J.	Luther	Peterson, R. W.	Stumpf
Cohen	Freeman	Marty	Piper	Waldorf
Dahl	Hughes	Merriam	Pogemiller	Wegscheid
Davis	Jude	Metzen	Purfeerst	Willet
DeCramer	Kroening	Moe, R.D.	Reichgott	

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

Mr. Frederick then moved to amend H.F. No. 26, the unofficial engrossment, as follows:

Pages 1 to 3, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "11A.24, subdivision 4;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Gustafson	Lessard	Reichgott
Belanger	Bertram	Johnson, D.E.	McQuaid	Renneke
Benson	Frederick	Laidig	Olson	Storm
Berg	Frederickson, D.R.	Larson	Ramstad	Taylor

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Morse	Vickerman
Beckman	Diessner	Langseth	Peterson, D.C.	Waldorf
Berglin	Frank	Lantry	Peterson, R. W.	Wegscheid
Chmielewski	Frederickson, D.J.	Luther	Piper	Willet
Cohen	Freeman	Marty	Pogemiller	
Dahl	Hughes	Merriam	Purfeerst	
Davis	Jude	Metzen	Spear	
DeCramer	Knaak	Moe, R.D.	Stumpf	

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

H.F. No. 26 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Langseth	Pehler	Spear
Beckman	Dicklich	Lantry	Peterson, D.C.	Stumpf
Berg	Diessner	Lessard	Peterson, R. W.	Vickerman
Berglin	Frank	Luther	Piper	Waldorf
Bertram	Frederickson, D.J.	Marty	Pogemiller	Wegscheid
Brandl	Freeman	Merriam	Purfeerst	Willet
Chmielewski	Hughes	Metzen	Reichgott	
Cohen	Johnson, D.J.	Moe, D.M.	Samuelson	
Dahl	Jude	Moe, R.D.	Schmitz	
Davis	Kroening	Novak	Solon	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	McQuaid	Renneke
Belanger	Frederick	Knaak	Morse	Storm
Benson	Frederickson, D.R.	Laidig	Olson	Taylor
Bernhagen	Gustafson	Larson	Ramstad	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 317 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 317: A bill for an act relating to retirement; police and salaried firefighters relief associations; authorizing the voluntary consolidation of local relief associations with the public employees police and fire fund; authorizing the individual election of applicable benefit coverage upon consolidation; amending Minnesota Statutes 1986, sections 353.01, subdivisions 2b, 10, and 16; 353.271; 353.64, subdivision 1; and 353.65, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 353 and 356; proposing coding for new law as Minnesota Statutes, chapters 353A and 353B.

Mr. Wegscheid moved to amend S.F. No. 317 as follows:

Page 12, delete lines 32 to 36

Page 13, delete lines 1 to 4 and insert:

"Subd. 15. [LOCAL POLICE OR FIREFIGHTERS RELIEF ASSOCIATION.] "Local police or firefighters relief association" means a relief association governed by section 69.77, including the Duluth firefighters relief association, the Duluth police pension association, the St. Paul fire department relief association, and the St. Paul police relief association, but does not mean the Bloomington fire department relief association or a relief association that is a member of the Minnesota police pension council or the Minnesota professional firefighters pension council."

Page 13, delete lines 11 to 14

Page 13, line 15, delete everything before "a"

Page 13, line 18, delete "is" and insert "would" and after "not" insert "have met the definition of"

Page 13, line 19, before the comma, insert "under section 9, subdivision 15, on January 1, 1987"

Page 13, delete lines 23 to 36

Page 14, delete lines 1 to 6 and insert:

“Membership of the relief association” means the active, deferred, disabled, and retired members and the survivors of active, deferred, disabled, and retired members of a relief association. Volunteer firefighters or their survivors may not be included in determining the membership of a relief association.”

Page 14, line 9, delete everything after *“means”*

Page 14, delete lines 10 to 17 and insert *“ten percent of the membership of a local police or firefighters relief association or 30 percent of the membership of a relief association that would not have met the definition of a local police or firefighters relief association under section 9, subdivision 15, on January 1, 1987.”*

Page 15, line 28, after *“a”* insert *“mailed”*

Page 15, line 31, delete *“absentee”* and delete *“and for”*

Page 15, delete lines 32 and 33

Page 15, line 34, delete *“is located”*

Page 15, line 36, delete *“local”*

Page 17, line 5, delete everything before *“minimum”*

Page 17, line 8, delete everything after the comma

Page 17, delete lines 9 to 14

Page 17, line 15, delete the paragraph coding and delete *“(b)”*

Page 17, line 16, delete *“submits”* and insert *“shall submit”*

Page 18, line 9, delete *“absentee”* and before the comma, insert *“as provided in section 9, subdivision 26”*

Page 18, line 13, after the period, insert “A ballot must be provided to each active, deferred, or retired member and to the survivors of active, deferred, or retired members. A relief association shall distribute ballots by mail to the last known addresses of members or survivors at least 30 days before the deadline for their return to the association. An active, deferred, or retired member is entitled to one vote. The survivor or survivors of an active, deferred, or retired member is entitled to one vote. If there is more than one survivor, the vote must be cast by the eldest survivor if that person is of the age of majority or, if not, by the guardian of the eldest survivor.”

Page 18, line 14, delete *“If”* and insert *“When”*

Page 18, line 15, delete everything after *“is”*

Page 18, line 16, delete everything before the second *“the”* and insert *“approved by”*

Page 18, line 19, delete *“four”* and insert *“two”*

Page 18, line 20, delete everything after *“months”*

Page 18, line 21, delete everything before the period

Page 25, line 30, delete everything after the period

Page 25, delete lines 31 to 36

Page 26, delete lines 1 and 2

- Page 31, line 21, delete "a" and insert "the individual"
- Page 31, line 23, delete "5" and insert "4"
- Page 31, line 24, delete "6" and insert "5"
- Page 31, line 27, after "that" insert "individual"
- Page 32, line 5, delete the second "the" and insert "each"
- Page 32, line 6, delete "accounts" and insert "account"
- Page 32, line 14, delete "its" and insert "the" and delete everything after "in"
- Page 32, line 15, delete "association" and insert "its"
- Page 35, line 23, delete "5" and insert "4"
- Page 38, line 9, delete "subdivision" and insert "subdivisions 2 to"
- Page 38, line 26, delete "subdivision 4 or" and insert "subdivisions 2 to" and delete "paragraph (b), clause (1)"
- Page 38, line 29, delete "subdivision 4" and insert "subdivisions 2 to 6,"
- Page 38, line 30, delete "subdivision" and insert "subdivisions 2 to" and delete ", paragraph (b), clause"
- Page 38, line 31, delete everything before the period
- Page 39, line 26, delete "5" and insert "4"
- Page 40, line 31, delete "the" and insert "each"
- Page 48, line 16, after the semicolon, insert "and"
- Page 48, delete line 17
- Page 48, line 18, delete "(7)" and insert "(6)"
- Page 52, delete lines 30 to 34 and insert:
"(21) for a former member with less than 20 years of allowable service on June 16, 1985, 2.6 percent, and for a former member with 20 or more years of allowable service on June 16, 1985, 2.6175 percent for each of the first 20 years of allowable service and, for each former member, one percent for each year of allowable service in excess of 20 years, but no more than 30 years, St. Louis Park fire department relief association;"
- Page 53, line 14, delete "and"
- Page 53, line 22, before the period, insert "; and
(26) 2.333 percent for each of the first 20 years of allowable service, 1.333 percent for each year of allowable service in excess of 20 years but no more than 28 years, and .5 percent for each year of allowable service in excess of 25 years, Winona fire department relief association"
- Page 57, line 8, delete everything after "(7)"
- Page 57, line 9, delete "(8)"
- Page 57, line 10, delete "(9)" and insert "(8)"
- Page 57, line 11, delete "(10)" and insert "(9)"
- Page 57, line 12, delete "(11)" and insert "(10)"

Page 57, line 13, delete "(12)" and insert "(11)"

Page 57, line 14, delete "(13)" and insert "(12)"

Page 57, line 15, delete "(14)" and insert "(13)"

Page 57, line 16, delete "(15)" and insert "(14)"

Page 57, line 17, delete "(16)" and insert "(15)"

Page 58, line 35, after "(6)" insert "*51.0625 percent of the salary base, Duluth firefighters relief association;*

(7)"

Page 59, line 5, delete "(7)" and insert "(8)"

Page 59, line 13, delete "(8)" and insert "(9)"

Page 59, line 14, delete "(9)" and insert "(10)"

Page 59, line 18, delete "(10)" and insert "(11)"

Page 59, line 23, delete "(11)" and insert "(12)"

Page 59, line 24, delete "21" and insert "20"

Page 59, line 32, delete "(12)" and insert "(13)"

Page 60, line 3, delete "(13)" and insert "(14)"

Page 71, line 22, after the semicolon, insert "*and*"

Page 71, line 23, delete "*; and*" and insert a period

Page 71, delete line 24

Page 74, line 3, after "(11)" insert "*40 percent of the salary base for a surviving spouse of a deceased active member, disabled member, or retired or deferred member with at least 20 years of allowable service, or the prorated portion of 40 percent of the salary base that bears the same relationship to 40 percent that the deceased member's years of allowable service bear to 20 years of allowable service for the surviving spouse of a deceased retired or deferred member with at least 10 but less than 20 years of allowable service, St. Louis Park fire department relief association;*

(12)"

Page 74, line 5, delete "(12)" and insert "(13)"

Page 74, line 7, delete "(13)" and insert "(14)"

Page 74, line 9, delete "(14)" and insert "(15)"

Page 75, delete line 14

Page 75, line 15, delete "(3)" and insert "(2)"

Page 75, line 16, delete "(4)" and insert "(3)"

Page 77, line 18, after "(13)" insert "*five percent of the salary base if a surviving spouse benefit is also payable or 15 percent of the salary base if no surviving spouse benefit is also payable for the surviving child or children of a deceased active member, disabled member, or retired or deferred member with at least 20 years of active service, or the prorated portion of five percent of the salary base if a surviving spouse benefit is also payable or 15 percent of the salary base if no surviving spouse benefit is also payable that bears the same relationship to 5 or 15 percent that*

the deceased member's years of allowable service bear to 20 years of allowable service for the surviving child or children of a deceased retired or deferred member with at least 10 but less than 20 years of allowable service, St. Louis Park fire department relief association;

(14)"

Page 77, line 20, delete "(14)" and insert "(15)"

Page 78, line 16, delete "and"

Page 78, line 17, before the period, insert "; and

(6) *St. Louis Park fire department relief association"*

Page 80, delete lines 27 and 28

Page 80, line 29, delete "(9)" and insert "(8)"

Page 80, line 31, delete "(10)" and insert "(9)"

Page 80, line 35, delete "(11)" and insert "(10)"

Page 81, line 1, delete "(12)" and insert "(11)"

Page 81, delete line 28

Page 81, line 29, delete "(3)" and insert "(2)"

Page 81, line 30, delete "(4)" and insert "(3)"

Page 81, line 31, delete "(5)" and insert "(4)"

Page 81, line 32, delete "(6)" and insert "(5)"

The motion prevailed. So the amendment was adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Wegscheid moved that the vote whereby the Wegscheid amendment to S.F. No. 317 was adopted on May 1, 1987, be now reconsidered. The motion prevailed.

Mr. Wegscheid moved to amend the amendment to S.F. No. 317 as follows:

Page 2, lines 30 and 31, after "*deferred,*" insert "*disabled,*"

Page 3, after line 18, insert:

"Page 35, lines 6 and 12, delete "5" and insert "4" "

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

The question recurred on the first Wegscheid amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Wegscheid then moved to amend S.F. No. 317 as follows:

Page 31, line 18, after "*establish*" insert "*separate*"

Page 31, line 19, delete "*accounts*" and insert "*account*"

Page 31, line 20, delete "*the municipalities*" and insert "*each municipality*" and delete "*consolidate*" and insert "*consolidates*"

Page 31, line 30, delete "*subdivision*" and insert "*subdivisions*" and after "2" insert "*and 3*"

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend S.F. No. 317 as follows:

Page 10, line 25, before "It" insert:

"Subdivision 1. [VOLUNTARY CONSOLIDATION AUTHORIZED.]"

Page 10, after line 30, insert:

"Subd. 2. [SAVINGS CLAUSE.] A consolidation under sections 1 to 33 does not impair or diminish benefits for an active, deferred, or retired member or a survivor of an active, deferred, or retired member who elects to retain benefits under the relief association plan in existence at the time of a consolidation."

Page 16, line 24, delete everything before "notwithstanding"

Page 16, delete lines 29 to 36

Page 17, delete line 1

Page 21, line 23, delete everything after the period

Page 21, delete lines 24 to 30

Page 21, line 35, after "sections" insert "11A.09."

Page 31, after line 9, insert:

"Subd. 7. [EFFECT OF COVERAGE BY LOCAL PLAN.] A person who, under this section, elects benefit coverage under the relief association benefit plan, or who fails to make a timely election of coverage under the public employees retirement association police and fire fund benefit plan, is a member of the relief association as administered by the public employees retirement association and has a right to benefits under the relief association benefit plan in effect on the effective date of the consolidation."

Renumber the subdivisions in sequence

Page 32, line 35, delete "municipal" and insert "local consolidation"

Page 33, lines 1 and 28, after "fund" insert "or to a local consolidation account"

Page 33, lines 2 and 29, delete "municipal" and insert "local consolidation" and after the period, insert "If there are insufficient assets in a local consolidation account to provide for the transfer of assets to the Minnesota postretirement investment fund or to provide for benefit payments, the municipality shall immediately provide the local consolidation account with the assets necessary to make the transfer or benefit payments."

Page 35, line 25, before "assets" insert "market value of the"

Page 35, line 27, delete "proportional" and delete everything after "amount"

Page 35, delete lines 28 to 30

Page 35, line 31, delete everything before "of"

Page 36, line 5, after "calendar" insert "year"

Page 37, line 2, after "the" insert "individual"

The motion prevailed. So the amendment was adopted.

S.F. No. 317 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Metzen	Reichgott
Anderson	Davis	Jude	Moe, D.M.	Renneke
Beckman	DeCramer	Knaak	Moe, R.D.	Samuelson
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	Willet
Cohen	Johnson, D.E.	Merriam	Ramstad	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

S.F. No. 1078: A bill for an act relating to commerce; regulating conventional loans; requiring an additional notice of default under certain circumstances; amending Minnesota Statutes 1986, section 47.20, subdivision 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Moe, D.M.	Renneke
Anderson	Davis	Jude	Moe, R.D.	Samuelson
Beckman	DeCramer	Knaak	Morse	Schmitz
Belanger	Dicklich	Laidig	Novak	Solon
Benson	Diessner	Langseth	Olson	Spear
Berg	Frank	Lantry	Pehler	Storm
Berglin	Frederick	Larson	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Taylor
Bertram	Frederickson, D.R.	Luther	Piper	Vickerman
Brandl	Freeman	Marty	Pogemiller	Waldorf
Brataas	Gustafson	McQuaid	Purfeerst	Wegscheid
Chmielewski	Hughes	Merriam	Ramstad	
Cohen	Johnson, D.E.	Metzen	Reichgott	

Mr. Willet voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 604: A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; amending Minnesota Statutes 1986, sections 10A.01, subdivision 15; 10A.04, subdivisions 2 and 4; and 10A.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 10A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 14, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Hughes	Merriam	Piper
Beckman	Dahl	Johnson, D.E.	Metzen	Pogemiller
Belanger	Davis	Jude	Moe, D.M.	Ramstad
Benson	DeCramer	Knaak	Moe, R.D.	Reichgott
Berg	Diessner	Laidig	Morse	Renneke
Berglin	Frederick	Lantry	Novak	Samuelson
Bernhagen	Frederickson, D.J.	Lessard	Olson	Storm
Bertram	Frederickson, D.R.	Luther	Pehler	Stumpf
Brandl	Freeman	Marty	Peterson, D.C.	Taylor
Brataas	Gustafson	McQuaid	Peterson, R.W.	Vickerman

Those who voted in the negative were:

Adkins	Frank	Langseth	Solon	Wegscheid
Chmielewski	Johnson, D.J.	Purfeerst	Spear	Willet
Dicklich	Kroening	Schmitz	Waldorf	

So the bill passed and its title was agreed to.

S.F. No. 823: A bill for an act relating to banking; authorizing the acquisition of banks for operation as detached banking facilities in the city of Duluth and adjacent municipalities.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Moe, R.D.	Samuelson
Anderson	Dicklich	Kroening	Morse	Schmitz
Beckman	Diessner	Laidig	Novak	Solon
Belanger	Frank	Langseth	Olson	Spear
Benson	Frederick	Lantry	Pehler	Storm
Berg	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.R.	Lessard	Peterson, R.W.	Taylor
Bernhagen	Freeman	Luther	Piper	Vickerman
Brandl	Gustafson	Marty	Pogemiller	Waldorf
Brataas	Hughes	McQuaid	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Willet
Cohen	Johnson, D.J.	Metzen	Reichgott	
Davis	Jude	Moe, D.M.	Renneke	

Messrs. Bertram and Dahl voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 461: A bill for an act relating to natural resources; changing certain provisions relating to the sale of state timber; eliminating laws relating to white pine blister rust control and cutting notices; amending Minnesota Statutes 1986, sections 88.49, subdivisions 5, 9, and 11; 90.031, subdivision 3; 90.041, subdivision 2; 90.101, subdivision 1; 90.14; 90.151, subdivisions 1 and 13; 90.161, subdivision 1; 90.173; and 97A.205; repealing Minnesota Statutes 1986, sections 18.431 to 18.436 and 88.13.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Moe, D.M.	Samuelson
Anderson	Davis	Jude	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Purfeerst	Wegscheid
Brataas	Gustafson	McQuaid	Ramstad	Willet
Chmielewski	Hughes	Merriam	Reichgott	
Cohen	Johnson, D.E.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 385: A bill for an act relating to game and fish; clarifying and making technical changes in the game and fish laws; recodifying establishment of the wild rice management account; defining enforcement officer; defining brown trout as a game fish; defining an unloaded firearm; allowing the commissioner to use the game and fish fund for activities of the enforcement division; designating notices to be placed on state park and wildlife management area boundaries; changing the expiration date for muskrat farm licenses; removing certain restrictions on the size of shooting preserves; prescribing violations of hunting while under the influence of alcohol or a controlled substance; providing when license must be in personal possession; allowing more than one license, except a big game license, to be issued in a license year; exempting big game licenses from certain types of license revocations; prescribing submission of annual reports for tanners, fur dealers, and taxidermists; providing a nonresident under age 16 may purchase a nonresident fishing license and take and possess fish; prescribing conditions for oath administration; eliminating certain requirements for wild animals that are gifts; allowing a person to transport more than one big game animal; eliminating certain restrictions on transporting big game animals; prohibiting a person from trespassing to retrieve wounded game after being notified; allowing a person to ship more than one fish with a permit; prescribing permission needed to take wild animals in certain areas; allowing possession of shotgun and certain shells in areas where deer may be taken; allowing persons to take raccoons with lights and firearms at night; clarifying that a small game license is not required to pursue and tree raccoons during the closed season; authorizing the commissioner to restrict the taking of pine marten and opossum; eliminating requirement for a license and seals to take beaver damaging property; prescribing when certain devices to take fish may be possessed; amending Minnesota Statutes 1986, sections 84.0894; 84.928, subdivision 7; 84.944, subdivisions 1, 2, and 3; 85.41, subdivision 2; 97A.015, subdivisions 18, 25, 43, 45, and 51; 97A.055, subdivision 1; 97A.065, subdivision 2; 97A.075, subdivision 1; 97A.085, subdivisions 5 and 7; 97A.111, subdivisions 2 and 7; 97A.115, subdivision 3; 97A.121, subdivision 5; 97A.135, subdivision 1; 97A.201, subdivision 1; 97A.211, subdivisions 1 and 2; 97A.221, subdivision 1; 97A.255, subdivision 2; 97A.311, subdivision 4; 97A.315, subdivision 2; 97A.325, subdivision 1; 97A.331, subdivision 1; 97A.405, subdivision 2; 97A.415, subdivision 1; 97A.421, subdivision 1; 97A.425, subdivision 3; 97A.445, subdivision 3; 97A.451, subdivisions 1 and 5; 97A.475, subdivision 7; 97A.481; 97A.505, subdivisions 4 and 5; 97A.535, subdivisions 3 and 4; 97A.545, subdivision 4; 97A.551, subdivision 3; 97B.001, subdivisions 3, 5, and 7; 97B.041; 97B.061; 97B.065; 97B.081,

subdivision 1; 97B.601, subdivision 4; 97B.605; 97B.635; 97B.655, subdivision 2; 97B.701, subdivision 2; 97C.345, subdivisions 2 and 3; 106A.085, subdivision 1; 106A.401, subdivision 1; 106A.615, subdivision 6; 144.95, subdivision 4; and 626.861, subdivision 4; repealing Minnesota Statutes 1986, sections 97A.065, subdivision 4; 97A.255, subdivision 3; 97A.461; 97A.505, subdivisions 1, 3, and 6; 97A.551, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 84.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Metzen	Reichgott
Anderson	Davis	Jude	Moe, D.M.	Renneke
Beckman	DeCramer	Knaak	Moe, R.D.	Samuelson
Belanger	Dicklich	Kroening	Morse	Schmitz
Benson	Diessner	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Taylor
Brandl	Freeman	Luther	Piper	Vickerman
Brataas	Gustafson	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	Merriam	Ramstad	Willet

So the bill passed and its title was agreed to.

S.F. No. 1053: A bill for an act relating to alcoholic beverages; providing for the licensing of low-volume brewers; allowing them to be granted an on-sale intoxicating liquor or nonintoxicating malt liquor license; amending Minnesota Statutes 1986, section 340A.301, subdivisions 6 and 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Renneke
Anderson	DeCramer	Knaak	Moe, R.D.	Samuelson
Beckman	Dicklich	Kroening	Morse	Schmitz
Belanger	Diessner	Laidig	Novak	Solon
Benson	Frank	Langseth	Olson	Spear
Berg	Frederick	Lantry	Pehler	Storm
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Taylor
Bertram	Freeman	Luther	Piper	Vickerman
Brandl	Gustafson	Marty	Pogemiller	Waldorf
Brataas	Hughes	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	Merriam	Ramstad	Willet
Dahl	Johnson, D.J.	Metzen	Reichgott	

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 948: A bill for an act relating to crimes; permitting evidence showing a tendency to fabricate allegations of sexual assault; requiring three days' notice of intent to introduce evidence of victim's prior sexual conduct; amending Minnesota Statutes 1986, section 609.347, subdivisions

3, 4, and 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Moe, D.M.	Renneke
Anderson	Davis	Jude	Moe, R.D.	Samuelson
Beckman	DeCramer	Kroening	Morse	Schmitz
Belanger	Dicklich	Laidig	Novak	Solon
Benson	Diessner	Langseth	Olson	Spear
Berg	Frank	Lantry	Pehler	Storm
Berglin	Frederick	Larson	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Taylor
Bertram	Frederickson, D.R.	Luther	Piper	Vickerman
Brandl	Freeman	Marty	Pogemiller	Waldorf
Brataas	Gustafson	McQuaid	Purfeerst	Wegscheid
Chmielewski	Hughes	Merriam	Ramstad	Willet
Cohen	Johnson, D.E.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 605: A bill for an act relating to crimes; defining the crime of using police radios while committing a criminal act; prescribing penalties; amending Minnesota Statutes 1986, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 38 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Morse	Solon
Beckman	Davis	Jude	Novak	Spear
Berglin	Dicklich	Langseth	Pehler	Stumpf
Bernhagen	Diessner	Lessard	Peterson, D.C.	Vickerman
Bertram	Frank	Luther	Purfeerst	Wegscheid
Brandl	Frederickson, D.J.	McQuaid	Ramstad	Willet
Chmielewski	Hughes	Merriam	Reichgott	
Cohen	Johnson, D.E.	Moe, R.D.	Samuelson	

Those who voted in the negative were:

Anderson	Berg	Knaak	Metzen	Waldorf
Belanger	Brataas	Laidig	Schmitz	
Benson	Freeman	Lantry	Storm	

So the bill passed and its title was agreed to.

S.F. No. 833: A bill for an act relating to insurance; regulating trade practices; authorizing the payment of differing amounts of reimbursement to insured under individual policies; amending Minnesota Statutes 1986, section 72A.20, subdivision 15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Metzen	Reichgott
Anderson	Davis	Jude	Moe, D.M.	Renneke
Beckman	DeCramer	Knaak	Moe, R.D.	Samuelson
Belanger	Dicklich	Kroening	Morse	Schmitz
Benson	Diessner	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Taylor
Brandl	Freeman	Luther	Piper	Vickerman
Brataas	Gustafson	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	Merriam	Ramstad	Willet

So the bill passed and its title was agreed to.

S.F No. 79: A bill for an act relating to occupations and professions; generally revising and updating the laws relating to licensure of podiatrists; providing for definitions, licensing, practice without a license, disciplinary action, and investigations; providing penalties; amending Minnesota Statutes 1986, sections 153.01, subdivisions 2 and 3; 153.02; 153.03; 214.01; and 319A.02; proposing coding for new law in Minnesota Statutes, chapter 153; repealing Minnesota Statutes 1986, sections 153.01, subdivision 4; 153.04 to 153.09; 153.13; 153.14; and 153.15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Renneke
Anderson	DeCramer	Knaak	Moe, R.D.	Samuelson
Beckman	Dicklich	Kroening	Morse	Schmitz
Benson	Diessner	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Taylor
Brandl	Freeman	Luther	Piper	Vickerman
Brataas	Gustafson	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	Merriam	Ramstad	Willet
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F No. 578: A bill for an act relating to business corporations; regulating the organization and operation of business corporations; providing for indemnification; providing voting rights; providing for the value, issuance, pledging, and acquisition of shares; and providing for payment on the return of shares; amending Minnesota Statutes 1986, sections 300.08, subdivision 1; 300.083, subdivisions 1, 4, 8, and by adding a subdivision; 302A.011, subdivision 40; 302A.111, subdivisions 2 and 3; 302A.133; 302A.135, subdivision 4, and by adding a subdivision; 302A.137; 302A.139; 302A.141, by adding a subdivision; 302A.161, subdivision 22; 302A.201, subdivision 2; 302A.255, subdivision 1; 302A.401, subdivision 3; 302A.405, subdivisions 1 and 2; 302A.409, subdivision 3; 302A.413, subdivision 5; 302A.433, subdivision 3; 302A.435, subdivision 2; 302A.437, subdivision 2; 302A.447, subdivision 7; 302A.455; 302A.457, subdivisions 1 and 2; 302A.473, subdivisions 1, 5, 6, and 7; 302A.501, subdivision 1; 302A.521, subdivisions 1, 4, and 8, and by adding a subdivision; 302A.553, subdivision 1; 302A.727;

302A.729; 302A.733, subdivisions 1 and 2; and 302A.781; proposing coding for new law in Minnesota Statutes, chapter 302A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Metzen	Reichgott
Anderson	Davis	Jude	Moe, D.M.	Renneke
Beckman	DeCramer	Knaak	Moe, R.D.	Samuelson
Belanger	Dicklich	Kroening	Morse	Schmitz
Benson	Diessner	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Taylor
Brandl	Freeman	Luther	Piper	Vickerman
Brataas	Gustafson	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	Merriam	Ramstad	Willet

So the bill passed and its title was agreed to.

S.F. No. 607: A bill for an act relating to traffic regulations; peace officers; authorizing peace officers to inspect for regulated tires; amending Minnesota Statutes 1986, section 169.725.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

The roll was called, and there were yeas 29 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lessard	Novak	Schmitz
Beckman	Diessner	Luther	Pehler	Solon
Bertram	Frank	McQuaid	Piper	Spear
Chmielewski	Frederickson, D.J.	Moe, D.M.	Pogemiller	Vickerman
Cohen	Hughes	Moe, R.D.	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Morse	Samuelson	

Those who voted in the negative were:

Davis	Kroening	Langseth	Stumpf	Willet
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So the bill failed to pass.

H.F. No. 1009: A bill for an act relating to transportation; providing for standards for special transportation service; requiring changes in the administration of special transportation service in the metropolitan area; amending Minnesota Statutes 1986, sections 174.30, subdivisions 1, 2, 4, 6, 7, and by adding subdivisions; 473.386, subdivisions 1, 2, 3, 4, and 6; repealing Minnesota Statutes 1986, section 473.386, subdivision 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Metzen	Reichgott
Anderson	Davis	Jude	Moe, D.M.	Renneke
Beckman	DeCramer	Knaak	Moe, R.D.	Samuelson
Belanger	Dicklich	Kroening	Morse	Schmitz
Benson	Diessner	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	Willet
Cohen	Johnson, D.E.	Merriam	Ramstad	

Mr. Stumpf voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1515: A bill for an act relating to higher education; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, the Mayo medical foundation, and the Minnesota job skills partnership board, with certain conditions; amending Minnesota Statutes 1986, sections 135A.03, subdivision 1; 136A.101, by adding a subdivision; 136A.111, by adding a subdivision; 136A.121, subdivisions 4 and 5; 136A.132, subdivisions 3, 6, and 7; 136A.233, subdivisions 1 and 2; 136A.85; 136A.86, subdivisions 1 and 2; 136A.87; 137.31, subdivision 3; and 645.445, subdivision 5; Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, section 136.09, subdivision 3.

Senate File No. 1515 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1987

Mr. Waldorf moved that the Senate do not concur in the amendments by the House to S.F. No. 1515, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 916: A bill for an act relating to workers' compensation; providing a permanent partial disability rating for certain losses; proposing coding for new law in Minnesota Statutes, chapter 176.

Senate File No. 916 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 1, 1987

CONCURRENCE AND REPASSAGE

Mr. Belanger moved that the Senate concur in the amendments by the House to S.F. No. 916 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 916 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Moe, D.M.	Renneke
Anderson	Davis	Knaak	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	Willet
Chmielewski	Johnson, D.E.	Merriam	Ramstad	
Cohen	Johnson, D.J.	Metzen	Reichgott	

So the bill, as amended, was repassed and its title was agreed to.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 703: A bill for an act relating to occupations and professions; providing for the licensure of private detectives and protective agents; providing definitions; providing board powers and duties; specifying application and administrative procedure; authorizing rulemaking; requiring payment of fees; providing penalties; amending Minnesota Statutes 1986, sections 326.32, subdivisions 1, 5, 11, and by adding subdivisions; 326.33, subdivisions 1 and 2; 326.336; 326.338, subdivision 1, and by adding a subdivision; and 326.339; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1986, sections 326.32, subdivisions 6 and 7; 326.33, subdivisions 3, 4, and 5; 326.331; 326.332;

326.333; 326.334; 326.337; and 326.338, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 1, after the comma, insert "*and the following members appointed by the commissioner of public safety:*"

Page 4, line 21, before "An" insert "*The board shall appoint*"

Page 4, line 22, delete everything before "*serve*" and insert "*to*"

Page 5, line 12, before the semicolon, insert "*or an investigator employed exclusively by an attorney or a law firm engaged in investigating legal matters*"

Page 5, line 20, delete "*or*"

Page 5, line 24, before the period, insert "*;* or

(7) persons engaged in responding to alarm signals including, but not limited to, fire alarms, industrial process failure alarms and burglary alarms, for purposes of maintaining, repairing or resetting the alarm, or for opening the premises for law enforcement personnel or responding agents"

Page 6, lines 16, 18, and 19, delete "*shall*" and insert "*must*"

Page 7, line 16, delete "*, with or*"

Page 7, lines 17 and 18, delete the new language

Page 12, line 14, before "*No*" insert "*(a)*"

Page 12, line 15, delete the second "*a*" and insert "*the applicant has complied with the requirements in this subdivision.*"

Page 12, delete lines 16 to 19 and insert:

"(b) The applicant shall execute a surety bond to the state of Minnesota in the penal sum of \$10,000 and file it with the board. The surety bond must be executed by a company authorized to do business in the state of Minnesota, must name the applicant as principal, and must state that the applicant and each of the applicant's employees shall faithfully observe all of the laws of Minnesota and of the United States and shall pay all damages suffered by any person by reason of a violation of law by the applicant or by the commission of any willful and malicious wrong by the applicant in the course of business.

(c) The applicant shall furnish proof, acceptable to the board, of the applicant's ability to respond in damages for liability on account of accidents or wrongdoings arising out of the ownership and operation of a private detective or protective agent business. Compliance with paragraph (d), (e), or (f) is satisfactory proof of financial responsibility for purposes of this paragraph.

(d) The applicant may file with the board a certificate of insurance demonstrating coverage for general liability, completed operations, and personal injury. Personal injury insurance must include coverage for:

(1) false arrest, detention, imprisonment, and malicious prosecution;

(2) libel, slander, defamation, and violation of rights of privacy; and

(3) wrongful entry, eviction, and other invasion of rights of private

occupancy.

The certificate must provide that the insurance may not be modified or canceled unless 30 days prior notice is given to the board.

(e) The applicant may file with the board an annual net worth statement, signed by a licensed certified public accountant, evidencing that the applicant has a net worth of at least the following:

- (1) for an applicant with no employees, \$10,000;*
- (2) for an applicant with one to ten employees, \$15,000;*
- (3) for an applicant with 11 to 25 employees, \$25,000;*
- (4) for an applicant with 26 to 50 employees, \$50,000; or*
- (5) for an applicant with 51 or more employees, \$100,000.*

Data indicating with which of the above requirements an applicant must comply is public data. The contents of the net worth statement are private data on individuals or nonpublic data, as defined in section 13.02.

(f) The applicant may file with the board an irrevocable letter of credit from a financial institution acceptable to the board in the amount listed in the appropriate category in paragraph (e)."

Page 13, line 5, delete "INSURANCE" and insert "BOND AND PROOF OF FINANCIAL RESPONSIBILITY"

Page 13, line 6, delete everything after "a"

Page 13, line 7, delete everything before "in" and insert "\$10,000 surety bond, and show proof of financial responsibility as required"

Page 13, line 10, after "shall" insert ", in a manner that implies that the person is an employee or agent of a governmental agency,"

Page 13, line 13, after "patrol," insert "'sheriff;'"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1479: A bill for an act relating to economic development; establishing the Minnesota council on productivity and quality; assigning its powers and duties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1437: A bill for an act relating to economic development; providing for review of state-funded scientific and technologically related research; creating a division of science and technology within the department of energy and economic development; creating a committee on science and technology research and development and providing for its powers and

duties; amending Minnesota Statutes 1986, section 116J.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1986, section 116J.94.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Page 2, lines 5 and 6, delete "RESEARCH DIVISION" and insert "OFFICE"

Page 2, line 7, delete everything after "The" and insert "commissioner shall establish an"

Page 2, line 8, delete "division" and insert "office of science and technology, which"

Page 2, lines 10 and 24, delete "3" and insert "2"

Page 3, delete lines 15 to 32 and insert:

"Subdivision 1. [MEMBERSHIP] The permanent committee on science and technology research and development consists of:

- (1) a chair appointed by the governor to a four-year term;*
- (2) eight members appointed by the governor to six-year terms;*
- (3) one member appointed by the speaker of the house of representatives at the beginning of each biennium to a two-year term;*
- (4) one member appointed by the minority leader of the house of representatives at the beginning of each biennium to a two-year term;*
- (5) one member appointed by the majority leader of the senate at the beginning of each biennium to a two-year term; and*
- (6) one member appointed by the minority leader of the senate at the beginning of each biennium to a two-year term.*

At least one member must be appointed from each of the regions established in subdivision 2."

Page 4, line 5, before "The" insert "Members of"

Page 4, line 6, delete "shall be comprised of persons" and insert "must be"

Page 4, line 11, delete "duties of the" and delete "are to" and insert "shall"

Page 4, lines 13, 16, and 25, delete "2" and insert "1"

Page 4, line 34, delete "shall"

Page 4, line 35, delete "shall be paid" and insert "payment of" and delete "under" and insert "is governed by"

Page 5, line 27, delete "2" and insert "1"

Page 6, line 10, delete "2" and insert "1"

Page 6, line 29, delete "3" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "a division" and insert "an office"

Page 1, line 8, delete everything after the semicolon

Page 1, line 9, delete everything before "proposing"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

H.F. No. 257: A bill for an act relating to state government; requiring the board of investments to adopt an investment policy; authorizing certain investments by the board of investments; providing that certain state employees who are eligible to retire are eligible for state-paid insurance benefits; modifying definition of terms and conditions of employment for public employees; amending Minnesota Statutes 1986, sections 11A.04; 11A.24, subdivisions 2, 4, 5, and 6; 11A.25; 43A.24, subdivision 2; and 179A.03, subdivision 19.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 7, delete sections 1 to 6

Page 10, line 9, after "include" insert "eligibility of a retired employee for inclusion, at the employee's expense, in a group health insurance plan, payment of accumulated vacation leave, severance pay, or"

Page 10, line 10, delete "up to age 65" and insert "under section 43A.24 or 465.72"

Page 10, after line 10, insert:

"Sec. 9. Minnesota Statutes 1986, section 465.72, is amended to read:
465.72 [SEVERANCE PAY.]

~~Subdivision 1. [PAYMENT; LIMITS.]~~ Except as may otherwise be provided in Laws 1959, chapter 690, as amended, any county, city, township, school district or other governmental subdivision may pay severance pay to its employees and promulgate rules for the payment of severance pay to an employee who leaves employment on or before or subsequent to the normal retirement date. Severance pay ~~shall also~~ *does not* include the payment of accumulated vacation leave, ~~and does not include compensation for accumulated sick leave or a combination thereof in the form of periodic contributions by an employer toward premiums for group insurance policies for a former employee between the ages of 54 and 66. The Payment of accumulated vacation leave and severance pay shall~~ *must* be excluded from retirement deductions and from any calculations in retirement benefits. ~~It shall~~ *Severance pay must* be paid in a manner mutually agreeable to the employee and employer ~~and, except as provided in subdivision 2,~~ over a period not to exceed five years from retirement or termination of employment. If a retired or terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due shall be paid to a named beneficiary or, lacking same, to the deceased's estate. ~~Except as provided in subdivision 2, in no event shall~~ *Severance pay provided for an employee leaving employment may not* exceed an amount equivalent to one year of pay.

Subd. 2. [EXCEPTIONS.] The provisions of subdivision 1 requiring that severance pay be paid over a period not to exceed five years from retirement or termination of employment and limiting severance pay to an amount equal to one year of pay do not apply to severance pay constituting Compensation for accumulated sick leave in the form of periodic contributions toward premiums for group insurance policies provided for a former employee by a governmental subdivision *must be paid over a period not to exceed ten years from retirement or termination of employment and may not continue past age 65.*

This subdivision applies only to periodic contributions that have commenced before the effective date of Laws 1986, chapter 455 or that are required under contracts, or, with respect to employees not covered by contracts, personnel policies, formally adopted by the governing body of the governmental subdivision, in existence on the effective date of Laws 1986, chapter 455. After the effective date of Laws 1986, chapter 455, a governmental subdivision may not enter into a contract or adopt a personnel policy providing for a payment in violation of subdivision 1. A personnel policy or portion of a personnel policy in existence on the effective date of Laws 1986, chapter 455 and providing for a payment in violation of subdivision 1 is null and void (i) upon the expiration of a collective bargaining agreement containing a similar provision and covering employees of the governmental subdivision that has adopted the policy, or (ii) two years from the effective date of Laws 1986, chapter 455, whichever is earlier. Any payments by governmental subdivisions in accordance with this subdivision before the effective date of Laws 1986, chapter 455 are validated."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after "to" and insert "public employment;"

Page 1, delete lines 3 and 4

Page 1, line 8, after the semicolon, insert "modifying severance pay;"

Page 1, line 9, delete "11A.04;"

Page 1, line 10, delete everything before "43A.24,"

Page 1, line 11, delete "and" and before the period, insert "; and 465.72"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1085: A bill for an act relating to occupations and professions; establishing an office of social work and mental health boards; establishing a board of social work; regulating and licensing social workers; establishing a board of marriage and family therapy; licensing and regulating marriage and family therapists; establishing a board of unlicensed mental health service providers; regulating unlicensed mental health service providers; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 144.335, subdivision 1; 148A.01, subdivision 5; 214.01, subdivision 2; 214.04, subdivision 3; and 609.341, subdivision 17; proposing coding for new law as Minnesota Statutes, chapter 148B.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 14, delete article 1

Page 15, line 3, delete "148B.21" and insert "148B.01"

Page 16, line 16, delete "means" and insert "includes" and delete "social work" and insert "psychosocial"

Page 16, line 21, delete everything after the period

Page 16, delete lines 22 to 25

Page 16, line 26, after "practice" insert "also" and delete "but is not limited to"

Page 16, delete line 29

Page 16, line 30, delete everything before "and"

Page 17, line 25, delete "148B.22" and insert "148B.02"

Page 18, line 18, delete "148B.23" and insert "148B.03"

Page 20, line 1, delete "148B.24" and insert "148B.04"

Page 21, line 33, delete "148B.25" and insert "148B.05"

Page 22, line 5, delete "148B.26" and insert "148B.06"

Page 22, line 11, delete "148B.27" and insert "148B.07"

Page 23, line 32, delete "148B.28" and insert "148B.08"

Page 24, line 2, delete "148B.29" and insert "148B.09"

Page 24, line 4, delete "148B.30" and insert "148B.10"

Page 24, line 26, delete "148B.31" and insert "148B.11"

Page 24, line 29, after "practice" insert "for remuneration"

Page 24, line 32, before the period, insert "or is listed under article 2, section 3"

Page 25, line 7, delete "148B.32" and insert "148B.12"

Page 25, line 24, delete "to engage" and insert "from engaging"

Page 25, after line 27, insert:

"Subd. 3. [FEDERALLY RECOGNIZED TRIBES AND PRIVATE NON-PROFIT AGENCIES WITH A MINORITY FOCUS.] The licensing of social workers who are employed by federally recognized tribes or by private nonprofit agencies, whose primary service focus addresses ethnic minority populations, and who are themselves members of ethnic minority populations, is voluntary."

Pages 25 to 31, delete article 3

Page 31, line 15, delete "UNLICENSED"

Page 31, line 16, delete "148B.61" and insert "148B.21"

Page 31, line 28, delete "2" and insert "1"

Page 31, lines 28 and 29, delete "the board of marriage and family therapy under article 3, sections 1 to 11;"

Page 32, line 4, delete "148B.62" and insert "148B.22" and delete "UNLICENSED"

Page 32, line 6, delete "*unlicensed*"

Page 32, line 34, delete "148B.63" and insert "148B.23"

Page 33, line 35, delete "148B.64" and insert "148B.24"

Page 34, line 7, delete "148B.65" and insert "148B.25"

Page 37, line 26, delete "148B.66" and insert "148B.26"

Page 38, line 19, delete "148B.67" and insert "148B.27"

Page 40, line 16, delete "148B.68" and insert "148B.28"

Page 40, line 22, delete everything after "1."

Page 40, delete lines 23 to 28

Page 40, line 29, delete "*Subd. 2.*" and delete "UNLICENSED"

Page 40, line 30, delete "*unlicensed*"

Page 40, line 31, delete "*activities*" and insert "*recommendations regarding licensure of mental health service providers*"

Page 40, line 36, delete "3" and insert "2"

Page 41, line 10, delete "4" and insert "2"

Renumber the articles in sequence

Delete the title and insert:

"A bill for an act relating to occupations and professions; establishing a board of social work; regulating and licensing social workers; establishing a board of mental health service providers; regulating mental health service providers; providing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 148B."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 555: A bill for an act relating to crimes; prohibiting giving peace officers false names; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after "*Whoever*" insert "*with intent to obstruct justice*"

Page 1, line 10, after "*nickname,*" insert "*or gives a*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 841: A bill for an act relating to utilities; providing for prevention of unlawful meter bypass, tampering, and use; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete "*otherwise interfering with or*"

Page 2, line 3, delete "*moving.*"

Page 2, delete lines 10 to 31 and insert:

"*Subd. 2. [CIVIL ACTIONS; REMEDIES.] A utility may bring a civil action for damages against a person who: (1) deliberately commits, authorizes, attempts, solicits, aids, or abets bypassing, tampering, unauthorized connection, or unauthorized metering that results in damages to the utility; or (2) knowingly receives service provided as a result of bypassing, tampering, unauthorized connection, or unauthorized metering. The utility may recover the costs of the service provided; the costs and expenses for investigation, disconnection, reconnection, service calls, equipment, and employees; and the trial costs, witness fees, and reasonable attorney fees.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 300: A bill for an act relating to education; establishing chemical abuse pre-assessment teams and community advisory teams; requiring teachers to report possession, use, and transfer of chemical substances by students; amending Minnesota Statutes 1986, sections 127.41, subdivision 3; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 3, 11, and 17, delete "*use*" and insert "*abuse*"

Page 3, line 10, delete "*A public school teacher and*"

Page 3, line 11, after "*program*" insert "*, or a public school teacher,*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 613: A bill for an act relating to crimes; prescribing higher penalties for major theft; providing that orders of restitution may be entered in favor of corporate victims; allowing the court to amend or issue orders of restitution when the defendant is on probation or supervised release; extending the statute of limitations for most crimes to five years; amending Minnesota Statutes 1986, sections 90.301, subdivision 6; 256.98; 256B.35, subdivision 5; 393.07, subdivision 10; 609.52, subdivision 3; 611A.01; 611A.04, subdivision 1; and 628.26.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [65B.80] [DEFINITIONS.]

Subdivision 1. [TERMS.] The following terms have the meanings given for purposes of sections 1 to 4.

Subd. 2. [AUTHORIZED PERSON.] "Authorized person" means the prosecuting attorney responsible for prosecutions in the county where the motor vehicle theft occurred, the superintendent of the bureau of criminal apprehension, and the sheriff or chief of police responsible for investigation in the county where the motor vehicle theft occurred.

Subd. 3. [RELEVANT INFORMATION.] "Relevant information" or evidence means information having a tendency to make the existence of any fact that is of consequence to the investigation or determination of the issue more or less probable than it would be without the evidence.

Sec. 2. [65B.81] [DISCLOSURE OF INFORMATION.]

Subdivision 1. [REQUEST.] After receiving a written request, an insurance company must release to an authorized person any relevant information in the company's possession that relates to the motor vehicle theft. Relevant information is limited to:

(1) pertinent insurance policy information, including the application for a policy, that is relevant to a motor vehicle theft under investigation by the authorized person;

(2) policy premium payment records that are available;

(3) a history of previous claims made by the insured including, where the insured is a corporation or partnership, a history of previous claims by a subsidiary or any affiliates, and a history of claims of any other business association in which individual officers or partners or their spouses were known to be involved; and

(4) material relating to the investigation of the theft, including statements of any person, proof of loss, and any other evidence relevant to the investigation.

Subd. 2. [NOTIFICATION BY INSURER REQUIRED.] If an insurance company has reason to believe that a motor vehicle theft in which it has an interest may be fraudulently claimed, the company shall, in writing, notify an authorized person and provide the person with all relevant information specified in subdivision 1 relating to the motor vehicle theft. It is sufficient for the purpose of this subdivision if an insurance company notifies and provides relevant information to one authorized person.

Subd. 3. [RELEASE OF INFORMATION.] An authorized person provided with information under subdivision 1 or 2 may, to further official purposes, release or provide the information to any other authorized person.

Subd. 4. [INFORMATION FROM AUTHORIZED PERSON.] An insurance company that provides information to an authorized person may request relevant information in writing from the authorized person and the authorized person must provide the requested information within 30 days. The relevant information provided under this subdivision may not include nonconviction criminal history record information or any other information that is detrimental to an ongoing criminal investigation or would reveal the identity of a confidential source of information. An authorized person who does not furnish the requested information shall notify the insurance company of the reasons why the information cannot be furnished within 30 days of the request.

Subd. 5. [IMMUNITY FROM LIABILITY.] An insurance company or its agent acting in its behalf, or an authorized person who releases information, whether oral or written, acting in good faith, under subdivisions 1 to 3, is immune from any liability, civil or criminal, that might otherwise be incurred or imposed.

Sec. 3. [65B.82] [EVIDENCE.]

Data received under sections 1 to 4 by an authorized person or insurance company is confidential data under section 13.02, subdivision 3, until its release is required in connection with a criminal or civil proceeding.

Sec. 4. [65B.83] [ENFORCEMENT.]

Subdivision 1. [INTENTIONAL REFUSAL TO RELEASE.] An insurance company or officer may not intentionally refuse to release any information requested under section 2, subdivision 1.

Subd. 2. [INTENTIONAL REFUSAL TO NOTIFY.] An insurance company, or its employee or officer, may not intentionally refuse to provide notice or relevant information to authorized persons under section 2, subdivision 2.

Subd. 3. [PENALTY.] Whoever violates the provisions of subdivision 1 or 2 is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1986, section 90.301, subdivision 6, is amended to read:

Subd. 6. [TICKET FOR THEFT VIOLATIONS.] The commissioner may design and issue a ticket in the form, and having the effect, of a summons and complaint, for use in cases of theft of state timber or other state property, where the value of the property is within the limits established by section 609.52, subdivision 3, clause ~~(5)~~ (6). The ticket shall provide for the name and address of the person charged with the violation, the offense charged, the time and place the person is to appear before a court, and any other necessary information.

Sec. 6. Minnesota Statutes 1986, section 256.98, is amended to read:

256.98 [WRONGFULLY OBTAINING ASSISTANCE; THEFT.]

A person who obtains, or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent device, assistance to which the person is not entitled or assistance greater than that to which the person is entitled, or who knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the local agency with intent to defeat the purposes of sections 256.12, 256.72 to 256.872, chapter 256B, is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses ~~(1)~~, (2), (3), and ~~(5)~~ (6). The amount of the assistance incorrectly paid shall be the difference between the amount of assistance actually received and the amount to which the recipient would have been entitled under state and federal law had the welfare agency been informed of all material facts. The amount of any assistance determined to have been incorrectly paid shall be recoverable from the recipient or the recipient's estate by the county or the state as a debt due the county or the state or both in proportion to the contribution of each. Any amounts recovered shall be paid to the appropriate units of government in the same manner as

provided in section 256.863. To prosecute or to recover assistance wrongfully obtained under this section, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general, may institute a criminal or civil action.

Sec. 7. Minnesota Statutes 1986, section 256B.35, subdivision 5, is amended to read:

Subd. 5. The nursing home may transfer the personal allowance to someone other than the recipient only when the recipient or the recipient's guardian or conservator designates that person in writing to receive or expend funds on behalf of the recipient and that person certifies in writing that the allowance is spent for the well being of the recipient. Persons, other than the recipient, in possession of the personal allowance, may use the allowance only for the well being of the recipient. Any person, other than the recipient, who, with intent to defraud, uses the personal needs allowance for purposes other than the well being of the recipient shall be guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses ~~(1)~~, (2), (3), and ~~(5)~~ (6). To prosecute under this subdivision, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general, may institute a criminal action. A nursing home that transfers personal needs allowance funds to a person other than the recipient in good faith and in compliance with this section shall not be held liable under this subdivision.

Sec. 8. Minnesota Statutes 1986, section 393.07, subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] (a) The county welfare board shall establish and administer the food stamp program pursuant to rules of the commissioner of human services and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate. The commissioner shall report on the monitoring activities on a county-by-county basis in a report presented to the legislature by July 1 each year. This monitoring activity shall be separate from the management evaluation survey sample required under federal regulations.

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) The county welfare board shall participate in a food stamp quality

control system subject to the supervision of the commissioner of human services and pursuant to federal regulations.

Any person who commits any of the following acts is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses ~~(4)~~, (2), (3), and ~~(5)~~ (6):

(1) Obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or intentional concealment of a material fact, food stamps to which the person is not entitled or in an amount greater than that to which entitled; or

(2) Presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) Willfully uses or transfers food stamp coupons or authorization to purchase cards in any manner contrary to existing state or federal law.

The amount of food stamps incorrectly issued shall be the difference between the amount of food stamps actually received and the amount to which the recipient would have been entitled under state and federal law had the welfare agency been informed of all material facts. The amount of any food stamps determined to have been incorrectly issued, used, transferred or presented shall, unless otherwise determined by the county welfare board in order to prevent undue hardship, be recoverable from the recipient, or user, or the recipient's or user's estate by the county as a debt due the county.

Sec. 9. Minnesota Statutes 1986, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) *To imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or*

(2) *To imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was a controlled substance listed in schedule 1 or 2 pursuant to section 152.02 with the exception of marijuana; or*

~~(2)~~ (3) *To imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the property or services stolen is more than \$250 but not more than \$2,500, or if the property stolen was a controlled substance listed in schedule 3, 4, or 5 pursuant to section 152.02; or*

~~(3)~~ (4) *To imprisonment for not more than ~~(3)~~ years or to payment of a fine of not more than \$10,000, or both, notwithstanding the value of the property or services stolen is not more than \$250, if any of the following circumstances exist:*

(a) *The property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or*

(b) *The property is a record of a court or officer, or a writing, instrument*

or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(c) The property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(d) The property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(e) The property is a firearm; or

(f) *the property stolen was a motor vehicle as defined in section 609.55;*
or

~~(4)~~ (5) To imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the property stolen is an article representing a trade secret; or if the property stolen is an explosive or an incendiary device; or

~~(5)~~ (6) In all other cases where the value of the property or services stolen is \$250 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under clauses (1), (2), (3), (4), and (13) of subdivision 2 the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 10. Minnesota Statutes 1986, section 611A.01, is amended to read:

611A.01 [DEFINITIONS.]

For the purposes of sections 611A.01 to 611A.04 and 611A.06:

(a) "Crime" means conduct that is included within the definition of "crime" in section 609.02, subdivision 1, or would be included within that definition but for the fact that (i) the person engaging in the conduct lacked capacity to commit the crime under the laws of this state, or (ii) the act was alleged or found to have been committed by a juvenile;

(b) "Victim" means a natural person who incurs loss or harm as a result of a crime, *and for purposes of sections 611A.04 and 611A.045, also includes a corporation that incurs loss or harm as a result of a crime.* If the victim is a natural person and is deceased, "victim" means the deceased's surviving spouse or next of kin; and

(c) "Juvenile" has the same meaning as given to the term "child" in section 260.015, subdivision 2.

Sec. 11. Minnesota Statutes 1986, section 611A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUEST; DECISION.] (a) A victim of a crime has the right to request that restitution be considered as part of the disposition of a criminal charge or juvenile delinquency proceeding against the offender. The request for restitution shall be made by the victim in writing in affidavit form, describing the items or elements of loss and itemizing the total dollar amounts of restitution claimed; and the reasons justifying

these amounts, if the request is for monetary or property restitution. In order to be considered by the court, the request must be received by the court administrator of the appropriate court at least three business days before the sentencing or dispositional hearing. The court administrator shall provide copies of this request to the prosecutor and the offender at least 24 hours before the sentencing or dispositional hearing.

(b) The court may amend or issue an order of restitution after the sentencing or dispositional hearing if:

(1) the offender is on probation or supervised release;

(2) a request for restitution is filed by the victim or prosecutor in affidavit form as required under paragraph (a); and

(3) the true extent of the victim's loss was not known at the time of the sentencing or dispositional hearing.

If the court holds a hearing on the restitution request, the court must notify the offender, the offender's attorney, the victim, and the prosecutor at least five business days before the hearing. The court's restitution decision is governed by this section and section 611A.045.

(c) The court shall grant or deny restitution, and shall state on the record its reasons for its decision on restitution if a request for restitution has been made.

Sec. 12. Minnesota Statutes 1986, section 628.26, is amended to read:

628.26 [LIMITATIONS.]

(a) Indictments or complaints for murder may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for violation of section 609.42, subdivision 1, clause (1) or (2) shall be found or made and filed in the proper court within six years after the commission of the offense.

(c) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense.

(d) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (3)(d) shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16), where the value of the property or services stolen is more than \$35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(f) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense; but the time during which the defendant shall not be an inhabitant of, or usually resident within, this state, shall not constitute any part of the limitations imposed by this section.

Sec. 13. [EFFECTIVE DATE.]

Sections 6 to 11 are effective August 1, 1987, and apply to crimes committed on or after that date. Sections 1 to 5, and 12, are effective August 1, 1987."

Delete the title and insert:

"A bill for an act relating to crimes; requiring insurance companies to notify and release insurance policy information to certain law enforcement and prosecutorial authorities regarding motor vehicle thefts under investigation; prescribing higher penalties for major theft, motor vehicle theft, and repeat violations of the crime of unauthorized use of a motor vehicle; providing that orders of restitution may be entered in favor of corporate victims; allowing the court to amend or issue orders of restitution when the defendant is on probation or supervised release; extending the statute of limitations for certain major thefts to five years; amending Minnesota Statutes 1986, sections 90.301, subdivision 6; 256.98; 256B.35, subdivision 5; 393.07, subdivision 10; 609.52, subdivision 3; 611A.01; 611A.04, subdivision 1; and 628.26; proposing coding for new law in Minnesota Statutes, chapter 65B."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 703, 300 and 613 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 257, 555 and 841 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

S.F. No. 170: A bill for an act relating to economic development; recodifying provisions governing housing and redevelopment authorities, port authorities, economic development authorities, area redevelopment, municipal development districts, mined underground space development, rural development finance authorities, public development debt, enterprise zones, tax increment financing, and other local economic development tools; extending duration of bond allocation act; removing certain service persons' preference provisions from the housing and redevelopment authority law; modifying requirements for developers' tax abatements under the housing and redevelopment authority law; removing a sunset on certain St. Paul port authority provisions; allocating bonding authority subject to a volume cap under federal tax law; allocating bonding authority to the city of Minneapolis, located in Hennepin county, and to the city of Saint Paul, located in Ramsey county; amending Minnesota Statutes 1986, sections 16B.61, subdivision 3; 41A.05, subdivision 2; 41A.06, subdivision 5; 115A.69, subdivision 9; 116J.27, subdivision 4; 116M.03, subdivisions 11, 19, and 28; 116M.06, subdivision 3; 116M.07, subdivision 11; 124.214, subdivision 3; 216B.49, subdivision 7; 268.38, subdivision 3; 272.02, subdivision 5; 272.026; 272.68, subdivision 4; 273.13, subdivisions 9 and 24; 273.1393; 282.01, subdivision 1; 290.61; 298.2211, subdivisions 1 and 3; 353.01, subdivision 6; 355.11, subdivision 5; 355.16; 412.251; 462C.02, subdivisions 6 and 9; 462C.05, subdivision 7; 462C.06; 465.54; 465.74, subdivision 7; 465.77; 471A.03, subdivision 9; 473.195, subdivision 1;

473.201, subdivision 1; 473.504, subdivision 11; 473.556, subdivision 6; 473.638, subdivision 2; 473.811, subdivision 8; 473.852, subdivision 6; 473F02, subdivision 3; 473F05; 473F08, subdivisions 2, 4, and 6; 475.525, subdivision 3; 477A.011, subdivision 7; 504.24, subdivision 2; and 609.321, subdivision 12; repealing Minnesota Statutes 1986, sections 273.1312; 273.1313; 273.1314; 273.71; 273.72; 273.73; 273.74; 273.75; 273.76; 273.77; 273.78; 273.86; 362A.01; 362A.02; 362A.03; 362A.04; 362A.041; 362A.05; 362A.06; 373.31; 426.055; 458.09; 458.091; 458.10; 458.11; 458.12; 458.14; 458.15; 458.16; 458.17; 458.18; 458.19; 458.191; 458.192; 458.193; 458.194; 458.1941; 458.195; 458.196; 458.197; 458.198; 458.199; 458.1991; 458.70; 458.701; 458.702; 458.703; 458.711; 458.712; 458.713; 458.72; 458.74; 458.741; 458.75; 458.76; 458.77; 458.771; 458.772; 458.773; 458.774; 458.775; 458.776; 458.777; 458.778; 458.79; 458.80; 458.801; 458.81; 458C.01; 458C.03; 458C.04; 458C.05; 458C.06; 458C.07; 458C.08; 458C.09; 458C.10; 458C.11; 458C.12; 458C.13; 458C.14; 458C.15; 458C.16; 458C.17; 458C.18; 458C.19; 458C.20; 458C.22; 458C.23; 459.01; 459.02; 459.03; 459.04; 459.05; 459.31; 459.32; 459.33; 459.34; 462.411; 462.415; 462.421; 462.425; 462.426; 462.427; 462.428; 462.429; 462.4291; 462.432; 462.435; 462.441; 462.445; 462.451; 462.455; 462.461; 462.465; 462.466; 462.471; 462.475; 462.481; 462.485; 462.491; 462.495; 462.501; 462.505; 462.511; 462.515; 462.521; 462.525; 462.531; 462.535; 462.541; 462.545; 462.551; 462.555; 462.556; 462.561; 462.565; 462.571; 462.575; 462.581; 462.585; 462.591; 462.595; 462.601; 462.605; 462.611; 462.615; 462.621; 462.625; 462.631; 462.635; 462.641; 462.645; 462.651; 462.655; 462.661; 462.665; 462.671; 462.675; 462.681; 462.685; 462.691; 462.695; 462.701; 462.705; 462.712; 462.713; 462.714; 462.715; 462.716; 465.026; 465.53; 465.55; 465.56; 472.01; 472.02; 472.03; 472.04; 472.05; 472.06; 472.07; 472.08; 472.09; 472.10; 472.11; 472.12; 472.125; 472.13; 472.14; 472.15; 472.16; 472A.01; 472A.02; 472A.03; 472A.04; 472A.05; 472A.06; 472A.07; 472A.09; 472A.10; 472A.11; 472A.12; 472A.13; 472B.01; 472B.02; 472B.03; 472B.04; 472B.05; 472B.06; 472B.07; 472B.08; 474.01; 474.02; 474.03; 474.04; 474.05; 474.06; 474.07; 474.08; 474.09; 474.10; 474.11; 474.13; 474.15; amending Minnesota Statutes 1986, sections 462C.11, subdivisions 2 and 3; 474A.02, subdivisions 1, 2, 3, 6, 7, 8, 12, 14, 16, 18, 19, 21, 26, and by adding subdivisions; 474A.03, subdivision 1, and by adding a subdivision; 474A.04, subdivisions 5, 6, and by adding a subdivision; 474A.13, subdivisions 1, 4, and 5; 474A.14; 474A.15; 474A.16; 474A.17; 474A.18; 474A.20; and 474A.21; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1986, sections 474A.02, subdivisions 5, 9, 10, 11, 13, 15, 17, 20, 22, 23, 24, 25, 27, 28, and 29; 474A.03, subdivisions 2 and 3; 474A.04, subdivisions 1, 2, 3, and 4; 474A.05; 474A.06; 474A.07; 474A.08; 474A.09; 474A.10; 474A.11; 474A.12; 474A.13, subdivisions 2 and 3; and 474A.19; Laws 1961, chapter 545; Laws 1963, chapters 254; and 827; Laws 1967, chapter 541; Laws 1969, chapter 98; Laws 1973, chapter 114; Laws 1974, chapter 218; Laws 1975, chapter 326; Laws 1976, chapter 234, section 3; Laws 1979, chapter 269, section 1; Laws 1980, chapters 453; and 595, sections 5 and 8; Laws 1981, chapters 222, section 6; and 223, section 6, subdivision 3; Laws 1982, chapter 523, article 24, section 2; Laws 1983, chapters 110; and 257, section 1; Laws 1984, chapters 397; 498; and 548, section 9; and Laws 1985, chapters 173; 177; 188; 189; 192; 199; 205; 206, sections 2 and 3; and 301, sections 3 and 4; proposing coding for new law as Minnesota Statutes, chapter 469.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Morse	Storm
Anderson	DeCramer	Langseth	Pehler	Stumpf
Belanger	Dicklich	Lantry	Peterson, D.C.	Taylor
Berglin	Frank	Lessard	Piper	Vickerman
Bertram	Frederickson, D.J.	Luther	Pogemiller	Waldorf
Brandl	Frederickson, D.R.	Marty	Purfeerst	Wegscheid
Brataas	Freeman	McQuaid	Reichgott	Willet
Chmielewski	Hughes	Metzen	Schmitz	
Cohen	Johnson, D.E.	Moe, D.M.	Solon	
Dahl	Johnson, D.J.	Moe, R.D.	Spear	

Those who voted in the negative were:

Benson	Diessner	Knaak	Merriam	Ramstad
Berg	Frederick	Laidig	Olson	Renneke
Bernhagen	Jude	Larson	Peterson, R.W.	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mrs. McQuaid introduced—

S.F. No. 1517: A bill for an act relating to traffic regulations; providing for allocation of civil fines for motor vehicle maximum weight violations; amending Minnesota Statutes 1986, section 169.871, subdivision 5.

Referred to the Committee on Transportation.

Messrs. Berg, Davis, Bernhagen, Stumpf and Anderson introduced—

S.F. No. 1518: A bill for an act relating to taxation; income; defining income relating to a farm for purposes of allocation of income; amending Minnesota Statutes 1986, section 290.17, subdivision 2.

Referred to the Committee on Agriculture.

Messrs. Dicklich; Kroening; Dahl; Johnson, D.J. and Laidig introduced—

S.F. No. 1519: A bill for an act relating to consumer protection; requiring motor vehicle manufacturers to supply a temporary replacement vehicle or to reimburse vehicle owners for rental car expenses under certain circumstances; providing an expedited civil remedy; amending Minnesota Statutes 1986, section 325F.665, subdivisions 2 and 6.

Referred to the Committee on Commerce.

MEMBERS EXCUSED

Messrs. Benson and Moe, R.D. were excused from the Session of today from 12:00 noon to 12:50 p.m. Mr. Knaak was excused from the Session of today from 12:00 noon to 12:35 p.m. Mr. Purfeerst was excused from the Session of today from 12:00 noon to 1:00 p.m. Mr. Bertram was excused from the Session of today from 3:00 to 5:15 p.m. Mr. Mehrkens was excused from the Session of today at 7:40 p.m. Mr. Knutson was excused from the Session of today at 8:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Monday, May 4, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FORTY-SECOND DAY

St. Paul, Minnesota, Saturday, May 2, 1987

The House of Representatives met on Saturday, May 2, 1987, which was the Forty-Second Legislative Day of the Seventy-Fifth Session of the Minnesota State Legislature. The Senate did not meet on this date.